SASOL LTD
Form 20-F
September 28, 2010

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As filed with the Securities and Exchange Commission on 28 September 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the year ended 30 June 2010**

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

o **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-31615

Sasol Limited

(Exact name of registrant as Specified in its Charter)

Republic of South Africa
(Jurisdiction of Incorporation or Organization)

1 Sturdee Avenue, Rosebank 2196
South Africa
(Address of Principal Executive Offices)

Christine Ramon, Chief Financial Officer, Tel. No. +27 11 441 3435, Email christine.ramon@sasol.com
1 Sturdee Avenue, Rosebank 2196, South Africa

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
American Depositary Shares	New York Stock Exchange
Ordinary Shares of no par value*	New York Stock Exchange

* Listed on the New York Stock Exchange not for trading or quotation purposes, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

595 784 362 ordinary shares of no par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes ý No o**

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. **Yes o No ý**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes ý No o**

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232 405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes o No o**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ý Accelerated filer o Non-accelerated filer o

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP o International Financial Reporting Standards as issued by the International Accounting Standards Board ý Other o

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 o Item 18 o

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes o No ý**

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PRESENTATION OF INFORMATION

We are incorporated in the Republic of South Africa as a public company under South African Company law. Our consolidated financial statements included in our corporate filings in South Africa were prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) for the financial years ended 30 June 2006, 2007, 2008, 2009 and 2010.

For purposes of this annual report on Form 20-F, we have prepared our consolidated financial statements in accordance with IFRS. Our consolidated financial statements for each of the financial years ended 30 June 2006, 2007, 2008, 2009 and 2010 have been audited.

As used in this Form 20-F:

"rand" or "R" means the currency of the Republic of South Africa;

"US dollars", "dollars", "US$" or "$" means the currency of the United States;

"euro", "EUR" or "€" means the common currency of the member states of the European Monetary Union;

"GBP" means British Pound Sterling, the currency of the United Kingdom;

"JPY" means Japanese Yen, the currency of Japan;

"CNY" means Renminbi, the currency of China; and

"AUD" means Australian dollar, the currency of Australia.

We present our financial information in rand, which is our reporting currency. Solely for your convenience, this Form 20-F contains translations of certain rand amounts into US dollars at specified rates. These rand amounts do not represent actual US dollar amounts, nor could they necessarily have been converted into US dollars at the rates indicated. Unless otherwise indicated, rand amounts have been translated into US dollars at the rate of R7,07 per US dollar, which was the closing rate for customs purposes of the rand as reported by Thomson Reuters on 23 September 2010.

All references in this Form 20-F to "years" refer to the financial years ended on 30 June. Any reference to a calendar year is prefaced by the word "calendar".

Besides applying barrels (b) and cubic feet (cf) for reporting oil and gas reserves and production, Sasol applies the Système International (SI) metric measures for all global operations. A ton or tonne denotes one metric ton equivalent to 1 000 kilograms (kg). Sasol's reference to metric tons should not be confused with an imperial ton equivalent to 2 240 pounds (or about 1 016 kg). Barrels per day, or bpd, is used to refer to our oil and gas production.

In addition, in line with a particular South African distinction under the auspices of the South African Bureau of Standards (SABS), all Sasol global reporting emanating from South Africa uses the decimal comma (e.g., 3,5) instead of the more familiar decimal point (e.g., 3.5) used in the UK, USA and elsewhere. Similarly, a hard space is used to distinguish thousands in numeric figures (e.g., 2 500) instead of a comma (e.g., 2,500).

All references to billions in this Form 20-F are to thousands of millions.

All references to the "group", "us", "we", "our", "the company", or "Sasol" in this Form 20-F are to Sasol Limited, its group of subsidiaries and its interests in associates, joint ventures and special purpose entities. All references in this Form 20-F are to Sasol Limited or the companies comprising the group, as the context may require. All references to "(Pty) Limited" refers to (Proprietary) Limited, a form of corporation in South Africa which restricts the right of transfer of its shares, limits the number of members and prohibits the public offering of its shares.

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All references in this Form 20-F to "South Africa" and "the government" are to the Republic of South Africa and its government. All references to the "JSE" are to the JSE Limited, the securities exchange of our primary listing. All references to "SARB" refer to the South African Reserve Bank. All references to "PPI" and "CPI" refer to the Producer Price Index and Consumer Price Index, respectively, which are a measure of inflation in South Africa. All references to "GTL" and "CTL" refer to our gas-to-liquids and coal-to-liquids processes, respectively.

Certain industry terms used in this Form 20-F are defined in the Glossary of Terms.

Unless otherwise stated, presentation of financial information in this annual report on Form 20-F will be in terms of IFRS. Our discussion of business segment results follows the basis used by the Group Executive Committee (GEC) (the company's chief operating decision maker) for segmental financial decisions, resource allocation and performance assessment, which forms the accounting basis for segmental reporting, that is disclosed to the investing and reporting public.

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FORWARD-LOOKING STATEMENTS

We may from time to time make written or oral forward-looking statements, including in this Form 20-F, in other filings with the United States Securities and Exchange Commission, in reports to shareholders and in other communications. These statements may relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to:

- statements regarding our future results of operations and financial condition and regarding future economic performance;
- statements regarding recent and proposed accounting pronouncements and their impact on our future results of operations and financial condition;
- statements of our business strategy, plans, objectives or goals, including those related to products or services;
- statements regarding future competition, volume growth and changes in market share in the South African and international industries and markets for our products;
- statements regarding our existing or anticipated investments (including the gas-to-liquid (GTL) projects in Uzbekistan, Qatar and Nigeria, Iran, the potential development of coal-to-liquid (CTL) projects in China, India and South Africa, and other investments), acquisitions of new businesses or the disposition of existing businesses;
- statements regarding our estimated oil, gas and coal reserves;
- statements regarding the probable future outcome of the litigation and the future development in legal and regulatory matters, including initiatives such as Sasol Inzalo for the economic empowerment of historically disadvantaged South Africans;
- statements regarding future fluctuations in refining margins and crude oil, natural gas and petroleum product prices;
- statements regarding the demand and cyclicality of petrochemical product prices;
- statements regarding changes in the manufacturers' fuel pricing mechanism in South Africa and their effects on fuel prices, our operating results and profitability;
- statements regarding future fluctuations in exchange and interest rates;
- statements regarding total shareholder return;
- statements regarding cost reduction targets and initiatives;

statements regarding our plans to expand the South African retail and commercial markets for liquid fuels;

statements regarding our current or future products and anticipated customer demand for these products;

statements regarding acts of war, terrorism or other events that may adversely affect the group's operations or that of key stakeholders to the group; and

statements of assumptions underlying such statements.

Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

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By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated in this Form 20-F. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include among others, and without limitation:

- the outcomes in developing regulatory matters and the effect of changes in regulation and government policy;
- the political, social and fiscal regime and economic conditions and developments in the world, especially in those countries in which we operate;
- the outcomes of legal proceedings;
- our ability to maintain key customer relations in important markets;
- our ability to improve results despite increased levels of competitiveness;
- the continuation of substantial growth in significant developing markets, such as China and India;
- the ability to benefit from our capital expenditure programme;
- the capital cost of projects (including material, engineering and construction cost);
- growth in significant developing areas of our business;
- changes in the demand for and international prices of crude oil, petroleum and chemical products and changes in foreign currency exchange rates;
- the ability to gain access to sufficient competitively priced gas and coal reserves and other commodities such as ethylene in Iran;
- environmental legislation and access to and impact on natural resources;
- our success in continuing technological innovation;
- our ability to maintain sustainable earnings despite fluctuations in foreign currency exchange rates and interest rates;
- our ability to attract and retain sufficient skilled employees; and
- our success at managing the risks of the foregoing.

The foregoing list of important factors is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider the foregoing factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

We are a public company incorporated under the company law of South Africa. All of our directors and officers reside outside the United States, principally in South Africa. You may not be able, therefore, to effect service of process within the United States upon those directors and officers with respect to matters arising under the federal securities laws of the United States.

In addition, substantially all of our assets and the assets of our directors and officers are located outside the United States. As a result, you may not be able to enforce against us or our directors and officers judgements obtained in United States courts predicated on the civil liability provisions of the federal securities laws of the United States.

A foreign judgement is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

- the court which pronounced the judgement has jurisdiction to entertain the case according to the principles recognised by South African law with reference to the jurisdiction of foreign courts;
- the judgement is final and conclusive, that is, it cannot be altered by the court which pronounced it;
- the judgement has not been prescribed;
- the recognition and enforcement of the judgement by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that the documents initiating the proceeding were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal;
- the judgement was not obtained by fraudulent means;
- the judgement does not involve the enforcement of a penal or revenue law; and
- the enforcement of the judgement is not otherwise precluded by the provisions of the Protection of Businesses Act 99 of 1978, as amended, of the Republic of South Africa.

It is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system that does not mean that such awards are necessarily contrary to public policy. Whether a judgement was contrary to public policy depends on the facts of each case. Exorbitant, unconscionable, or excessive awards will generally be contrary to public policy. South African courts cannot enter into the merits of a foreign judgement and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. It is doubtful whether an original action based on United States federal securities law can be brought before South African courts. A plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. Furthermore the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for the purpose of use in South Africa.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

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ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

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ITEM 3. KEY INFORMATION

3.A Selected financial data

The following information should be read in conjunction with "Item 5 Operating and Financial Review and Prospects" and the consolidated financial statements, the accompanying notes and other financial information included elsewhere in this annual report on Form 20-F.

The financial data set forth below for the years ended as at 30 June 2010, 2009 and 2008 and for each of the years in the three-year period ended 30 June 2010 have been derived from our audited consolidated financial statements included in Item 18 of this annual report on Form 20-F.

Financial data at 30 June 2008, 2007 and 2006 have been derived from the group's previously published audited consolidated financial statements not included in this document.

The financial data at 30 June 2010, 2009 and 2008 and for each of the years in the three-year period ended 30 June 2010 should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements.

The audited consolidated financial statements from which the selected consolidated financial data set forth below have been derived were prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

	Year ended					
	30 June 2006	30 June 2007	30 June 2008	30 June 2009	30 June 2010	30 June[1] 2010 (US$ in millions)
	(Rand in millions)					
	(except per share information and weighted average shares in issue)					
Income Statement data:						
Turnover	82 395	98 127	129 943	137 836	122 256	17 292
Operating profit	17 212	26 621	33 816	24 666	23 937	3 386
Profit attributable to owners of Sasol Limited	10 406	17 030	22 417	13 648	15 941	2 255
Statement of Financial Position data:						
Total assets	103 266	119 112	140 122	145 865	156 484	22 124
Total equity	52 984	63 269	78 995	86 217	97 242	13 753
Share capital	3 634	3 628	20 176	27 025	27 229	3 851
Per share information (Rand and US$):						
Basic earnings per share	16,78	27,35	37,30	22,90	26,68	3,77
Diluted earnings per share	16,51	27,02	36,78	22,80	26,54	3,75
Dividends per share[2]	7,10	9,00	13,00	8,50	10,50	1,49
Weighted average shares in issue (in millions):						
Average shares outstanding basic	620,0	622,6	601,0	596,1	597,6	597,6
Average shares outstanding diluted	630,2	630,3	609,5	614,0	615,5	615,5

(1) Translations into US dollars in this table are for convenience only and are computed at the closing rate of Thomson Reuters on 23 September 2010 of R7,07 per US dollar. You should not view such translations as a representation that such amounts represent actual US dollar amounts.

(2) Includes the final dividend which was declared subsequent to the reporting date and is presented for information purposes only. No provision for this final dividend has been recognised.

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Exchange rate information

The following table sets forth certain information with respect to the rand/US dollar exchange rate for the years shown:

Rand per US dollar for the year ended 30 June or the respective month	Average[1]	High	Low
2006[2]	6,41	7,43	5,99
2007[2]	7,20	7,88	6,74
2008[2]	7,30	8,25	6,43
2009[3]	9,04	11,88	7,17
2010[3]	7,59	8,36	7,20
2011[4]	7,35	7,78	6,98
April 2010	7,34	7,40	7,25
May 2010	7,65	8,09	7,36
June 2010	7,65	7,84	7,41
July 2010	7,54	7,78	7,28
August 2010	7,30	7,44	7,19
September 2010[4]	7,16	7,39	6,98

(1) The average exchange rates for each full year are calculated using the average exchange rate on the last day of each month during the period. The average exchange rate for each month is calculated using the average of the daily exchange rates during the period.

(2) Based on the noon buying rate as published by the Federal Reserve Bank of New York.

(3) Based on the closing rate of Thomson Reuters.

(4) Through 23 September 2010 based on the closing rate of Thomson Reuters.

3.B Capitalisation and indebtedness

Not applicable.

3.C Reasons for the offer and use of proceeds

Not applicable.

3.D Risk factors

Fluctuations in exchange rates may adversely affect our business, operating results, cash flows and financial condition

The rand is the principal functional currency of our operations. However, a large part of our group's turnover is denominated in US dollars and some part in euro, derived either from exports from South Africa or from our manufacturing and distribution operations outside South Africa. Approximately 90% of our turnover is linked to the US dollar as petroleum prices in general and the price of most petroleum and chemical products are based on global commodity and benchmark prices which are quoted in US dollars. A significant part of our capital expenditure is also US dollar-denominated, as it is directed to investments outside South Africa or constitutes materials, engineering and construction costs imported into South Africa. The majority of our costs are either rand based for South African operations or euro based for European operations. Accordingly, fluctuations in the exchange rates between the rand and US dollar and/or euro may have a material effect on our business, operating results, cash flows and financial condition.

During 2010, the rand/US dollar exchange rate averaged R7,59 and fluctuated between the high of R8,36 and the low of R7,20. This compares to an average exchange rate of R9,04 during 2009 which

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fluctuated between the high of R11,88 and the low of R7,17. The rand exchange rate is impacted by various international and South African economic and political factors. Subsequent to 30 June 2010, the rand has on average strengthened against the US dollar and the euro.

Although the exchange rate of the rand is primarily market-determined, its value at any time may not be an accurate reflection of its underlying value, due to the potential effect of, among other factors, exchange controls. For more information regarding exchange controls in South Africa see "Item 10.D Exchange controls".

We use derivative instruments to protect us against adverse movements in exchange rates on certain transactional risks in accordance with our group hedging policies. See "Item 11 Quantitative and qualitative disclosures about market risk".

Fluctuations in refining margins and crude oil, natural gas and petroleum product prices may adversely affect our business, operating results, cash flows and financial condition

Market prices for crude oil, natural gas and petroleum products may fluctuate as they are subject to local and international supply and demand fundamentals and factors over which we have no control. Worldwide supply conditions and the price levels of crude oil may be significantly influenced by international cartels, which control the production of a significant proportion of the worldwide supply of crude oil, and by political developments, especially in the Middle East, South America and Nigeria. Other factors which may influence the aggregate demand and hence affect the markets and prices for petroleum products in regions which influence South African fuel prices through the Basic Fuel Price (BFP) price formula (used for the calculation of the refinery gate price of petroleum products in South Africa) and/or where we market these products include changes in economic conditions, the price and availability of substitute fuels, changes in product inventory, product specifications and other factors. In recent years, prices for petroleum products have fluctuated widely.

During 2010, the dated Brent crude oil price averaged US$74,37/b and fluctuated between the high of US$88,09/b and the low of US$58,25/b. This compares to an average dated brent crude oil price of US$68,14/b during 2009 which fluctuated between the high of US$143,95/b and the low of US$33,73/b.

A substantial proportion of our turnover is derived from sales of petroleum and petrochemical products. Through our equity participation in the National Petroleum Refiners of South Africa (Pty) Limited (Natref) crude oil refinery, we are exposed to fluctuations in refinery margins resulting from differing fluctuations in international crude oil and petroleum product prices. We are also exposed to changes in absolute levels of international petroleum product prices through our synthetic fuels and oil operations. Fluctuations in international crude oil prices affect our results mainly through their indirect effect on the BFP price formula, see "Item 4.B Business overview Sasol Synfuels" and "Sasol Oil", as well as the impact on oil derived feedstock. Prices of petrochemical products and natural gas are also affected by fluctuations in crude oil prices.

We use derivative instruments to protect us against day-to-day US dollar oil price and rand to US dollar exchange rate fluctuations affecting the acquisition cost of our crude oil needs. See "Item 11 Quantitative and qualitative disclosures about market risk".

While the use of these instruments may provide some protection against short-term fluctuations in crude oil prices it does not protect us against longer term fluctuations in crude oil prices or differing trends between crude oil and petroleum product prices.

We are unable to accurately forecast fluctuations in refining margins and crude oil, natural gas and petroleum products prices. Fluctuations in any of these may have a material adverse effect on our business, operating results, cash flows and financial condition.

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Cyclicality in petrochemical product prices may adversely affect our business, operating results, cash flows and financial condition

The demand for chemicals and especially products such as solvents, olefins, surfactants, fertilisers and polymers is cyclical. Typically, higher demand during peaks in the industry business cycles leads producers to increase their production capacity. Although peaks in the business cycle have been characterised by increased selling prices and higher operating margins, in the past such peaks have led to overcapacity with supply exceeding demand growth. Low periods during the industry business cycle are characterised by a decrease in selling prices and excess capacity, which can depress operating margins. Some areas within the chemicals industry currently show production overcapacity, which has been exacerbated by a contraction in demand for products due to the current global economic downturn. The expected capacity additions in the next few years, together with a less optimistic outlook in the medium term, could continue to put pressure on prices of chemical products. Such pressure may have a material adverse effect on our business, operating results, cash flows and financial condition.

We may not be able to exploit technological advances quickly and successfully

Most of our operations, including the gasification of coal and the manufacture of synfuels and petrochemical products, are highly dependent on the development and use of advanced technologies. The development, commercialisation and integration of the appropriate advanced technologies can affect, among other things, the competitiveness of our products, the continuity of our operations, our feedstock requirements and the capacity and efficiency of our production.

It is possible that new technologies or novel processes may emerge and that existing technologies may be further developed in the fields in which we operate. Unexpected rapid advances in employed technologies or the development of novel processes can affect our operations and product ranges in that they could render the technologies we utilise or the products we produce obsolete or less competitive in the future. Difficulties in accessing new technologies may impede us from implementing them and competitive pressures may force us to implement these new technologies at a substantial cost. Examples of new technologies which may in the future affect our business include the following:

- The development and commercialisation of non-hydrocarbon-dependent energy carrier technologies, including the further development of fuel cells or the large scale broadening of the application of electricity to drive motor vehicles. These may be disruptive to the use of hydrocarbon and refined crude oil-derived fuels.

- The development of improved fuels (and associated automotive technologies) from a crude oil base with equivalent properties to that of Fischer-Tropsch derived fuels, which may erode the competitive advantage of Fischer-Tropsch fuels.

- The development by competitors of next generation catalysts in which catalyst performance is manipulated, resulting in highly selective and high purity chemical products, which may render the use of our mixed feed stream catalytic-based production processes uncompetitive.

We cannot predict the effect of these or other technological changes or the development of novel processes on our business or on our ability to provide competitive products. Our ability to compete will depend on our timely and cost-effective implementation of new technological advances. It will also depend on our success in commercialising these advances in spite of competition we face by our competitors.

In addition to the technological challenges, a large number of our expansion projects are integrated across a number of Sasol businesses. Problems with the development of an integrated project might accordingly have an impact on more than one Sasol business.

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If we are unable to implement new technologies in a timely or cost-efficient manner, or penetrate new markets in a timely manner in response to changing market conditions or customer requirements, we could experience a material adverse effect on our business, operating results, cash flows and financial condition.

Our GTL and CTL projects may not prove sufficiently viable or as profitable as planned

We have constructed a gas-to-liquids (GTL) plant in Qatar and are involved in constructing a GTL plant in Nigeria. In addition, we are considering opportunities for further GTL and coal-to-liquids (CTL) investments in other areas of the world. CTL projects are being investigated in China (feasibility phase), India (pre-feasibility phase) and Indonesia (screening phase). A GTL opportunity being investigated in Uzbekistan is currently in the feasibility phase. The development of these projects, solely or through joint ventures or associates, is a capital-intensive process and requires us to commit significant capital expenditure and devote considerable management resources in utilising our existing experience and know-how, especially in connection with Fischer-Tropsch synthesis technologies. See "Item 4.B Business overview Sasol Synfuels International".

The processes used and the products developed by these projects may also give rise to patent risks in connection with the use of our GTL and CTL technologies. See below "Intellectual property risks may adversely affect our products or processes and our competitive advantage".

We consider the development of our GTL and CTL projects as a major part of our strategy for future growth and believe that GTL and CTL fuels will in time develop to become an efficient and widely used alternative and/or supplement to conventional liquid fuels. In assessing the viability of our GTL and CTL projects, we make a number of assumptions relating to specific variables, mainly including:

- access to sufficient competitively priced gas or coal reserves;
- prices of crude oil, petroleum products and gas;
- sales opportunities and risks in the relevant countries;
- fluctuations in the exchange rate of the US dollar and other currencies against the rand;
- fluctuations in interest rates;
- fiscal dispensation in the countries in which we invest;
- capital cost of our facilities, including material, engineering and construction costs;
- operating costs, including manpower, services, supplies, utilities, etc.;
- technology and catalyst performance;
- conditions in the countries in which we invest, including factors relating to political, social and economic conditions;
- the availability of skilled workers to construct and operate the plants;

timely completion of projects; and

environmental regulations, specifically in respect to emissions to the atmosphere and control thereof.

Significant variations in any one or more of the above factors which are beyond our control, or any other relevant factor, may adversely affect the profitability or even the viability of our GTL and CTL investments. Most of the above assumptions are also applicable to other growth strategies followed by Sasol. Should we not be successful in the implementation of our GTL and CTL projects, we may be

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required to write off significant amounts of capital expenditure already incurred and we may need to redirect our strategy for future growth. In view of the resources invested in these projects and their importance to our growth strategy, problems we may experience as a result of these factors may have a material adverse effect on our business, operating results, cash flows and financial condition and opportunities for future growth.

Increasing exposure related to investments in associates and joint venture companies may adversely affect our business, operating results, cash flows and financial condition

We have invested in a number of associates and joint ventures as part of our strategy to expand operations globally. We are considering opportunities for further GTL and CTL investments, as well as related opportunities in chemicals, to continue our local and global expansion. The development of these projects may require investments in associates and joint ventures, most of which are aimed at facilitating entry into countries and/or sharing risk with third parties. Although the risks are shared, the objectives of associates and joint venture partners, their ability to meet their financial and/or contractual obligations and their behaviour, as well as the increasing complexity of country specific legislation and regulations, may have a material adverse effect on our business, operating results, cash flows and financial condition and constrain the achievement of our growth objectives.

There are country-specific risks relating to the countries in which we operate that could adversely affect our business, operating results, cash flows and financial condition

Several of our subsidiaries, joint ventures and associates operate in countries and regions that are subject to significantly differing political, social, economic and market conditions. See "Item 4.B Business Overview" for a description of the extent of our operations in the main countries and regions. Although we are a South African domiciled company and the majority of our operations are located in South Africa, we also have significant energy businesses in Africa and chemical businesses in Europe, the USA, the Middle East and Asia and a joint venture in a GTL facility in Qatar and a joint venture in Iran as well as an economic interest in a GTL project in Nigeria.

Particular aspects of country-specific risks that may have a material adverse impact on our business, operating results, cash flows and financial condition include:

(a) Political, social and economic issues

We have invested or are in the process of investing in significant operations in African, European, North American, Asian and Middle Eastern countries that have in the past, to a greater or lesser extent, experienced political, social and economic uncertainty. Government policies, laws and regulations in countries in which we operate or plan to operate may change in the future. There is also a risk that our plants that were constructed during buoyant market conditions will have to operate in markets in which product prices may have declined, as we are currently experiencing. The impact of such changes on our ability to deliver on planned projects cannot be ascertained with any degree of certainty and such changes may therefore have an adverse effect on our operations and financial results.

(b) Fluctuations in inflation and interest rates

The strengthening of the South African rand during the 2009 calendar year and the recessionary conditions in the South African economy during that time helped to drive consumer inflation from its double digit peak during the prior calendar year to just below 5%, the upper end of the inflation target. The South African Reserve Bank responded to this moderation in inflation by cutting its interest rate during the 2009 and 2010 calendar years. Announced increases in electricity tariffs of approximately 25% for each of the next three years will put upward pressure on inflation. Whilst the

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direct impact of these tariff increases on consumer inflation will be relatively modest at approximately 0,5 percentage points per year, the indirect effects are uncertain and could potentially be significantly larger. Wage settlements above the consumer inflation rate will place further upward pressure on inflation. High interest rates or inflation could adversely impact on our ability to contain costs and to ensure cost-effective debt financing in South Africa.

(c) Transportation, water and other infrastructure

The infrastructure in some countries in which we operate, such as rail infrastructure, electricity and water supply may need to be further upgraded and expanded and in certain instances possibly at our own cost. Water, as a resource, is becoming increasingly limited as world demand for water increases. The risk in South Africa that water may become significantly limited is exacerbated by the fact that it is one of the drier countries in the world. Water use by our operations varies widely depending largely on feedstock and technology choice. While a GTL plant is typically a net producer of water, a CTL process has a significant water requirement, driven by the need to produce hydrogen and additional cooling requirements. Although various technological advances may improve the water efficiency of our processes, we may experience limited water availability and other infrastructural challenges, which could have a material adverse effect on our business, operating results, cash flows, financial condition and future growth.

(d) Disruptive industrial action

The majority of our employees worldwide belong to trade unions. These employees comprise mainly general workers, artisans and technical operators. Disputes over wage increases have led to a general increase in industrial action in South Africa during 2010 which had a limited indirect affect on our operations. Although we have constructive relations with our employees and their unions, we cannot assure you that significant labour disruptions will not occur in the future.

(e) Exchange control regulations

South African law provides for exchange control regulations which restrict the export of capital from the Common Monetary Area, which includes South Africa, subject to South African Reserve Bank dispensation.

These regulations apply to transactions involving South African residents, including both natural persons and legal entities. These regulations also affect our ability to borrow funds from non-South African sources for use in South Africa and to repay these funds from South Africa and, in some cases, our ability to guarantee the obligations of our subsidiaries with regard to these funds. These restrictions have affected the manner in which we have financed our transactions outside South Africa and the geographic distribution of our debt. See "Item 10.D Exchange controls" and "Item 5.B Liquidity and capital resources".

(f) Localisation issues

In some countries our operations are required to comply with local procurement, employment equity, equity participation and other regulations which are designed to address country-specific social and economic transformation and localisation issues.

In South Africa, there are various transformation initiatives with which we are required to comply. As a leading and patriotic South African-based company, we embrace and will engender or participate in initiatives to bring about meaningful transformation to assist in correcting the imbalances and injustices of the apartheid era. We consider these initiatives to be a strategic imperative and we acknowledge the risk of not vigorously pursuing them. It is not currently known what additional costs or implications will arise for us to comply with these transformation initiatives. See "Item 4.B Empowerment of historically disadvantaged South Africans".

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We are a participant in transformation charters in the liquid fuels and mining industry, pursuant to which we have undertaken to enable previously disadvantaged South Africans to hold at least 25% equity ownership in our liquid fuels business and 26% equity ownership, by 2014, in our mining business.

The Minister of Trade and Industry published the Codes of Good Practice for broad-based BEE on 9 February 2007, effective from the date of publication. These Codes provide a standard framework for the measurement of broad-based BEE across all sectors of the economy.

We have complied with the current requirements of said Codes and other requirements of the Liquid Fuels, Mining Charter and the Codes of Good Practice for broad-based BEE. We believe that the long-term benefits to the company and our country should outweigh any possible short-term adverse effects, but we cannot assure you that future implications of compliance with these requirements or with any newly imposed conditions will not have a material adverse effect on our shareholders or business operating results, cash flows and financial condition.

(g)

Engineering and construction contract costs

During the period proceeding the global pre-economic recession, the worldwide increase in the demand for large engineering and construction projects resulted in a shortage of engineering and construction resources and put strain on these industries. These strains impacted some of our projects and have adversely affected project construction timing schedules and costs. Even though the global economic recession has led to a marginally downward trend in the demand for large engineering and construction projects, we cannot assure you that our engineering and construction resources will not be constrained in the long-term following an economic recovery.

In order to mitigate the shortage of the availability of engineering resources, we have entered into long-term relationship agreements with large reputable engineering contractors, both locally in South Africa and internationally. This should provide Sasol with preferential access to the resource pools of these engineering contractors on a global basis in order to sustain our projects and growth plans.

(h)

Other specific country risks that are applicable to countries in which we operate and which may have a material impact on our business include:

external acts of warfare and civil clashes;

government interventions, including protectionism and subsidies;

regulatory, taxation and legal structure changes;

the control of oil and gas field developments and transportation infrastructure;

failure to receive new permits and consents;

cancellation of contractual rights;

expropriation of assets;

lack of capacity to deal with emergency response situations; and

the introduction of selective environmental and carbon taxes.

Some of the countries where we have already made, or other countries where we may consider making, investments are in various stages of developing institutions and legal and regulatory systems that are characteristic of parliamentary democracies. However, institutions in these countries may not yet be as firmly established as they are in parliamentary democracies in South Africa and some European countries. Some of these countries are also transitioning to a market economy and, as a result, experiencing changes in their economies and their government policies that could affect our investments in these countries.

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Moreover, the procedural safeguards of the new legal and regulatory regimes in these countries are still being developed and, therefore, existing laws and regulations may be applied inconsistently. In some circumstances, it may not be possible to obtain the legal remedies provided under those laws and regulations in a timely manner.

As the political, economic and legal environments remain subject to continuous development, investors in these countries face uncertainty as to the security of their investments. Any unexpected changes in the political or economic conditions in the countries in which we operate (including neighbouring countries) may have a material adverse effect on the investments that we have made or may make in the future, which may in turn have a material adverse effect on our business, operating results, cash flows and financial condition.

Increase in electricity supply interruptions and increase in electricity costs in South Africa could adversely affect our business, operating results, cash flows, financial condition and future growth

Sasol generates one-third of its total South African power supply needs internally and has begun commissioning additional power generation equipment to increase internal electricity generation up to 50% of our requirements. However, our South African operations remain dependent on power generated by the state-owned utility, Eskom. During 2008, South Africa experienced significant electricity supply interruptions, and although the situation has improved since then, it is possible that the electricity supply will again become constrained from the latter part of the 2010 calendar year up to 2013 calendar year, when significant new generation capacity is expected to become available. Although Eskom has announced a number of short- and long-term mitigation plans, we cannot assure you that we will not experience power supply interruptions which could have material adverse effects on our business, operating results, cash flows, financial condition and future growth.

Furthermore, South Africa is experiencing higher than normal electricity price increases. In June 2009, the National Energy Regulator of South Africa (NERSA) granted Eskom an average annual tariff increase of 31,3%, which was recovered by March 2010. During February 2010, NERSA granted Eskom further price increases of 24,8%, 25,8% and 25,9% per year for the next three years in terms of the multi-year pricing dispensation, with effect from 1 April 2010. We have entered into a power purchase agreement with Eskom which mitigates these price increases to some extent. Any sharp increase in electricity costs may have material adverse effects on our business, operating results, cash flows, financial condition and future growth.

We may not comply with laws or regulations in the countries in which we operate

The industry in which we operate is highly regulated and requires compliance with a myriad of laws and regulations, governing matters such as minerals, trading in petroleum products, safety, health and environment, etc. in our South African and global operations. Non-compliance can impact business performance dramatically. Although systems and processes are in place to ensure compliance with applicable laws and regulations we cannot assure you that all employees comply with all laws and regulations at all times, which could have a material adverse impact on our business, operating results, cash flows and financial condition.

New South African mining legislation may have an adverse effect on our mineral rights

Since the enactment of the Mineral and Petroleum Resources Development Act (MPRDA) in May 2004, all mineral and petroleum resources have been placed under the custodianship of the state. Our subsidiary, Sasol Mining (Pty) Limited, has been successful in converting its old order prospecting permits and mining authorisations (old order rights) to new order rights in terms of the MPRDA. The new order mining rights in respect of the Secunda area have been granted for a period of ten years, while those in respect of the Mooikraal operations have been granted for a period of thirty years. Our

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new order mining rights may be extended for further periods thereafter of thirty years each. Prospecting rights are granted for five years, with one further renewal of three years.

In case of a breach of its obligations by an entity, the new order rights can be suspended or cancelled by the Minister of Mineral Resources if the entity, upon receiving a notice of breach from the Minister, fails to remedy such breach. The MPRDA, and the subsequent Minerals Petroleum Resources Amendment Act, and applicable provisions in the National Environmental Management Act impose additional responsibilities with respect to environmental management as well as the prevention of environmental pollution, degradation or damage from mining and/or prospecting activities.

The Minister of Mineral Resources has, in terms of the MPRDA, developed a Code of Good Practice for the Minerals Industry (Code) and a Housing and Living Conditions Standard (Standard), both of which were published in the Government Gazette of 29 April 2009. The Code was developed to create principles aimed at facilitating the effective implementation of minerals and mining legislation and enhancing the implementation of the Mining Charter applicable to the mining industry. The Standard aims to include the provision of housing as an integral part of infrastructure during the development of a mine.

Both the Code and the Standard provide that non-compliance equates to non-compliance with the MPRDA but it is unclear whether non-compliance with the Code and the Standard would result in the cancellation or suspension of a mining right, whether they will be used in evaluating applications for new rights or for the conversion of old rights, and whether they would be considered legislation under the MPRDA. Organised labour and the mining industry have engaged in discussions with the Department of Mineral Resources in an effort to possibly amend the Code and the Standard in order to address the concerns of the mining industry, to ensure the constitutionality thereof and to ensure alignment between the respective role players. This process is still ongoing.

The Mining Charter came into effect on 1 May 2004 and the purpose thereof is to facilitate the transformation of the South African mining industry. A review of the Mining Charter commenced during the 2009 calendar year and will continue during the 2010 calendar year. It is intended to review only the targets contained in the Mining Charter. It is expected that the original role players who took part in the development of the Mining Charter, being the Department of Mineral Resources, organised labour and the Chamber of Mines, will play a significant role in the revision process.

We cannot assure you that these changes will not affect our operations and mining rights in the future, and as a result have a material adverse effect on our business, operating results, cash flows and financial condition.

Royalties from mining activities became payable to the state from 1 March 2010 under provisions contained in the Mineral and Petroleum Resources Royalty Act and the Petroleum Resources Royalty Administration Act (the Acts). The introduction of the revenue based royalty does not have a material adverse impact on our business, operating results, cash flows and financial condition. See "Item 4.B Business overview Regulation of mining activities in South Africa".

New legislation in South Africa on petroleum and energy activities may have an adverse impact on our business, operating results, cash flows and financial condition

The Petroleum Products Amendment Act requires persons involved in the manufacturing, wholesale and retail sale of petroleum products to obtain relevant licences for such activities. Although Sasol Oil, Natref and Sasol Synfuels have applied for applicable licences for their respective existing manufacturing and retail activities, we cannot assure you that these licences will be granted and if they are granted, the conditions of the licences may not have a material adverse impact on our business, operating results, cash flows and financial condition. New retail site development by Sasol Oil could be delayed given the requirements under the new regulations for site and retail licences. Pending a decision in respect of these applications, the companies are deemed to be the holders of licences for

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those activities. See "Item 4.B Business overview Regulation of petroleum-related activities in South Africa".

The Petroleum Pipelines Act requires the licensing of the construction, conversion and operation of petroleum pipelines and storage and loading facility activities, and grants limited discretion to NERSA to adopt different pricing methodologies in connection with the setting of tariffs for different market and geographic conditions. NERSA is currently in the process of determining a methodology for transportation tariffs in respect of petroleum pipelines. We have made representations to NERSA in this regard in an effort to ensure that we will not be unduly prejudiced by the new tariff methodology. If these tariffs are disadvantageous to us, the prices of our petroleum products may be affected and be less competitive than the prices of our competitors, and as a result, may have a material adverse effect on our business, operating results, cash flow and financial condition. In addition, our ability to recover crude oil pumping costs, incurred to supply our Natref refinery, fully from the market may also be impacted See "Item 4.B Business overview Sasol Oil" and " Regulation of petroleum-related activities in South Africa".

We have also applied to NERSA for applicable licences for our depots and related infrastructure and are awaiting the issue of these licences. We cannot assure you that the licences will be granted or that the licence conditions imposed by NERSA will not have a material adverse effect on our business, operating results, cash flow and financial condition.

The Gas Act regulates matters relating to gas transmission, storage, distribution, liquefaction and re-gasification activities. On 1 May 2009, NERSA published guidelines for Monitoring and Approving Piped-Gas Transmission and Storage Tariffs in South Africa pursuant to the Gas Act. However, the determination of various elements required to calculate the tariffs, such as the specific application of the rate or return and discounted cash flow methodologies, the method used to value the asset base, suitable benchmarking measurements appropriate to a developing market, calculation of the weighted average cost of capital and a dispute resolution process, remain uncertain. In addition, uncertainty exists as to NERSA's position regarding distribution tariffs, maximum prices for trading activities and the timeframe within which NERSA plans to develop these additional elements of the regulatory framework. Due to the uncertainty regarding the regulatory framework that will ultimately apply to the Sasol Gas business, we cannot assure you that the implementation and enforcement of these regulations will not have a material adverse effect on our business, operating results, cash flow and financial condition.

Although we negotiated a ten year regulatory dispensation (expiring in 2014) with the South African government with respect to the supply of Mozambican natural gas to the South African market, we cannot assure you that the provisions of the Gas Act will not have a material adverse impact on our business, operating results, cash flows and financial condition. See "Item 4.B Business overview Regulation of gas related activities in South Africa".

The Department of Energy has embarked on a process to change the methodology for determining the margins of the regulated retail price of fuel. The results are not yet known, but may impact the wholesale and retail prices of petrol, illuminating paraffin and diesel, thereby having a material adverse effect on our business, operating results, cash flows and financial condition.

Changes in safety, health and environmental regulations and legislation and public opinion may adversely affect our business, operating results, cash flows and financial condition

Our products are required to comply with numerous pieces of legislation relating, amongst others, to the protection of the environment, climate change, the health and safety of employees, the public and the end consumer, while also meeting customer needs. As these laws and regulations may grow stricter, we may be required in some cases to incur additional expenditure in order to comply with such legislation. For example, meeting the registration requirements in the registration, evaluation and

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authorisation of chemicals (REACH) compliance procedure, implemented by the European Commission, may have significant cost implications. Similarly, public opinion is growing more sensitive to consumer health and safety, environmental and climate change protection matters, and, as a result, markets may apply pressure on us concerning certain of our products, manufacturing processes, transport and distribution arrangements.

As a result of these additional costs of compliance and other factors, including pressures related to public opinion, we may be required to withdraw certain products from the market, which could have a material adverse effect on our business, operating results, cash flows and financial condition.

Our exploration, mining and production operations are required to conform to legislation relating to the protection of the environment, health and safety of the workforce and neighbouring communities. As these regulations may grow stricter, we may be required in some instances to incur additional expenditure in order to provide additional protection, to adjust specifications or manufacturing processes, amend transport and distribution arrangements for certain of our operations and this may have a material adverse effect on our business, operating results, cash flows and financial condition. See "Item 4.B Business overview Safety, health and environment.

We are subject to a wide range of general and industry-specific environmental, health and safety and other legislation in jurisdictions in which we operate. Environmental requirements govern, among other things, land use, air emissions, use of renewable energy, energy efficiency, use of water, wastewater discharge, waste management, decommissioning and site remediation. Compliance with these laws, regulations, permits, licences and authorisations is a significant factor in our business, and we incur, and expect to continue to incur, significant capital and operating expenditures in order to continue to comply with applicable laws, regulations, permits, licences and authorisations.

Failure to comply with applicable safety, health and environmental laws, regulations or permit requirements may result in fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment or other remedial actions, any of which could entail significant expenditures.

We continue to take remedial actions at a number of sites due to soil and groundwater contamination. The process of investigation and remediation can be lengthy and is subject to the uncertainties of site specific factors, changing legal requirements, developing technologies, the allocation of liability among multiple parties and the discretion of regulators. Accordingly, we cannot estimate with certainty the actual amount and timing of costs associated with site remediation.

In order to continue to comply with these safety, health and environmental licences, laws and regulations, we may have to incur costs which we may finance from our available cash flows or from alternative sources of financing. We may be required to provide for financial security for environmental rehabilitation in the form of a trust fund, guarantee, deposit or other methods as may be required by legislation imposing obligations in respect of decommissioning and rehabilitation of environmental impacts. No assurance can be given that changes in safety, health and environmental laws and regulations or their application or the discovery of previously unknown contamination or other liabilities will not have a material adverse effect on our business, operating results, cash flows and financial condition.

While it is our policy that asbestos-containing materials will be phased out on a risk-based order of priority, there are currently certain asbestos-containing materials at our older existing facilities. In addition, our manufacturing processes may utilise and result in the emission of substances with potential health risks. We also manufacture products which may pose health risks. Although we apply a duty of care principle and implement health and safety, product stewardship and other measures to eliminate or mitigate associated potential risks, we cannot assure you that no liabilities may arise as a result of the use or exposure to these materials or emissions.

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In recent years global understanding and awareness regarding climate change have increased significantly. Potential CTL technology providers are experiencing an increasing number of questions regarding their CTL technology and how the CO_2 emitted will be addressed to combat climate change. We have initiated a focused and coordinated approach to understanding and providing solutions to reduce CO_2 emissions from our CTL ventures. In December 2008, the group executive committee (GEC) approved a revised greenhouse gas (GHG) policy and also agreed to a new set of GHG targets. We have set targets for reducing GHG emissions intensity by 15% by 2020 on the 2005 baseline. In addition, new CTL plants commissioned before 2020 have a target emissions intensity reduction of 20%, increasing to 30% for new CTL plants commissioned by 2030 (with the 2005 designs as the baseline) as a precautionary measure. Sasol established the New Energy business in 2008, which is pursuing opportunities in renewable energy, low carbon electricity, energy efficiency and carbon capture and storage. Some of these potential solutions are not yet proven on a large scale and face regulatory, economic, technical, geological and geographical challenges. We cannot predict the effect of these solutions on our ability to implement our CTL projects, which could have a material adverse effect on our business, operating results, cash flows and financial condition.

At the United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties' (COP) thirteenth meeting in Bali in December 2007, a roadmap was developed to reach agreement on, *inter alia*, a long term global goal for greenhouse gas emission reduction. Despite a perceived lack of a successful outcome at the UNFCCC COP in Copenhagen in December 2009, countries like South Africa, China and India have signed the non-binding Copenhagen Accord that sets out the voluntary country emission reduction targets. In the Copenhagen Accord, the South African government signed a voluntary non-binding agreement to take nationally appropriate mitigation action to enable a 34% deviation below "business as usual" emissions growth trajectory by 2020, and 42% by 2025. The target is conditional on provision of financial resources, the transfer of technology and capacity building support by developed countries, which will enable South Africa's GHG emissions to peak between 2020 and 2025, plateau for approximately a decade and decline in absolute terms thereafter. South Africa has indicated that its mitigation strategy can include regulatory mechanisms and economic instruments such as taxes and incentives. Various policy development processes are underway in South Africa. The Department of Environmental Affairs is expected to publish a climate change response policy in the 2011 calendar year. Also in South Africa, National Treasury has indicated its intent to issue a carbon tax discussion document in the second half of the 2010 calendar year, which will be followed by the policy development process thereafter. In addition, the Department of Energy is developing the Integrated Resource Plan which will set the future electricity policy for South Africa. Since the climate change response policy, carbon tax policy and energy policy of the country are related, we cannot predict the outcome of these policy development processes and we cannot assure you that no liabilities will arise that will have a material adverse effect on our business, operating results, cash flows and financial condition.

Failure to comply with competition and anti trust laws

Globally, competition authorities are increasingly enforcing legislation, networking and exchanging information relating to potential violation of antitrust laws.

Violations of competition/antitrust legislation could expose the group to administrative penalties of up to 10% of its worldwide turnover and civil claims and damages, including punitive damages, by entities which can prove they were harmed by such conduct. In addition, there is also the significant reputational damage that accompanies findings of such contraventions as well as imprisonment or fines for individuals in some countries where antitrust violations are a criminal offence.

In October 2008 and May 2009, Sasol was fined by the European Commission Directorate-General for Competition and the South African Competition Authorities, respectively. The South African Competition Authority is conducting investigations into the pipeline gas, coal mining, petroleum,

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polymers, fertilisers and wax industries. The group embarked on a competition law compliance review programme in July 2008, conducted by external legal counsel, of all its entities globally and has cooperated with competition authorities to deal pro-actively with non-compliance matters. The review programme has now been completed, but there are matters that remain subject to investigation. We continue to interact and cooperate with the South African Competition Commission in respect of leniency applications as well as in the areas that are subject to the South African Competition Commission investigations. Refer "Item 4.B Business overview Legal proceedings and other contingencies". Although it is our policy to comply with all laws, and notwithstanding training and compliance programmes, we could, notwithstanding this programme, fall foul of competition or antitrust laws and be subject to the imposition of fines, criminal sanctions and/or civil claims. This could have a material adverse impact on our business, operating results, cash flows and financial condition.

The competition law compliance risks mentioned above will be aggravated in South Africa when the Competition Amendment Act of 2009 becomes effective. This act will introduce individual criminal liability for collusion as well as the concept of a "complex monopoly". This could have a material adverse impact on our business, operating results, cash flows and financial condition.

We may not be successful in attracting and retaining sufficient skilled employees

We are highly dependent on the continuous development and successful application of new technologies. In order to achieve this, we need to maintain a focus on recruiting and retaining qualified scientists and engineers as well as artisans and operators. In addition, we are dependent on highly skilled employees in business and functional roles to establish new business ventures as well as to maintain existing operations.

In the past, we have been successful in recruiting and retaining such personnel. However, globally the demand for personnel with the range of capabilities and experience required in our industry is high and success in attracting and retaining such employees is not guaranteed. We have recently observed a downward trend in natural attrition rates as a result of the current global economic downturn. Some areas of the global economy are showing signs of recovery and there is a risk that our scientific, engineering, artisans, operators and project execution skills base may be constrained over time because of, for example, natural attrition and a shortage of people being available in these disciplines in the jurisdictions in which we operate. The quality and availability of skills in certain labour markets is impacted by the challenges within the education and training systems in certain countries in which we operate, such as South Africa and Mozambique. The retention of staff is particularly challenging in South Africa, where in addition to global industry shortages of skilled employees, we and our competitors are also required to achieve employment equity targets. Localisation and other similar legislation in countries in which we operate are equally challenging to the attraction and retention of sufficiently skilled employees.

The shortage of skilled employees will be further exacerbated as global economic recovery progresses and we compete with a global industry for skilled and experienced employees. Failure to attract and retain people with the right capabilities and experience could negatively affect our ability to introduce and maintain the appropriate technological improvements to our business, our ability to successfully construct and commission new plants or establish new business ventures. This may have a material adverse effect on our business, operating results, cash flows and financial condition.

Intellectual property risks may adversely affect our freedom to operate our processes and sell our products and may dilute our competitive advantage

Our various products and processes, including most notably, our chemical, CTL and GTL products and processes have unique characteristics and chemical structures and, as a result, are subject to patent protection, the extent of which varies from country to country. Rapid changes in our technology

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commercialisation strategy may result in a misalignment between our intellectual property protection filing strategy and the countries in which we operate. The expiry of a patent may result in increased competition in the market for the previously patented products and processes, although the continuous supplementation of our patent portfolio mitigates such risk to an extent. In addition, aggressive patenting by our competitors, especially in developing countries, may result in an increased patent infringement risk and may constrain our ability to operate in our preferred markets.

A significant percentage of our products can be regarded as commodity chemicals, some of which have unique characteristics and chemical structure. These products are normally utilised by our clients as feedstock to manufacture specialty chemicals or application-type products. We have noticed a worldwide trend of increased filing of patents relating to the composition of product formulations and the applications thereof. These patents may create pressure on those of our clients who market these product formulations which may adversely affect our sales to these clients. These patents may also increase our risk to exposure from limited indemnities provided to our clients of these products. Patent-related pressures may adversely affect our business, operating results, cash flows and financial condition.

We believe that our proprietary technology, know-how and trade secrets, especially in the Fischer-Tropsch area, provide us with a competitive advantage. A possible loss of experienced personnel to competitors, and a possible transfer of know-how and trade secrets associated therewith, may negatively impact this advantage. Exploitation of our proprietary technology may result in the disclosure of confidential information and trade secrets to a wider group of people. In addition, the patenting by our competitors of technology built on our know-how obtained through ex-personnel may further result in loss.

Similarly, operating and licensing technology in countries in which intellectual property laws are not well established and enforced may result in an inability to effectively enforce our intellectual property rights. The risk of some transfer of our know-how and trade secrets to our competitors is increased by the increase in the number of licences granted under our intellectual property, as well as the increase in the number of licensed plants which are brought into operation through entities which we do not control. As intellectual property warranties and indemnities are provided under each new licence granted, the cumulative risk increases accordingly.

The above risks may adversely affect our business, operating results, cash flows and financial condition.

Increasing competition by products originating from countries with low production costs may adversely affect our business, operating results, cash flows and financial condition

Certain of our chemical production facilities are located in developed countries, including the United States and Europe. Economic and political conditions in these countries result in relatively high labour costs and, in some regions, relatively inflexible labour markets. Increasing competition from regions with lower production costs, for example the Middle East, India and China, exercises pressure on the competitiveness of our chemical products and, therefore, on our profit margins. This could result in the withdrawal of particular products or the closure of specific facilities. We cannot assure you that increasing competition from products originating from countries with lower production costs will not result in withdrawal of our products or closure of our facilities, which may have a material adverse effect on our business, operating results, cash flows and financial condition.

We may face potential costs in connection with industry-related accidents or deliberate acts of terror causing property damage, personal injuries or environmental contamination

We operate coal mines, explore for and produce oil and gas and operate a number of plants and facilities for the manufacture, storage, processing and transportation of oil, chemicals and gas related

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raw materials, products and wastes. These facilities and their respective operations are subject to various risks, such as fires, explosions, leaks, ruptures, discharges of toxic hazardous substances, soil and water contamination, flooding and land subsidence, among others. As a result, we are subject to the risk of experiencing, and have in the past experienced, industry-related incidents.

Our facilities, located mainly in South Africa, the United States and various European countries, as well as in various African countries, the Middle East and Asia, may be subject to the risk of experiencing deliberate acts of terror.

Our main Sasol Synfuels production facilities are concentrated in a relatively small area in Secunda, South Africa. This facility utilises feedstock from our mining and gas businesses, whilst the chemical and oil businesses rely on the facility for the raw materials it produces. Industry-related accidents and acts of terror may result in damages to our facilities and may require shutdown of the affected facilities, thereby disrupting production, increasing production costs and may even disrupt the mining, gas, chemicals and oil businesses which make up a significant portion of our total income.

It is Sasol's policy to procure property damage and business interruption insurance cover for its production facilities above acceptable deductible levels at acceptable commercial premiums. However, full cover for all loss scenarios may in some years not be available at acceptable commercial rates and we cannot give any assurance that the insurance procured for any particular year would cover all potential risks sufficiently or that the insurers will have the financial ability to pay all claims that may arise.

Furthermore, acts of terror or accidents at our longstanding operations may have caused, or may in future cause environmental contamination, personal injuries, health impairment or fatalities and may result in exposure to extensive environmental remediation costs, civil litigation, the imposition of fines and penalties and the need to obtain or implement costly pollution control technology.

We have implemented a number of programmes, including on-the-job safety training, behaviour-based safety programmes and process safety management systems in order to improve safety performance, and we monitor our safety, health and environmental procedures. In some cases we also have indemnity agreements with the previous owners of acquired businesses which limit certain of our exposures to environmental contamination. However, there can be no assurance that accidents or acts of terror will not occur in the future, that insurance will adequately cover the entire scope or extent of our losses or that we may not be found liable in connection with claims arising from these and other events.

In general, we cannot assure you that costs incurred as a result of the above or related factors will not have a material adverse effect on our business, operating results, cash flows and financial condition.

Our coal, synthetic oil and gas, natural oil and gas reserve estimates may be materially different from reserves that we may actually recover

Our reported coal reserves are estimated quantities based on applicable reporting regulations that under present and anticipated conditions have the potential to be economically mined and processed.

Our reported synthetic oil and natural oil and gas reserves are estimated quantities based on applicable reporting regulations that under present and anticipated conditions have the potential to be economically produced.

The coal reserves and resources declared, meet the criteria of the applicable preparation codes (South African Mineral Resource Committee (SAMREC) and SEC Industry 7 Guideline (United States Securities and Exchange Commission, Industry Guides)). These factors reduce the risk that estimates will be materially different from the coal that is eventually produced.

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Our reported estimated reserves of proved developed and undeveloped natural oil and gas comply with applicable reporting regulations and are based on the Society of Petroleum Engineers Petroleum Resources Management System (SPE-PRMS). Although now allowed, we do not report probable and possible natural oil and gas estimates, and we apply a conservative approach to the definition of undeveloped reserves, including such only when full project sanction has been obtained. These factors reduce the risk that estimates will be materially greater than the oil and gas that is eventually produced.

There are numerous uncertainties inherent in estimating quantities of reserves and in projecting potential future rates of coal, synthetic oil and gas and natural oil and gas production, including many factors which are beyond our control. In addition, reserve/reservoir engineering is a subjective process of estimating underground deposits of reserves that cannot be measured in an exact manner and the accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation and judgement. Estimates of different engineers may vary and results of our mining/drilling and production subsequent to the date of an estimate may justify revision of estimates.

Reserve estimates will require revision based on actual production experience and other factors, including extensions and discoveries. In addition, several factors including the market price of coal, oil and natural gas, reduced recovery rates or increased production costs and other factors may render certain of our estimated proved and probable coal reserves and proved developed oil and natural gas reserves and undeveloped oil and natural gas resources uneconomical to exploit and may ultimately result in a revision to estimated reserves. Significantly revised estimates may have a material adverse effect on our business, operating results, cash flows and financial condition. See "Item 4.D Property, plants and equipment".

There is a possible risk that sanctions may be imposed on Sasol by the US government, the European Union and the United Nations as a result of our existing chemicals investments in Iran should current legislation be changed

There are possible risks posed by the potential imposition of US economic sanctions in connection with activities we are undertaking in the polymers field, as well as pre-feasibility studies relating to a potential ammonia/urea project at Assaluyeh, in Iran. For a description of our activities in Iran see "Item 4.B Business overview Sasol Polymers".

The risks relate to two sanctions programmes administered by the US government that we have considered: the Iranian Transactions Regulations (ITRs) administered by the US Treasury Department Office of Foreign Assets Control (OFAC) and the Iran Sanctions Act (ISA) administered by the US Department of State.

The ITRs prohibit or restrict most transactions between US persons and Iran. The ITRs, which are administered by OFAC, do not apply directly to either Sasol or the group entities involved in activities in Iran, because none of them would be considered US persons under these regulations. Nonetheless, because the group is a multinational enterprise, the ITRs may apply to certain entities associated with the group, including US employees, investors and certain subsidiaries.

We are taking measures to mitigate the risk that our US employees, investors and certain subsidiaries of the group to which the ITRs apply will not violate the ITRs as a result of their respective affiliations with the group. For instance, to that end, we are taking measures to:

- ensure that no US persons are involved in our Iranian activities, either as directors and officers, or in other positions, including engineering, financial, administrative and legal;

- ensure that funds dedicated to or generated from projects in Iran will be kept segregated from general group funds;

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ensure that no funds of US investors will be utilised in the projects by using separate bank accounts for any funds directed to, or to be received from, these projects and monitoring the flow of funds to and from these projects; and

separate the results of these businesses into separate legal entities.

By undertaking these steps, we believe that any risks posed by the ITRs to us, as well as to US persons and entities affiliated with the group will be mitigated. Nevertheless, we cannot predict OFACs enforcement policy in this regard and it is possible that OFAC may take a different view of the measures described above. In such event, US persons or affiliates associated with the group may be subject to a range of civil and criminal penalties.

The ISA was adopted by the US government in 1996 with the objective of denying Iran the ability to support acts of international terrorism and fund the development or acquisition of weapons of mass destruction. The ISA was extended in 2001 and amended in 2006 by the Iran Freedom Support Act; it will continue in force through 2011. In addition, the House and the Senate continue to consider amendments to ISA that could subject a broader range of business or investment activities to sanctions.

In its amended form, the ISA grants the President of the United States discretion in imposing sanctions on companies found to be in violation of its provisions involving investment in the petroleum industry in Iran or involving exports, transfers or other provisions any person or company, regardless of nationality, that (i) makes an investment in Iran of US$20 million or more in any 12-month period that directly and significantly contributes to Iran's ability to develop its petroleum industries, or (ii) exports, transfers or otherwise provides to Iran any goods, services, technology or other items with the knowledge that such provision would contribute materially to the ability of Iran to acquire or develop chemical, biological or nuclear weapons (or related technologies), or destabilising numbers and types of advanced conventional weapons.

Should the US government determine that some or all of our activities in Iran are investments in the petroleum industry, as statutorily defined by the ISA, the President of the United States may, in his discretion, determine which sanctions to apply. These could include restrictions on our ability to obtain credit from US financial institutions, restrictions on our ability to procure goods, services and technology from the United States or restrictions on our ability to make sales into the United States.

We cannot predict future interpretations of the provisions of the ISA or the implementation policy of the US government with respect to the ISA. Although we believe that our polymers project is not in the petroleum industry and we are only involved in a pre-feasibility study in connection with a possible ammonia /urea project, in Iran, we cannot assure you that our activities in Iran would not be considered investments as statutorily defined by the ISA or that the imposition of sanctions on the company or other entities of the group would not have a material adverse impact on our business, operating results, cash flows and financial condition.

In addition to the sanctions administered by OFAC and the US Department of State described above, the US government may impose (and, from time to time, has in the past imposed) restrictions and sanctions against Iranian financial institutions under the USA Patriot Act and other anti-money laundering legislation. Such measures against Iranian financial institutions could have an adverse effect on our operations and investments in Iran.

Additionally, recent developments in US, European Union and United Nations sanctions have increased the risks of doing business related to Iran. The US president signed into law on 1 July 2010 the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, the European Union expanded sanctions on 26 July 2010 and the United Nation's Security Council's Resolution 1929 was adopted on 9 June 2010. We continue to evaluate the risks and implications of these sanctions on our investments in Iran, however, we cannot assure you that as a result of these sanctions our activities in

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Iran would not be adversely impacted and that there would not be a material adverse impact on our business, operating results, cash flows and financial condition.

Legislation by US states that may require US public pension funds to divest of securities of companies with certain Iran-related activities could adversely affect our reputation with US investors or the market price of our shares

Several US states have enacted or are considering legislation that may require US state pension funds to divest securities of companies that have certain business operations in Iran. The terms of these provisions differ from state to state, and we cannot predict which legislation, if any, would require state pension funds to divest our shares. If a substantial number of our shares were to be divested as a result of state legislation, or the perception be created that the divestiture is required to occur, our reputation with US investors or the market price of our shares could be adversely affected.

The exercise of voting rights by holders of American Depositary Receipts is limited in some circumstances

Holders of American Depositary Receipts (ADRs) may exercise voting rights with respect to the ordinary shares underlying their American Depositary Shares (ADSs) only in accordance with the provisions of our deposit agreement (Deposit Agreement) with The Bank of New York Mellon, as the depositary (Depositary). For example, ADR holders will not receive notice of a meeting directly from us. Rather, we will provide notice of a shareholders meeting to The Bank of New York Mellon in accordance with the Deposit Agreement. The Bank of New York Mellon has undertaken in turn, as soon as practicable after receipt of our notice, to mail voting materials to holders of ADRs. These voting materials include information on the matters to be voted on as contained in our notice of the shareholders meeting and a statement that the holders of ADRs on a specified date will be entitled, subject to any applicable provision of the laws of South Africa and our Articles of Association, to instruct The Bank of New York Mellon as to the exercise of the voting rights, pertaining to the shares underlying their respective ADSs on a specified date. In addition, holders of our ADRs will be required to instruct The Bank of New York Mellon how to exercise these voting rights.

Upon the written instruction of an ADR holder, The Bank of New York Mellon will endeavour, in so far as practicable, to vote or cause to be voted the shares underlying the ADSs in accordance with the instructions received. If instructions from an ADR holder are not received by The Bank of New York Mellon by the date specified in the voting materials, The Bank of New York Mellon will not request a proxy on behalf of such holder. The Bank of New York Mellon will not vote or attempt to exercise the right to vote other than in accordance with the instructions received from ADR holders.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct The Bank of New York Mellon to vote the shares underlying your ADSs. In addition, The Bank of New York Mellon and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and there may be no recourse if your voting rights are not exercised as you directed.

Sales of a large amount of Sasol's ordinary shares and ADSs could adversely affect the prevailing market price of the securities

Historically, trading volumes and liquidity of shares listed on the JSE Limited (JSE) have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Sasol's ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity. The sales of ordinary shares or ADSs, if substantial, or the perception that these sales may occur and be substantial, could exert downward pressure on the prevailing market prices for the Sasol ordinary shares or ADSs, causing their market prices to decline.

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ITEM 4. INFORMATION ON THE COMPANY

4.A History and development of the company

Sasol Limited, the ultimate holding company of our group, is a public company. It was incorporated under the laws of the Republic of South Africa in 1979 and has been listed on the JSE Limited (JSE) since October 1979. Our registered office and corporate headquarters are at 1 Sturdee Avenue, Rosebank, 2196, South Africa, and our telephone number is +27 11 441 3111. Our agent for service of process in the United States is Puglisi and Associates, 850 Library Avenue, Suite 204, P.O. Box 885, Newark, Delaware 19715.

In 1947, the South African Parliament enacted legislation detailing the establishment of an oil-from-coal industry in South Africa. This followed 20 years after the publication of a White Paper by Parliament, aiming to protect the country's balance of payments against increasing crude oil imports in view of the lack of domestic crude oil reserves. As a result of this initiative, the South African government in 1950, through the Industrial Development Corporation of South Africa Limited (IDC), a state-owned entity, formed our predecessor company known as the South African Coal, Oil and Gas Corporation Limited to manufacture fuels and chemicals from indigenous raw materials.

Construction work on our synthetic fuels plant at Sasolburg (Sasol One), in the Free State province, about 80 kilometres (km) south of Johannesburg, commenced in 1952, and in 1955, the original Sasol One production units were commissioned. We supplied our first petrol and diesel to motorists in Sasolburg in November 1955. The operation of this plant was based on a combination of the German fixed-bed and the US fluidised-bed Fischer-Tropsch technologies, together with German Lurgi coal gasification technologies for the synthetic production of petrol, diesel, other liquid fuels and chemical feedstock from coal.

During the 1960s, we became a major supplier of raw materials for the chemical industry. This included products such as solvents for paints, butadiene and styrene for synthetic rubber and ammonia for nitrogenous fertiliser. When our first naphtha cracker became operational in the mid-1960s, we added ethylene and propylene for the plastics industry to our product portfolio.

In 1966, we completed construction of our first gas pipeline, which connected 250 industrial companies in the greater Johannesburg area to pipeline gas.

In December 1967, National Petroleum Refiners of South Africa (Pty) Limited (Natref) was incorporated and, at the same time, construction of the oil refinery commenced at Sasolburg. The refinery was commissioned in February 1971. Currently we, through our 75% holding in Sasol Oil (Pty) Limited, and Total South Africa (Pty) Limited (Total), a subsidiary of Total S.A. of France, hold 63,64% and 36,36%, respectively, in Natref.

The increased oil prices experienced in the early 1970's presented us with an opportunity to increase our synfuels production capacity and assist in reducing South Africa's dependence on imported crude oil. We commenced the construction of Sasol Two in Secunda, 145 km southeast of Johannesburg in the Mpumalanga province, in 1976, and in March 1980, this plant produced its first synthetic fuel. During the final construction phases of Sasol Two in 1979, work commenced on the construction of our third synfuels and chemicals plant also in Secunda, Sasol Three, which was completed in 1982. The virtually identical operations of Sasol Two and Sasol Three were merged in 1993 to form Sasol Synthetic Fuels, now Sasol Synfuels.

Towards the time of the completion of the Sasol Three project, all our technical and research and development services were consolidated into a new company, Sasol Technology (Pty) Limited. Since then, Sasol Technology has been an important area of our activities, responsible for research and development, technology development and commercialisation, project management and specialist engineering skills.

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In October 1979, Sasol Limited was listed on the JSE, and 70% of its share capital was privatised. We used the proceeds from the private and public issue to acquire 100% shareholding in Sasol One and 50% shareholding in Sasol Two and Sasol Three from the IDC. During 1983, we acquired the IDC's remaining interest in Sasol Two and the remaining interest in Sasol Three was acquired effective 1 July 1990. Subsequently, the interest in our share capital held by the South African government through the IDC was further reduced to its current 8,0%.

In 1982, our American Depositary Receipts (ADRs) were quoted on the National Association of Securities Dealers Automated Quotations (NASDAQ) National Market through an unsponsored ADR programme, which was later converted to a sponsored ADR programme in 1994. With effect from 9 April 2003, we transferred our listing to the New York Stock Exchange (NYSE).

Our technology enabled us to enter the downstream production of higher-value chemicals, including nitrogenous fertilisers and commercial explosives in 1983 and 1984, respectively, and also of solvents, phenolics, waxes and co-monomers.

During 1988 and 1989, we undertook the construction of a large polypropylene plant that incorporated BASF gas-phase technology. Between 1990 and 1993, Sasol One underwent an R820 million renovation, during which we discontinued the production of synfuels and increased the production of higher-value chemicals, including ammonia, solvents, phenolics, paraffin and waxes.

Polifin Limited (Polifin) was established in Johannesburg in January 1994, as a joint venture with AECI Limited (AECI), a South African listed chemicals and explosives company. The joint venture manufactured and marketed monomers and polymers. In 1996, Polifin was listed on the JSE. In 1999, pursuant to a takeover offer, we acquired Polifin's remaining share capital from AECI and the public, delisted Polifin and subsequently it became part of our chemicals portfolio and was renamed Sasol Polymers.

In June 1994, the first co-monomer plant at Secunda was commissioned to produce 1-hexene and 1-pentene for the international polymers market.

In 1995, we founded Sasol Petroleum International (Pty) Limited (SPI) to undertake oil and gas exploration and production in selected high potential areas in West and Southern Africa. SPI is currently active in South Africa, Gabon, Nigeria, São Tomé e Príncipe, Australia, Papua New Guinea and, most notably, in Mozambique. In 2000 and 2001, we signed agreements with the government of Mozambique for the development of natural gas fields and the construction of a gas pipeline transporting gas to the South African market. The construction of this pipeline was completed in 2004. We introduced natural gas to the South African pipeline gas market as of 2004 and use natural gas as part of our feedstock for our chemicals and synfuels operations in both Secunda and Sasolburg.

The Schümann Sasol International wax manufacturing and marketing joint venture was established in 1995 after a merger of Sasol Waxes and the Hamburg-based Schümann wax operations. It produces paraffin and Fischer-Tropsch waxes and operates in various countries. Effective 1 July 2002, we acquired from Vara Holdings GmbH and Co KG the remaining third of the share capital of Schümann Sasol and this group of companies, now 100% owned, has been renamed Sasol Wax.

By early 1999, Sasol Synfuels had commissioned the last of its eight new generation Sasol Advanced Synthol (SAS) reactors at Secunda, and a ninth reactor was commissioned in 2001. The 1-octene plant, also at Secunda, was commissioned in April 1999 by Sasol Solvents and commenced supply to Dow Chemical Company polyethylene plants in May 1999.

Over the past years, we have been exploring opportunities through Sasol Synfuels International (Pty) Limited (SSI) to exploit the Sasol Slurry Phase Distillate (Sasol SPD) process technology for the production of high-quality, environment-friendly diesel and other higher-value hydrocarbons from natural gas and coal. In October 2000, we signed agreements with Chevron for the creation of Sasol

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Chevron, a 50:50 global joint venture founded on gas-to-liquids (GTL) technology. Sasol Chevron was formed in order to take advantage of the synergies of Sasol's and Chevron's GTL strengths. Sasol has advanced Fischer-Tropsch technology and Chevron has extensive global experience with respect to natural gas utilisation, product marketing and hydrotreating technology. Sasol and Chevron have reviewed and optimised their business model for co-operation with respect to their GTL ambitions and have agreed, in future, to work together directly and on a case-by-case basis and not through the Sasol Chevron joint venture that will only be used to support the GTL project in Nigeria.

Sasol together with Chevron is currently involved in the development of a GTL project in collaboration with the Nigerian National Petroleum Corporation (NNPC) and Chevron Nigeria Limited at existing oil and gas facilities at Escravos in Nigeria. In December 2008, Sasol reduced its economic interest in the Escravos GTL (EGTL) project in Nigeria from 37,5% to 10%, while still providing full technical and manpower support to the project.

Sasol acquired Condea in March 2001 from German-based RWE-DEA AG for €1,3 billion (R8,3 billion). Most of this business was subsequently hosted in Sasol Olefins & Surfactants (Sasol O&S) with production facilities mainly in the United States, Europe and South Africa. In 2003, it was determined that we would continue to grow our chemical businesses conditional upon projects leveraging our technology or securing integrated or highly cost-competitive feedstock positions. We announced in August 2005 that we were considering the divestment of the Sasol O&S business, excluding our co-monomers activities in South Africa, subject to fair value being attained. In March 2007, we terminated the divestiture process and decided to retain and restructure the business. The reason for the termination of the sale was that fair value could not be obtained. A restructuring programme was implemented in 2007. The shut down for an indefinite period of the Baltimore, USA and Porto Torres, Italy linear alkyl benzene (LAB) facilities as well as normal paraffin production in Augusta, Italy constituted the first phase of this programme. In June 2009, agreement was reached for the sale of the Crotone, Italy inorganic facilities and the sale was concluded in September 2009.

In July 2001, we signed a joint venture agreement with Qatar Petroleum to establish Oryx GTL (Qatar Petroleum 51% and Sasol 49%). The joint venture has constructed a GTL plant located at Ras Laffan Industrial City to produce high quality synfuels from Qatar's natural gas resources. The plant started producing on specification product during the first quarter of the 2007 calendar year and the first product was sold in April 2007.

In February 2003, we signed a joint venture agreement with the Pars Petrochemical Company, a subsidiary of the National Petrochemical Company of Iran. The joint venture (Arya Sasol Polymer Company), on behalf of both joint venture parties, constructed a polymer plant designed to produce one million tons of ethylene to be converted into polyethylene or exported as ethylene. The complex comprises one ethane cracker for producing polymer-grade ethylene and two polyethylene plants. The ethane cracker was commissioned in November 2007. The low-density polyethylene plant and high-density polyethylene plant reached beneficial operation in 2009.

In 2004, we initiated Project Turbo, our fuel enhancement project, intended to liberate further chemical feedstock and enable concomitant investments by Sasol Polymers to expand its South African polymer production capacity by more than 80%. The selective catalytic cracker (SCC) at Sasol Synfuels was first operated during 2006. The SCC was subsequently taken out of operation for modifications following initial performance problems. Investigations and modifications were performed and the cold section of the plant was started up again in July 2007 and the hot section in January 2008, and produced ethylene, propylene and petrol to specification. The new associated polymer plants (polyethylene and polypropylene) have also been commissioned.

Effective 1 January 2004, Sasol Oil entered the South African retail fuel market with the establishment of its first Sasol-branded retail convenience centre (service station). Sasol Oil also

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completed the acquisition and integration of Exel Petroleum in a major step towards forming Sasol Oil. We now have 418, compared to 411 in 2009, Sasol-and Exel-branded retail convenience centres.

We announced on 16 March 2006, the first phase implementation of Sasol Mining's black economic empowerment (BEE) strategy through the formation of Igoda Coal (Pty) Limited (Igoda Coal), an empowerment venture with Exxaro Coal Mpumalanga (formerly Eyesizwe Coal (Pty) Limited) (Exxaro), a black-owned mining company. During August 2009, we received a notice of intention to withdraw from the Igoda transaction from our partner, Exxaro. Sasol Mining is actively pursuing alternatives to ensure that its BEE strategy remains intact.

In June 2006, we announced the signing of a co-operation agreement with the Shenhua Group Corporation Limited and the Shenhua Ningxia Coal Industry Group Company Limited of the People's Republic of China to proceed with the second stage of feasibility studies to determine the viability of an 80 000 barrels per day (bpd) coal-to-liquids (CTL) plant in the Shaanxi Province, and for another 80 000 bpd CTL plant in the Ningxia Hui Autonomous region. In November 2007, Sasol approved an amount of US$140 million for its share of the final stage of the feasibility study for the two China CTL opportunities. In August 2008, Sasol and the Shenhua Ningxia Group agreed to proceed with only one 80 000 bpd plant in the Ningxia Hui Autonomous Region of China, about 1 000 km west of Beijing. The proposed site in the Ningdong Chemical and Energy base has excellent infrastructure and this decision will enable the project schedule to be speeded up and result in lower feasibility and project cost. There are abundant coal reserves in the proximity of the large well laid out site, providing the platform for future expansion. A feasibility study for the project was completed in the first half of the 2010 calendar year. Sasol and Shenhua Ningxia Coal Group jointly submitted a Project Application Report to the Chinese Government in December 2009, to seek approval for the CTL plant. The result thereof is expected in the second half of the 2010 calendar year. The Shaanxi feasibility study will not proceed at this stage.

On 30 June 2006, we announced that our R1,45 billion broad-based BEE transaction, through an investment by Tshwarisano LFB Investment (Pty) Limited (Tshwarisano), had been successfully concluded. In terms of the agreement, Tshwarisano acquired a 25% shareholding in Sasol Oil effective 1 July 2006.

On 11 October 2007, Sasol Mining announced the implementation of the second phase of its BEE strategy. In a transaction valued at approximately R1,9 billion, a black-women controlled coal mining company, Ixia Coal (Pty) Limited (Ixia), will acquire 20% of Sasol Mining's shareholding through the issue of new shares. The transaction will increase Sasol Mining's BEE ownership component to an estimated 20% (calculated on attributable units of production). The transaction will be financed through equity (R47 million) and a combination of third party funding and appropriate Sasol facilitation. Ixia has procured its share of the financing for the transaction. The implementation of this transaction was conditional upon, inter alia, the conversion of the existing prospecting permits and mining authorisations (old order mining rights) to new order rights. The conversion of rights has been approved by the Department of Mineral Resources (DMR). The converted mining rights were signed and notarially executed on 29 March 2010. The converted mining rights for the Secunda Complex have been granted for a period of ten years. Sasol Mining has the exclusive right to apply and be granted renewal of the converted mining rights for additional periods not exceeding 30 years at a time. The Mooikraal Complex converted mining right has been granted for the maximum allowable period of 30 years. The Competition Tribunal of South Africa approved the transaction on 1 September 2010. We anticipate that this transaction will be completed by the end of September 2010. The transaction was not yet effective at 30 June 2010.

On 16 May 2008, our shareholders approved our broad-based BEE transaction valued at approximately R24 billion (at R380 per share) at that time, which resulted in the transfer of beneficial ownership of approximately 10% of Sasol Limited's issued share capital to our employees and a wide

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spread of black South African BEE participants. This transaction will provide long-term sustainable benefits to all participants and has a tenure of ten years. The following BEE participants acquired indirect or direct ownership in Sasol's issued share capital as follows:

- Sasol employees and black managers through the Sasol Inzalo Employee Trust and Sasol Inzalo Management Trust (Employee Trusts) 4,0%;
- The Sasol Inzalo Foundation 1,5%;
- Selected participants 1,5%; and
- The black public through:
  - The funded invitation 2,6%; and
  - The cash invitation 0,4%.

The Employee Trusts and the Sasol Inzalo Foundation were funded entirely through Sasol facilitation whilst the selected participants and the black public participating, through the funded invitation, were funded by way of equity contributions and preference share funding (including preference shares subscribed for by Sasol). The black public participating, through the cash invitation, were financed entirely by the participants from their own resources.

The effective date of the transaction for the Employee Trusts and the Sasol Inzalo Foundation was 3 June 2008. The effective date of the transaction for the selected participants was 27 June 2008 and the effective date for the black public invitations was 8 September 2008. Refer to "Item 5A Operating results Broad-based Black Economic Empowerment transactions".

In January 2010, the Sasol and Tata 50:50 joint venture initiated a pre-feasibility study for a CTL facility in India, following the award by the Government of India in February 2009 of a coal block in the eastern state of Orissa. This study is expected to be completed by the end of the 2010 calendar year and will be followed by a full feasibility study should the joint venture parties agree to proceed further with the project.

In April 2009, we signed a heads of agreement with Uzbekneftegaz, the national oil and gas company of Uzbekistan, and Petronas of Malaysia, for the possible construction of a 1,3 million tonnes per annum GTL plant in Uzbekistan. On 15 July 2009, we signed a joint venture agreement with our partners and launched a feasibility study for the development and implementation of this GTL project.

Since May 2000, we have undertaken share repurchases, which may be made at times and at prices deemed appropriate by management and consistent with the authorisation of the shareholders. At 30 June 2006, a total of 60 111 477 shares, representing 8,8% of the issued ordinary share capital of the company, had been repurchased since 9 May 2000 at an average price of R60,67 per share. At a general meeting held on 3 October 2006, shareholders approved that we acquire 60 111 477 Sasol Limited ordinary shares held by our subsidiary, Sasol Investment Company (Pty) Limited. These shares were cancelled on 10 October 2006. Except for the related transaction costs, the repurchase and cancellation of these shares had no effect on the consolidated financial position of the group.

At our general meeting of 23 November 2006, shareholders approved that we be granted the authority to acquire up to 10% of Sasol Limited ordinary shares by way of a general repurchase. This authority was renewed by shareholders at our general meeting held on 30 November 2007.

Through our subsidiary, Sasol Investment Company (Pty) Limited, we had purchased 40 309 886 ordinary shares representing 6,39% of the issued share capital of the company, excluding the Sasol Inzalo share transaction, for R12,1 billion at a cumulative average price of R299,77 per share since the inception of the programme in 2007. 31 500 000 ordinary shares of the repurchased shares were cancelled on 4 December 2009 for a total value of R7,9 billion. 8 809 886 ordinary shares are still held

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by Sasol Investment Company (Pty) Limited. At the annual general meetings held on 28 November 2008 and 27 November 2009, respectively, the shareholders renewed the authority to repurchase up to 4% of the issued ordinary shares of the company. This authority is valid until the company's next annual general meeting. To date, no further purchases have been made under this authority.

As of 30 June 2010, we were the seventh largest JSE listed company by market capitalisation (R183 350 million), with total consolidated turnover of R122 256 million in 2010. We employ approximately 33 300 people worldwide in our operations.

Capital expenditure

In 2010, we invested approximately R16 billion, compared with R16 billion and R11 billion in 2009 and 2008, respectively, in capital expenditure (on a cash flow basis excluding capitalised borrowing costs and including projects entered into by our joint ventures) to enhance our existing facilities and to expand operations. Capital expenditure incurred on key projects to expand our operations includes:

Projects[1]	Business categories	30 June 2010	30 June 2009	30 June 2008
		(Rand in millions)		
Pipeline expansion 5th compressor	Sasol Gas	186	532	
Power generation with open cycle gas turbines	Sasol Synfuels	842	1 077	186
16th Oxygen train	Sasol Synfuels	970	507	304
10th SAS reactor	Sasol Synfuels	463	316	69
Gas heated exchange reformers	Sasol Synfuels	354	189	23
Oryx GTL and Escravos GTL[2]	Sasol Synfuels International			865
3rd Catalyst plant in Sasolburg, South Africa	Sasol Synfuels International	465	221	10
2nd Catalyst plant, The Netherlands	Sasol Synfuels International			366
Mozambique expansion	Sasol Petroleum International	484	1 203	454
Petroleum West Africa development	Sasol Petroleum International	83	429	235
Project Turbo	Sasol Polymers		86	362
Arya Sasol Polymer Company (Iran)	Sasol Polymers		166	457
2nd and 3rd Octene trains	Sasol Solvents		298	323
Fischer-Tropsch Wax expansion project	Other chemical businesses	564	227	
Other projects	Various	2 189	2 732	1 598
		6 600	**7 983**	**5 252**

(1) The amounts include business development costs and our group's share of capital expenditure of joint ventures. The amounts exclude borrowing costs capitalised. These amounts were approved by our board of directors. We hedge all our major South African capital expenditure in foreign currency immediately upon commitment of the expenditure or upon approval of the project.

(2) In December 2008, Sasol reduced its economic interest in the Nigerian GTL project from 37,5% to 10%. The 10% interest retained by Sasol has been recognised as an investment in an associate.

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Key projects to meet legal and environmental obligations as well as to sustain existing operations during 2010 include:

Projects[1]	Business categories	30 June 2010	30 June 2009	30 June 2008
		(Rand in millions)		
Mining renewal	Sasol Mining			118
Thubelisha shaft to maintain Twistdraai Colliery operation	Sasol Mining	752	91	14
Refurbishments of continuous miners	Sasol Mining	60	36	15
Impumelelo shaft to maintain Brandspruit Colliery operation	Sasol Mining	88	21	
Major shutdown and statutory maintenance	Sasol Synfuels	1 484		
Replacement of air heater systems at boiler 9	Sasol Synfuels	301	104	29
Improvement of Synthol total feed compressors	Sasol Synfuels	266		
Selective catalytic cracker baseline optimisation project	Sasol Synfuels	231	206	76
Ashlock project	Sasol Synfuels	181	191	70
17th Reformer project	Sasol Synfuels	174		
Turbo phase 1 project	Sasol Synfuels	148	33	64
Replace long term catalyst	Sasol Synfuels	111	112	63
Replacement of turbine rotors for generator 4	Sasol Synfuels		51	6
Switch replacement programmes	Sasol Synfuels	94	64	45
Sulphuric acid plant project	Sasol Synfuels	89	134	281
Volatile organic compounds abatement programme	Sasol Synfuels	64	41	
Refurbishment of firewater lines	Sasol Synfuels	84	47	43
Oxygen emergency shut down system replacement	Sasol Synfuels	71	115	91
Replacement of steam turbines at steam plant	Sasol Synfuels	60		
Refurbishment of the utility cooling water towers	Sasol Synfuels	55	2	
Replacement of combined waste heat boilers and feed preheater	Sasol Synfuels	54	39	12
Synthol tailgas compressor and turbine upgrade	Sasol Synfuels	51	111	
Replacement of tube bundles in interstage cooler systems	Sasol Synfuels	37	90	8
Replacement of conveyor belts for coal processing and ash plants	Sasol Synfuels		62	5
Change plant to reduce benzene fuel	Sasol Synfuels	25	84	116
Secunda Natref pipeline project	Sasol Oil	155	50	
Diesel unifier project	Sasol Oil	154	79	
Depot expansion project	Sasol Oil	148	117	11
Supply Chain project	Sasol Oil	69	28	
Hydrocrackers project	Sasol Oil	14	184	
Replace long term catalyst	Sasol Oil	9	50	2

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Projects[1]	Business categories	30 June 2010	30 June 2009	30 June 2008
		(Rand in millions)		
Oryx statutory maintenance	Sasol Synfuels International	264	288	213
Replacement of trunk and gathering lines at Sasol Petroleum Temane	Sasol Petroleum International		84	179
Upgrade of central processing facility at Sasol Petroleum Temane	Sasol Petroleum International	77	48	11
Replacement of Infrachem laboratory	Other chemical businesses	101	60	
Replacement of cranes	Other businesses	27	61	
Replacement of information management systems and software	Other businesses	127	174	
Replacement of existing radio systems	Other businesses		121	
Other projects to sustain existing operations[2]	Various	3 572	4 141	3 538
Expenditure related to environmental obligations	Various	126	239	396
Expenditure incurred relating to safety regulations	Various	185	331	197
		9 508	7 689	5 603

(1) The amounts include business development costs and our group's share of capital expenditure of joint ventures. The amounts exclude borrowing costs capitalised. These amounts were approved by our board of directors. We hedge all our major South African capital expenditure in foreign currency immediately upon commitment of the expenditure or upon approval of the project.

(2) Includes property, plant and equipment, assets under construction and intangible assets.

In addition, we invested approximately R50 million in intangible assets (including investments made by joint ventures), mainly in respect of software, patents and trademarks during the year. For a discussion of the method of financing capital expenditure, refer to "Item 5.B Liquidity and capital resources liquidity".

Capital commitments

As at 30 June 2010, we had authorised approximately R67 billion of group capital expenditure in respect of projects in progress, of which we had spent R21 billion by 30 June 2010. Of the unspent capital commitments of R46 billion, R10 billion has been contracted for. Of this amount, we expect to spend R17 billion in 2011, R12 billion in 2012 and the remainder in 2013 and thereafter. For more information regarding our capital commitments refer to "Item 5.B Liquidity and capital resources liquidity" and "Item 5.F Capital and contractual commitments".

We expect to spend approximately R42 billion of our capital commitments on projects in South Africa, R2 billion in other African countries, R1 billion in Europe and the remainder on projects in

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other regions. The following table reflects key projects approved by the Sasol Limited Board and contracted which were not yet completed at 30 June 2010:

Project	Business categories	Total cost approved and contracted (Rand in millions)	Estimated beneficial operation (Calendar year)
Thubelisha Mine	Sasol Mining	2 444	2012
Open cycle turbine power generation	Sasol Synfuels	2 058	2011
Fixed bed dry bottom gasifiers	Sasol Synfuels	870	2013
17th Reformer	Sasol Synfuels	1 035	2012
16th Oxygen train	Sasol Synfuels	1 378	2010
Sulphuric acid plant project	Sasol Synfuels	873	2010
3rd Catalyst plant in Sasolburg, South Africa	Sasol Synfuels International	924	2011
Wax expansion project	Sasol Wax	2 115	2012
Ethylene Purification Unit 5	Sasol Polymers	1 913	2013

The amounts include business development costs and our group's share of capital expenditure of joint ventures.

In 2010, an amount of R1 266 million (2009: R2 468 million) has been committed by the group for further development of the Escravos GTL project.

4.B Business overview

Sasol is an integrated energy and chemicals company. We add value to coal, oil and gas reserves, using these feedstocks to produce liquid fuels, fuel components and chemicals through our unique, proprietary technologies. We mine coal in South Africa and produce gas and condensate in Mozambique and oil in Gabon, and our chemical manufacturing and marketing operations span the globe. In South Africa we refine imported crude oil and retail liquid fuel products through our network of retail convenience centres. We also supply fuels to other distributors in the region and gas to industrial customers. We maintain extensive chemical manufacturing and marketing operations, mostly in South Africa, Europe, the United States of America (USA), the Middle East and Asia.

In South Africa, we refine imported crude oil and retail liquid fuels through a network of 418 Sasol retail convenience centres and Exel service stations. We also supply fuels to oil companies operating in South Africa and other distributors in South Africa and sub-Saharan Africa. Through Sasol Synfuels International (SSI), we are pursuing international opportunities to commercialise our CTL and GTL technologies. We brought our first international GTL plant, Oryx GTL, into operation in 2007 and we are developing, through our interest in an associate, a GTL plant in Nigeria. We are promoting our GTL technology in Uzbekistan and our CTL technology in China and India.

We employ approximately 33 300 people worldwide and remain one of South Africa's largest investors in capital projects, skills development and technological research and development.

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Our activities

Sasol believes that its ability to compete and grow sustainably is contingent on internal collaboration, knowledge and resource sharing, as well as building effective external partnerships and joint ventures in different markets, territories and cultural contexts. We cluster our businesses according to common business drivers. Clustering, which involves creating linkages among logically related businesses that allow for strategic consistency and operational efficiencies, has been increasingly adopted by world-class companies to become recognised best practice. In 2007, we formalised the group's structure into three focused business clusters South African Energy Cluster, International Energy Cluster and Chemical Cluster.

We divide our operations into the following segments:

South African Energy Cluster

Sasol Mining. We mine approximately 41 million tons (Mt) of saleable coal per year, mostly for gasification feedstock and utilities coal for our complexes in Secunda and Sasolburg and export approximately 3 Mt of coal annually. Sasol Mining accounted for 1% of our total external segmental turnover in 2010.

Sasol Gas. We distribute and market Mozambican-produced natural gas and Secunda-produced methane-rich gas to customers in the Gauteng, Mpumalanga, Free State, North-West and KwaZulu-Natal provinces of South Africa. We also have a 49% interest in Spring Lights Gas (Pty) Limited, an empowerment gas marketing company in Durban, and a 50%

interest in Republic of Mozambique Pipeline Investments Company (Pty) Limited (Rompco), a company

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which owns, operates and maintains the 865 km cross-border pipeline that conveys natural gas from the Temane central processing facility in Mozambique to the gas network in South Africa. Sasol Gas accounted for 2% of our total external segmental turnover in 2010.

Sasol Synfuels. We operate the world's only commercial coal-based synfuels manufacturing facility at Secunda. We produce synthesis gas through coal gasification and natural gas reforming, using our proprietary technology to convert synthesis gas into synthetic fuel components, chemical feedstock and pipeline gas. Sasol Synfuels accounted for 1% of our total external segmental turnover in 2010.

Sasol Oil. We market fuels blended at Secunda and refined through our 63,64% interest in the Sasolburg Natref refinery (South Africa's only inland crude oil refinery). Products include petrol, diesel, jet fuel, illuminating paraffin, fuel oils, bitumen, lubricants gasses and sulphur. We have 234 Sasol branded retail convenience centres (including 37 recent conversions from the Exel brand) and 184 Exel service stations in South Africa and export fuels to several South African Development Community (SADC) countries. Sasol Oil accounted for 39% of our total external segmental turnover in 2010.

Other. This segment currently includes costs related to the pre-feasibility study for the potential expansion of our synthetic fuels capacity in South Africa known as Project Mafutha.

International Energy Cluster

Sasol Synfuels International. We pursue international commercial opportunities based on our CTL and GTL Fischer-Tropsch technology and operational experience. We are developing and implementing international ventures based on the Sasol SPD process. In partnership with Qatar Petroleum, we brought our first international GTL plant, Oryx, into operation in Qatar in 2007. We also pursue opportunities based on other hydrocarbons that could be beneficiated through our Fischer-Tropsch technology. SSI accounted for 2% of our total external segmental turnover in 2010.

Sasol Petroleum International. We develop and manage our upstream interests in oil and gas exploration and production in Mozambique, South Africa, Gabon, Nigeria, Australia, Papua New Guinea and the Joint Development Zone between Nigeria and São Tomé e Príncipe. We produce gas and condensate from Mozambique's onshore Pande and Temane fields and oil from Gabon's offshore Etame oilfield cluster. Furthermore, SPI is also mandated to pursue gas exploration opportunities in other geographic locations to enable it to supply feedstock to potential future Sasol GTL plants. SPI accounted for 1% of our total external segmental turnover in 2010.

Chemical Cluster

Sasol Polymers. We operate plants at Sasolburg and Secunda in South Africa and supply ethylene, propylene, polyethylene, polypropylene, polyvinyl chloride, chlor-alkali chemicals and mining reagents to domestic and international customers. We also have joint venture monomer and polymer interests in Malaysia and Iran, and marketing facilities in China. Sasol Polymers accounted for 12% of our total external segmental turnover in 2010.

Sasol Solvents. We operate plants in South Africa and Germany and supply a diverse range of solvents (ketones and alcohols), co-monomers (hexene and octene), acrylates and associated products. We also have a maleic anhydride joint venture in Germany with Huntsman Corporation. Sasol Solvents accounted for 12% of our total external segmental turnover in 2010.

Sasol Olefins & Surfactants. We operate plants in Germany, Italy, the Slovak Republic, the USA, China and United Arab Emirates and supply surfactants, linear alkylbenzene, surfactant

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intermediates, n-paraffins, n-olefins, C_6-C_{22} alcohols, ethylene aluminas, oleochemicals and other organic intermediates to customers worldwide. Sasol Olefins & Surfactants accounted for 20% of our total external segmental turnover in 2010.

Other chemical businesses. We are involved in a number of other activities in the chemicals industry, both in South Africa and abroad, which, among others, include production and marketing of other chemical products, like waxes, fertilisers and mining explosive products. These activities accounted for 10% of our total external segmental turnover in 2010.

Other businesses

Other. We are involved in a number of other activities in the energy and chemicals industries, both in South Africa and abroad, which, among others, are technology research and development, and our financing activities as well as alternative energy activities.

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The following tables present our total external turnover after the elimination of inter-segment turnover by business operation and geographic market in accordance with IFRS:

	South Africa Energy Cluster				International Energy Cluster			Chemical Cluster				
2010	**Sasol Mining**	**Sasol Gas**	**Sasol Synfuels**	**Sasol Oil**	**Other**	**Sasol Synfuels International**	**Sasol Petroleum International**	**Sasol Polymers**	**Sasol Solvents**	**Sasol Olefins and Surfactants**	**Other chemicals**	**Other businesses**	**Total**
						(Rand in millions)							
South Africa	55	2 962	541	44 137				7 409	1 136	166	5 350	132	61 888
Rest of Africa	92	12	10	3 016		71	48	1 422	155	153	625	11	5 615
Europe	309	12	288	769		1 719	868	415	6 307	12 923	3 486	6	27 102
Middle East and India	758		10			492		2 265	1 321	295	297	13	5 451
Far East	70		8					1 613	1 115	1 775	105		4 686
North America			3	6					2 941	8 923	1 173	2	13 048
South America	20		2					148	537	432	304		1 443
Southeast Asia and Australasia	392		17	4				964	913	107	611	15	3 023
Turnover	**1 696**	**2 986**	**879**	**47 932**		**2 282**	**916**	**14 236**	**14 425**	**24 774**	**11 951**	**179**	**122 256**

	South Africa Energy Cluster				International Energy Cluster			Chemical Cluster				
2009	**Sasol Mining**	**Sasol Gas**	**Sasol Synfuels**	**Sasol Oil**	**Other**	**Sasol Synfuels International**	**Sasol Petroleum International**	**Sasol Polymers**	**Sasol Solvents**	**Sasol Olefins and Surfactants**	**Other chemicals**	**Other businesses**	**Total**
						(Rand in millions)							
South Africa	159	2 816	1 066	47 362				8 168	1 443	99	7 348	100	68 561
Rest of Africa	266	13	2	3 493		78	190	1 832	157	181	898	11	7 121
Europe	1 783		222	105		1 858	425	280	7 399	15 378	3 744	36	31 230
Middle East and India	398		10			972		2 144	1 547	309	414	24	5 818
Far East	145		3					1 242	1 441	1 894	64		4 789
North America			38	7					2 864	10 380	1 403		14 692
South America	134		3				541	252	512	479	290		2 211
Southeast Asia and Australasia			23	119		119		1 408	954	147	644		3 414
Turnover	**2 885**	**2 829**	**1 367**	**51 086**		**3 027**	**1 156**	**15 326**	**16 317**	**28 867**	**14 805**	**171**	**137 836**

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	South Africa Energy Cluster				International Energy Cluster			Chemical Cluster				
2008	**Sasol Mining**	**Sasol Gas**	**Sasol Synfuels**	**Sasol Oil**	**Other**	**Sasol Synfuels International**	**Sasol Petroleum International**	**Sasol Polymers**	**Sasol Solvents**	**Sasol Olefins and Surfactants**	**Other chemicals**	**Other businesses**	**Total**
						(Rand in millions)							
South Africa	161	2 563	788	48 260				7 872	1 343	184	6 287	174	67 632
Rest of Africa	201		12	4 240	85		227	1 290	170	102	771		7 098
Europe	1 839		118		1 155			267	7 102	15 055	3 624	44	29 204
Middle East and India	64		20		370			202	1 385	324	363	5	2 733
Far East	205		10					742	1 456	1 520	109		4 042
North America			17						2 651	10 111	1 313	2	14 094
South America			5				1 001	73	487	750	276		2 592
Southeast Asia and Australasia			12		178			716	991	9	572		2 548
Turnover	**2 470**	**2 563**	**982**	**52 500**	**1 788**		**1 288**	**11 162**	**15 585**	**28 125**	**13 315**	**225**	**129 943**

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Our strategy

Sasol is an integrated energy and chemicals company. We add value to coal, oil and gas reserves, using these feedstocks to produce liquid fuels, fuel components and chemicals through our unique, proprietary technologies. We are active in petroleum and chemical sectors in Southern Africa and other countries where we can obtain an advantage through competitive feedstock. Our core business is adding value to competitively priced coal and gas feedstock through our unique Fischer-Tropsch synthesis and other proprietary technologies for the production of fuel, fuel components and chemicals.

Commercialising and expanding our Fischer-Tropsch GTL and CTL technology We have made further progress in the drive to commercialise our GTL technology based on the Sasol SPD process in natural gas-rich regions. The Sasol SPD process allows us to monetise underutilised gas resources by converting them into ultra-low sulphur, superior quality diesel and naphtha in line with global trends towards cleaner fuel and reduced emissions to the environment.

Oryx GTL, the 49:51 joint venture with Qatar Petroleum was commissioned in 2007 and is in stable operation and has met and sustained its design basis. The plant is the world's first commercial scale Slurry Phase Fischer-Tropsch GTL plant outside South Africa, developed and built specifically to produce GTL diesel and to a lesser extent, GTL naphtha and liquefied petroleum gas (LPG). The GTL diesel can be used either as a neat fuel or as a blend stock.

The development of the EGTL plant in Nigeria is advancing, but the project is experiencing significantly higher than expected capital cost increases. Capital costs are currently estimated to be US$6 billion with a completion date of 2012. In order to mitigate this risk, Sasol has reduced its economic interest in the EGTL project to 10%, while still providing full technical and manpower support to the project.

We continue to assess various GTL and CTL opportunities in a number of countries. The focus remains on the possible roll out of Sasol's proven CTL technology in China, India, Indonesia and the USA, which together hold the bulk of the world's coal reserves. The possible expansion of the GTL footprint in Qatar also remains a target, in addition to prospects for other GTL facilities, for example Uzbekistan, currently being explored by SSI.

In support of this growth driver, our team of researchers continues to advance our next-generation GTL technology, including our proprietary low-temperature Slurry Phase Fischer-Tropsch reactor and cobalt-based catalysts.

Sasol Mining has concluded a pre-feasibility study for establishing a mine to supply a CTL plant in the Limpopo province, South Africa, with coal being supplied from the prospecting rights area held by Sasol Mining. The project is awaiting progress on a decision by Sasol Mafutha CTL to proceed to feasibility stage. A bulk sample, of approximately 170 000 tons, has been mined in the Limpopo West prospecting right area in order to confirm the gasifiability of the coal. This sample is currently being beneficiated into 80 000 tons of the various gasifier products for testing in Sasol's Secunda Synfuels plant during the August to December 2010 period. A mining right application for the Limpopo West prospecting right area is being prepared for submission to the DMR during the 2011 calendar year. The environmental studies to establish a mine for the Mafutha CTL plant has commenced, with the base line studies complete, while the public participation process is planned to commence early in the 2011 calendar year. We will continue to explore new opportunities to commercialise our competitive Fischer-Tropsch synthesis technology for the beneficiation of coal and other hydrocarbon resources, including environmentally friendly biomass.

Growing our chemicals portfolio The chemical cluster represents the second leg in Sasol's portfolio, in addition to energy and fuels. In South Africa, the chemical businesses are closely integrated in the Fischer-Tropsch value chain. We operate related chemical businesses based on backward integration into feedstock and/or competitive market positions. The chemical cluster is also

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supplementing our CTL and GTL growth by way of three chemical growth ambitions based on the concepts of Fischer-Tropsch, conventional cracker and syngas platforms.

Outside South Africa, our polymer business continues to gain momentum. In Iran, Sasol has invested €535 million (our 50% share of the total capital project) in an ethane cracker/polyethylene polymer complex which is designed to produce one million tons per annum (tpa) of ethylene and 600 000 tpa polyethylene (high-density polyethylene (HDPE) and low-density polyethylene (LDPE) for sale in Iran and internationally). This project is a 50:50 joint venture (called Arya Sasol Polymer Company) between Sasol and the Pars Petrochemical Company of Iran. The complex comprises one ethane cracker for producing polymer-grade ethylene and two polyethylene plants. Production at all three units is still ramping up to design capacity.

Sasol Solvents continues to benefit from its status as a diversified producer and marketer of industrial solvents. The breadth of our solvents product portfolio and international market presence covering all major regions are competitive strengths of this business unit. The Octene 3 plant in South Africa, which produces high quality 1-octene as a co-monomer for the polyolefins market, achieved beneficial operation in June 2008. This plant has the capacity to produce 100 000 tpa of 1-Octene. Recently, Sasol Solvents has installed capacity to produce and market 356 000 tons of 1-Octene and 1-Hexene per annum.

Sasol Olefins & Surfactants (Sasol O&S), made good progress on their turnaround strategy during 2010. Continued monitoring of asset profitability and fixed costs remains a cornerstone of this strategy which is proven through stronger results. Volumes and margins have strengthened through the course of the year, with the second half of the year reaching pre-recession levels. Although a number of assets in the business remain under review, the success of the new strategy and the improved robustness of the business validated the decision by Sasol Limited to retain Sasol O&S.

Exploit upstream hydrocarbon opportunities SPI produces natural gas and condensate from its onshore Temane and Pande gas fields in Mozambique and oil from its Gabon offshore Etame oil field cluster. We are continuing our efforts to grow the upstream asset base in order to supply feedstock gas for existing and possible new downstream businesses. For that purpose, SPI has embarked on a growth plan to a) maximise production from existing assets; b) expand our exploration portfolio; c) consider asset acquisitions; and d) investigate non-conventional gas opportunities.

Sasol Gas continues to focus on growing the South African gas market following the successful introduction of natural gas from Mozambique in 2004.

South African Energy Cluster

Sasol Mining

Nature of the operations and principal activities

In South Africa, we have three coal mining operations:

Secunda Mining Complex, consisting of four underground mines (Bosjesspruit, Brandspruit, Middelbult and Syferfontein) at Secunda from which 39,3 Mt of coal was supplied to Sasol Synfuels, our primary customer.

Export Complex (situated in the Secunda Mining Complex), supplied by the Twistdraai mine at Secunda, producing coal for the international market (export coal sales of 3,0 Mt) and local market (coal sales of 0,1 Mt) as well as a secondary product (middlings), of 1,4 Mt, supplied to Sasol Synfuels.

Sigma: Mooikraal Colliery. The Sigma: Mooikraal mine near Sasolburg was brought into operation to supply utility coal to the group's utility plants in Sasolburg at a rate of about 1,9 Mt

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a year. It replaced the depleted Mohlolo underground operation and the Wonderwater high-wall operation, which are undergoing final closure and rehabilitation.

During 2010, total production was 42,6 Mt of coal, compared to 39,1 Mt in the previous year. The increase in production is mainly due to the implementation of the operations excellence programme and the revision of the production bonus structure. Each year, saleable production volumes vary according to internal demand and export capacity.

Operational statistics

	2010	2009	2008
	(Mt, unless otherwise stated)		
Sigma Mine	2,0	1,8	1,7
Secunda Mines	40,6	37,3	41,1
Total production	**42,6**	**39,1**	**42,8**
Saleable production from all mines[(1)]	41,0	37,3	40,4
External coal purchases mainly from Anglo Operations	4,7	5,3	4,8
Sales to Sasol Infrachem, Sasolburg	1,9	1,8	1,7
Sales to Sasol Synfuels, Secunda	39,3	38,6	40,1
Additional South African market sales	0,1	0,2	0,9
Export sales (primarily Europe)	3,0	3,1	3,4
Total sales including exports	**44,3**	**43,7**	**46,1**
Production tonnes per continuous miner (mining production machine) per shift (t/cm/shift)	1 535	1 391	1 614

(1) Saleable production equals our total production minus discard and includes both product sold and movements in stockpiles.

Principal markets

We extract and supply coal mainly to our Synfuels and chemical plants under terms and conditions which are determined on an arm's length basis. We export approximately 7% of Sasol Mining's production. In 2010, external sales, primarily exports, totalled 3,1 Mt, compared to 3,3 Mt in 2009. The reduction in external sales tons during the current year resulted mainly from Transnet Freight Rail constraints and the implementation of Phase V at Richards Bay Coal Terminal. In a volatile currency market, average US dollar export prices achieved decreased by 24%, while the rand strengthened by 14% compared with the prior year. This resulted in a net decrease in the rand export coal price of 34%.

Marketing opportunities for coal in both the international and domestic utility market continue to be explored. Our exports are currently constrained by our throughput entitlement at the Richards Bay Coal Terminal.

External market opportunities

International CTL projects. In support of SSI, Sasol Mining is involved in CTL project studies in China and India. At this stage, Sasol Mining's role is to evaluate the coal feedstock supply in terms of the reserve base, the ability to mine the feedstock, pricing of feedstock, quality requirements of the coal for gasification and safety issues.

Mafutha Mining project. Sasol Mining has concluded a pre-feasibility study for establishing a mine to supply a CTL plant in the Limpopo province, South Africa, with coal being supplied from the

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prospecting rights area held by Sasol Mining. The project is awaiting progress on a decision by Sasol Mafutha CTL to proceed to feasibility stage. A bulk sample, of approximately 170 000 tons, has been mined in the Limpopo West prospecting right area in order to confirm the gasifiability of the coal. This sample is currently being beneficiated into 80 000 tons of the various gasifier products for testing in Sasol's Secunda Synfuels plant during the August to December 2010 period. A mining right application for the Limpopo West prospecting right area is being prepared for submission to the DMR during the 2011 calendar year. The environmental studies to establish a mine for the Mafutha CTL plant has commenced, with the base line studies complete, while the public participation process is planned to commence early in the 2011 calendar year.

Seasonality

The demand for coal by our Synfuels and chemical plants is consistent throughout the year. The export coal is sold mainly in Europe and Asia. Even though the demand for coal is seasonal in certain regions, our sales are planned to ensure even shipment of coal throughout the year.

Marketing channels

Sasol Mining has appointed a limited number of agents in Europe to represent the company, each responsible for their own specific geographic markets. These agents operate on a commission basis and are authorised to act as intermediaries only with the aim of promoting our product and providing after-sales service. All sales require approval of Sasol Mining before they may be concluded with the customer.

Factors on which the business is dependent

Being part of the Sasol value chain we are continuously engaging with Sasol Synfuels to ensure optimal delivery and utilisation of our coal resources. We also have dedicated strategic and long-term planning departments who ensure that mining and other related activities are performed in accordance with our strategic plans for the future.

Also refer to Item 4B "Business overview Regulation of mining activities in South Africa".

Property, plants and equipment

Sasol Mining operates six mines for the supply of coal to Sasol Synfuels, Sasol Infrachem (utility coal only) and the external market. The annual production of each mine, the primary market to which it supplies coal and the location of each mine are indicated in the table below:

			Production (Mt)		
Mine	**Market**	**Location**	**2010**	**2009**	**2008**
Bosjesspruit	Sasol Synfuels	Secunda	**7,6**	6,4	7,3
Brandspruit	Sasol Synfuels	Secunda	**8,0**	7,4	7,7
Middelbult	Sasol Synfuels	Secunda	**8,5**	7,6	7,6
Syferfontein	Sasol Synfuels	Secunda	**9,9**	9,5	9,3
Twistdraai	Export/Sasol Synfuels[1]	Secunda	**6,6**	6,4	9,2
Sigma : Mooikraal	Sasol Infrachem	Sasolburg	**2,0**	1,8	1,7
			42,6	39,1	42,8

(1) The secondary product from the export beneficiation plant is supplied to Sasol Synfuels.

Some of our mines are approaching the end of their useful lives and we are developing new mines and shafts to sustain consistent supply. During 2010, we started construction of Twistdraai Colliery's

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new Thubelisha shaft. We also obtained board approval for the construction of the Impomelelo mine, which will replace the ageing Brandspruit Colliery. Construction is due to start in 2011.

Coal handling facility Sasol Coal Supply (SCS)

SCS at Secunda is responsible for the conveyance of coal from the mine mouth to a stock holding facility. Here the coal from the different mines is blended in order to homogenise the product that is then conveyed to Sasol Synfuels as demanded.

Beneficiation plant

A coal beneficiation plant is operated at Secunda to enable coal export to the international market. The design throughput of the plant is 10,5 Mt per annum. The plant feedstock is supplied by Twistdraai mine via overland conveyor belts of approximately 20,2 km in length.

Sasol Gas

Nature of the operations and its principal activities

Established in 1964, originally as the South African Gas Distribution Corporation Limited (Gascor), Sasol Gas operates and maintains a 2 242 km pipeline network in South Africa and Mozambique. Sasol Gas is a shareholder in Rompco and Spring Lights Gas (Pty) Limited (Spring Lights Gas).

As part of the Natural Gas Project for the development, production and transportation of natural gas from Mozambique, Rompco was established as the owner of the Mozambique to Secunda gas transmission pipeline (MSP).

Initially, Rompco was a wholly owned subsidiary of Sasol Gas Holdings. Pursuant to the Rompco Shareholders' Agreement the South African and Mozambican governments' nominated shareholders, namely the South African Gas Development Company (Pty) Limited (iGas) and Companhia de Moçambicana de Gasoduto, S.A.R.L (CMG) were afforded a deferred option to purchase in aggregate up to 50% of the shareholding in Rompco. With effect from 1 July 2005, iGas exercised its option to purchase 25% of the shares in Rompco. CMG exercised its option with effect from 2 August 2006. A total profit of R576 million was realised on the sale of shares to the respective parties. The shareholding by government nominated entities positively impacted the political risk profile of the investment in Rompco and the MSP.

As part of Sasol Gas' commitment to broad based BEE, Sasol Gas formed a joint venture company with Coal Energy and Power Resources Limited, Spring Lights Gas, in 2002 to which it sold its marketing business in KwaZulu-Natal, a province in South Africa. This venture has realised substantial growth in the market since its inception.

Since 1996, Sasol Gas has been using the Lilly pipeline owned by Transnet Pipelines for the transportation of gas to the KwaZulu-Natal market. During 2005, we renewed the gas transportation agreement with Transnet Pipelines to continue to use the pipeline for a duration of 17 years (until 2022), with an option to extend the agreement for a further three years.

Principal markets

Sasol Gas markets methane-rich gas, produced by Sasol Synfuels and natural gas produced from gas fields in Mozambique. In the energy market, pipeline gas competes with crude oil-derived products, electricity and coal in various industries, such as ceramics, glass, metal, manufacturing, chemical, food and pulp and paper.

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The pipeline gas segment makes up a small part of the overall energy industry in South Africa. The market has grown as a result of the introduction of natural gas from Mozambique since 2004. The current supply of 124 MGJ/a of pipeline gas increased from 122 MGJ/a in 2009. Compared to developed countries, South Africa is a small consumer of natural gas as a percentage of its total energy requirements. This presents us with the opportunity to increase sales of environmentally preferred natural gas. Environmental and technological trends together with new environmental legislation are expected to entice customers to convert to gas as a substitute for environmentally less desirable energy sources. During 2010, natural gas volumes sold reached 102 MGJ/a and methane rich gas volumes 22 MGJ/a.

Sasol Gas supplies 59,3 MGJ/a of gas to 576 industrial and commercial customers in the South African provinces of Mpumalanga, Gauteng, KwaZulu-Natal, North-West and the Free State. Besides marketing pipeline gas to these customers, natural gas is also supplied as feedstock to Sasol's facilities in Sasolburg and Secunda.

Seasonality

The total South African demand for gas is consistent throughout the year and is generally not subject to seasonal fluctuations due to moderate temperature variances between seasons and the absence of a significant domestic market.

Raw materials

The natural gas purchased in Mozambique from an un-incorporated joint venture (UJV) consisting of Sasol Petroleum Temane Limitada (SPT), a subsidiary of Sasol Petroleum International, International Finance Corporation (IFC) and Companhia Moçambicana de Hidrocarbonetos, S.A.R.L (CMH) is transported by Rompco to Secunda in South Africa. Methane-rich gas is purchased from the Sasol Synfuels facility in Secunda. The UJV has been supplying Sasol Gas with natural gas since 2004 and Sasol Synfuels has been supplying methane-rich gas to Sasol Gas since 1994.

Marketing channels

Over 93% of the products produced by Sasol Gas are sold to end-use industrial customers by our own sales and marketing personnel. We also supply a small number of traders and resellers who sell the gas to their own customers.

Factors on which the business is dependent

Licences and regulations

We have obtained, from the National Energy Regulator of South Africa (NERSA), the necessary licences required in terms of the Gas Act to operate our gas distribution facilities and to engage in our trading activities. We are in the process of obtaining the relevant licences for the operation of transmission gas facilities in order to comply with the Gas Act and the rules published by NERSA. As and when expansion of our distribution and transmission facilities is required we apply for the required construction licences from NERSA. Refer to Item 4B "Business overview Regulation of pipeline gas activities in South Africa" for additional information.

Property, plants and equipment

The MSP natural gas transmission pipeline owned by Rompco is a 26 inch carbon steel underground pipeline of 865 km. The pipeline starts from the natural gas central processing facility (CPF) at Temane in Mozambique and ends at the pressure protection station (PPS) in Secunda, South Africa. The instantaneous capacity of the pipeline is 136 MGJ/a, with an annual average of 120 MGJ/a

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without any additional compression along the pipeline. Rompco is in the process of constructing the first compressor station near Komatipoort in South Africa. This will supply midpoint compression and will enable the pipeline to increase gas transportation up to an annual average of 149 MGJ/a. The compressor station is expected to reach beneficial operation during the second half of the 2010 calendar year.

The inland transmission network of Gauteng is fed from the PPS at Nigel. The network is operated at a pressure of 3 550 kPa and lower and the capacity of the transmission network is approximately 84 MGJ/a. These pipelines supply various low pressure distribution areas as well as some customers directly. Where these lines enter into various distribution areas, a pressure reduction station reduces the pressure to 625 kPa. The southern part of the inland network ends at the auto thermal reformer plant (ATR) in Sasolburg. The ATR plant is used to convert the natural gas into chemical feedstock for the chemical cluster businesses located in Sasolburg and is owned and operated by Sasol Infrachem.

The Secunda, Witbank and Middelburg distribution network receives methane-rich gas from Sasol Synfuels. The maximum operating pressure for this pipeline is 3 000 kPa and the capacity of the network is 10 MGJ/a. The same methane-rich gas as supplied to Witbank and Middelburg is compressed and fed into the Transnet Pipelines transmission pipeline to feed our customers in the KwaZulu-Natal province. The maximum operating pressure for this transmission pipeline is 5 300 kPa and the capacity of the network is approximately 21 MGJ/a.

Sasol Synfuels

Nature of the operations and principal activities

Sasol Synfuels, based in Secunda operates a coal and gas based synthetic fuels manufacturing facility. We produce syngas primarily from low-grade coal with a smaller portion of feedstock being natural gas. The process uses advanced high temperature Fischer-Tropsch technology to convert syngas into a range of synthetic fuel components, as well as industrial pipeline gas and chemical feedstock. We produce most of South Africa's chemical and polymer building blocks, including ethylene, propylene, ammonia, phenols, alcohols and ketones. We operate the world's largest oxygen production facilities (according to Air Liquide, the French industrial gas company), currently consisting of 15 units. We are in a process of expanding the oxygen facility with an additional unit with commissioning expected during the fourth quarter of the 2010 calendar year.

Major growth opportunities exist for us in the domestic and international markets. Sasol Synfuels is partnering with Sasol Technology, Sasol Oil and key chemical businesses in a feasibility study for a substantial increase in production. This project consists of two phases. The first phase will expand the current high temperature Fischer-Tropsch volumes and the second phase will use low temperature Fischer-Tropsch technology, with both the natural gas and coal as feed streams. Portions of the first phase are currently in the execution phase, with the remainder of the first phase in feasibility stage. The second phase is in pre-feasibility stage.

The Sasol Natural Gas Growth Project (SNGGP) phase 1(a) was approved by the Sasol Limited board during March 2010. The total approved amount of R14,2 billion, consists of both capital and feasibility funds. This investment will result in an increase in production of approximately 3,2% on a sustainable basis as well as additional power from gas turbines. Since 2008, Sasol Synfuels has incurred costs of R599 million in respect of the pre-feasibility and feasibility studies related to the SNGGP phase 1(a). On the fuel specification programme phase 1(b), an amount of R47 million has been approved, with a total expected capital investment of R11 billion. The scope of phase 1(b) is to address the fuel specifications and environmental requirements associated with the growth programme. Further growth opportunities are being considered, but these are in the early stages and have not yet been

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approved for commercial development. It is therefore premature to assess the impact they would have on our operations.

Principal markets

Sasol Synfuels sells fuel components to Sasol Oil, and methane-rich gas is sold to Sasol Gas. Chemical feedstocks are sold to the chemical divisions of Sasol and its joint venture partners, including Merisol. Such feedstocks are processed and marketed for a wide range of applications locally and abroad. Ammonia and sulphur are sold to the fertiliser and explosives industries, including Sasol Nitro, our nitrogenous products division.

Raw materials

The dominant feedstock components used by Sasol Synfuels in the production process are low grade coal obtained from Sasol Mining and natural gas obtained from Sasol Gas. Prices of low grade coal are influenced by the South African Producer Price Index while the price of natural gas is mainly determined by the international price of crude oil.

Marketing channels

The bulk of our products are sold to other Sasol business units. A very small volume of carbon products are directly marketed to clients locally and abroad, via commercial distribution channels. Sasol Nitro also acts as a marketing agent for the selling of ammonia and sulphur, mainly to the South African fertiliser industry.

Property, plants and equipment

Specific product volumes

	2010	2009	2008
		(Mt)	
Total production volumes	7,4	7,1	7,4

	2010	2009	2008
		(% of total production)	
Liquid and gaseous fuels	62	63	64
Petrochemical feedstock	29	28	27
Carbon plus nitrogenous feedstock for fertilisers and explosives	7	7	7
Specialised cokes, creosote and related carbon and tar products	2	2	2

Sasol Synfuels is continuing the development of an operations excellence approach suitable for Sasol Synfuels' manufacturing activities. Greater energy efficiency is also being pursued through new programmes aimed at reducing overall unit cost, improving environmental performance and assuring the reliability of electricity supply. Sasol Synfuels has commenced with the construction of a 200-megawatt power-generation plant at Secunda. Beneficial operation is planned to be achieved during July 2010. This facility will be commissioned on natural gas but will eventually use waste-gas streams as an energy source to reduce costs and environmental impact as well as overall site energy efficiency.

Overall production integrity and reliability remained at relatively stable levels throughout the year. Overall production volumes for 2010 were higher than 2009 due to improved plant reliability, availability and efficiency of operations. Ongoing programmes are followed to further improve plant reliability.

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Sasol Synfuels continues to advance a series of major environmental projects as part of a wider group initiative in South Africa to reduce our environmental footprint and enhance operational efficiency. We have commissioned the sulphuric acid plant at Sasol Synfuels and an ammonium sulphate plant at Sasol Nitro that is expected to cost R1 272 million. The sulphuric acid plant will use hydrogen sulphide and offtake gas from the Rectisol plant as feedstock. Sasol Nitro converts a large percentage of the sulphuric acid into ammonium sulphate, an important fertiliser ingredient. The sulphuric acid plant is expected to achieve beneficial operation in the fourth quarter of the 2010 calendar year.

We are also focusing on opportunities to reduce volumes of low-level volatile organic compounds (VOCs), as well as emissions of sulphur oxides (SOx) and oxides of nitrogen (NOx). Projects are in various development phases.

Sasol Synfuels has approved capital of R2 350 million for environmental projects. This amount includes spending on black product remediation, rehabilitation of the waste ash site and dolomite pits and the reduction of VOC emissions. To date, the expenditure on these projects amounts to R281 million, with the remaining R2 068 million to be spent in the future.

Sasol Oil

Nature of the operations and principal activities

Sasol Oil encompasses the established liquid fuels, bitumen and lubricants marketing activities of Sasol through our wholesale, commercial and retailing interests, featuring both the Sasol and the Exel brands. Operations include fuel blending and storage facilities at our Secunda operations to turn fuel components procured from Sasol Synfuels into market ready products. We are also responsible for crude oil procurement, shipping and the subsequent refining of crude oil through our majority shareholder interest in the Natref refinery in Sasolburg. Final product is supplied to and traded with, other licensed wholesalers operating in Southern Africa. Products include petrol, diesel, jet fuel, illuminating paraffin, LPG, fuel oils, motor and industrial lubricants, bitumen and sulphur.

Liquid fuels marketed

	2010	2009	2008
	(million m^3)		
Total liquid fuel sales	10,55	9,85	9,98
Total liquid fuel sales (exported)	0,59	0,56	0,84

Principal markets

Sasol Oil's fuel production is primarily located in South Africa's industrial heartland, where an estimated 60% of the country's petrol and diesel is consumed. Our full production of approximately 9,2 million m^3 of white products per year is insufficient to supply this market. The balance of the market is supplied from coastal refineries and imports, transported via the Transnet Pipelines' (previously Petronet) pipeline, road and rail tankers. Limited volumes of white products are exported overland to neighbouring countries.

Seasonality

The total South African demand for transportation fuels is fairly consistent throughout the year. Slightly higher demand for petrol is evident during the December holiday period and diesel demand tends to peak during October, the summer grain planting season and weakens during the December holiday period. The demand for fuel oil and gasses tends to increase in the winter season and weaken in the December holiday period. Demand during the first quarter of the calendar year is generally weaker than the annual average.

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South Africa is a price taker from international markets for transportation fuels as a result of the longstanding regulatory regime, which is based on import alternatives. Local price seasonality is mainly as a result of northern hemisphere demand peaks for petrol in the summer and diesel in the winter. This normally results in petrol and diesel prices being higher during our winter and summer compared to the USA and Europe, respectively.

During 2010, international petrol and diesel price trends have been substantially different to the established historical norm due to the global economic recession. A reduction in global demand for petrol and diesel has affected the prices and reduced normal seasonality, resulting in lower than anticipated refining margins. Increased refining capacity in emerging economies has increased supply, further negatively impacting margins. Margins are not expected to recover in the near future, but we do expect the seasonal impacts to return.

Raw materials

Sasol Oil's main raw material inputs are blending components from Sasol Synfuels, crude oil and base oils for lubricant manufacturing.

Blending Components
Sasol Oil has an agreement with Sasol Synfuels to uplift fuel components, which are then blended to market specifications in Secunda. Fuel oil components from Sasol Synfuels and Natref are blended to provide customer specific heating fuel solutions. The purchase price of fuel components is referenced to international petroleum product prices, crude oil and refinery operating costs.

Crude Oil

Natref obtains approximately 50% of its crude oil requirements from the Middle East (of the purchases from the Middle East approximately 13 000 bpd of crude oil is purchased from Naftiran Intertrade Company Limited of Iran and approximately 20 000 bpd of crude oil is purchased from Saudi Arabia) through crude oil term contracts. The balance of the requirement is bought on the spot market from West Africa and other sources. Volatility in crude oil prices has increased since the late 1990's as result of international supply/demand dynamics and geo-politics. Crude oil prices have continued to increase since the second half of the 2009 calendar year and are extremely volatile due to increased trading and speculation in the crude oil market.

Crude oil is landed at Durban and transferred to the refinery by a 670 km pipeline owned and operated by Transnet Pipelines Limited, a subsidiary of Transnet, which is a state-owned multi-modal transport company.

Lubricant Base Oils

Sasol Oil owns a portion (40%) of the ESA Lubricants Blending facility of Island View in Durban. The plant is managed by Engen Petroleum and blends automotive and industrial lubricants to Sasol Oil specifications. Base Oils are predominantly procured locally.

Marketing channels

Sasol Oil's marketing effort can be divided into four main areas namely sales to licensed wholesalers, direct (retail and commercial markets) in South Africa, direct marketing in other African countries, as well as overland exports into Africa.

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Licensed wholesalers

Sasol Oil is predominantly a bulk supplier to licensed wholesalers. Multi-national oil companies with their own South African refining capacity, namely, British Petroleum (BP), Engen Petroleum (Engen), Royal Dutch Shell (Shell), Chevron and Total South Africa (Total), rely on Sasol to supply a large part of their inland retail and commercial marketing requirements. A new type of licensed wholesaler, referred to as a Non-Refining Wholesaler, has emerged over the past few years. Non-Refining Wholesalers have limited access to retail networks and tend to compete with major oil companies in the commercial market.

Individual agreements that vary in terms of duration, volume, and modes of delivery, regulate the relationship between Sasol and its licensed wholesale customers. The agreed product slates reflect Sasol Oil's production slate to aid efficient and reliable supply. Product is imported to cover planned and unplanned refinery outages to ensure that supply commitments are met.

Direct markets (Retail, Commercial, Lubricants, Aviation Fuel, Fuel Oil and Bitumen)

We believe that independent access to retail and commercial markets have strategic, competitive and growth opportunities, and we intend to improve our position in the South African fuels market in this respect. Sasol Oil entered the South African retail market on 1 January 2004 with Sasol- and Exel-branded retail convenience centres. Currently our network consists of 418 retail convenience centres across South Africa. Sasol's current national market share is estimated at 9,6%. We have commenced with a process to phase out the Exel brand and to convert existing retail convenience centres to the Sasol brand. New site development is progressing, although slower than anticipated, due to, amongst other things, a challenging regulatory environment.

The commercial business has been repositioned to become a significant contributor through customer focused strategy. A significant number of large supply contracts have been signed. The current estimated market share is 6%.

Lubricants are marketed within our group of companies and retail networks as well as targeted industrial market segments. Efficient supply logistics are essential to operate a competitive business model. Extensive effort has been put into designing and implementing a supply chain that is comparable with international benchmarks.

In 2009, we acquired the remaining 50,1% of Exelem Aviation (Pty) Limited. The business is now trading as Sasol Aviation (Pty) Limited (Sasol Aviation). Sasol Aviation focuses on jet fuel marketing at South Africa's premier airport, OR Tambo International, but also services other inland airports. Sasol Aviation is part of an operating consortium at OR Tambo International and its market share at the airport is approximately 14%.

The Fuel Oil business provides a remarkably diverse range of heating fuels and applications to industrial and mining customers. The Natref refinery is situated 670 km from the coast. The resultant lack of a bunker fuels market makes this business unit crucial to ensure sale of heavy fuels to assist in smooth refining operations at Natref.

Bitumen is sold via Tosas Holdings (Pty) Limited, a wholly owned subsidiary since November 2007. Tosas Holdings (Pty) Limited procures bitumen from Sasol Oil and either markets the product or applies it through construction teams.

Africa marketing

Lesotho, Swaziland and Botswana are in the natural supply area of Sasol Oil's production facilities. Exel Lesotho and Exel Swaziland, fully owned subsidiaries of Sasol Oil, acquired the marketing assets of British Petroleum (BP) in Lesotho and Swaziland in 2006 and 2007, respectively. Exel Lesotho is the marketing leader in Lesotho and Exel Swaziland currently has 6% market share in Swaziland. Entry into the Botswana market has not yet been finalised.

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Sasol Oil holds a 49% interest in Petromoc e Sasol Sarl (PeSS), which is a joint venture with the Mozambican national state oil company, Petromoc. PeSS operates a network of 8 retail convenience centres and has 25 commercial customers. It has 7,5% market share in Mozambique. Both petrol and diesel are marketed through PeSS.

Trading exports (Africa Overland)
Export sales to other African countries are effected at the refinery gate, as Sasol Oil has no marketing assets in these countries. Volumes available for export to these markets are limited as a result of significant demand growth in South Africa.

Factors on which the business is dependent

Activities across the value chain, including manufacturing, wholesaling and retailing, are regulated through a licensing regime. Retail pump prices of petrol, the maximum refining gate price of LPG and a maximum single national retail price of unpacked illuminating kerosene are controlled by the Petroleum Controller under the Petroleum Products Act, 1977 (Act 120 of 1977).

A licensing regime for activities in the South African oil industry was introduced during 2006. Manufacturing, wholesaling and retailing of petroleum products may only be conducted once a licence has been issued by the Petroleum Controller under the Petroleum Products Act, 1977 (Act 120 of 1977). Onerous application requirements and a lengthy licensing process may hamper the development of retail convenience centres in future. Refer to Item 4B "Business overview Regulation of petroleum-related activities in South Africa" for additional information.

The methodology to determine marketing margins via controlled fuels prices is currently under review by the Petroleum Controller, and it is uncertain how the results of this review will impact our marketing activities.

NERSA, under the Petroleum Pipelines Act, sets tariffs for petroleum pipelines and approves tariffs for third party access to storage and marine loading facilities. This Act grants NERSA limited discretion when applying its pricing methodologies to set tariffs, which may affect some competitors, because of different market and production locations. NERSA approved new pipeline tariffs that became effective on 6 May 2009. In the short term, and until a new white products pipeline is commissioned, the differential between the white product pipeline and crude pipeline will be small, which negatively impacts Natref. Upon commissioning of the new white products pipeline, the tariff differential between crude oil and refined products may increase, if NERSA's tariff setting methodology remains unchanged. Refer to Item 4B "Business overview Regulation of petroleum-related activities in South Africa" for additional information.

Property, plants and equipment

Natref refinery operational statistics [(1)]

	2010	2009	2008
Crude oil processed (million m^3)	3,3	3,5	3,5
White product yield (% of raw material)	89,7	88,3	88,8
Total product yield (%)	99,1	98,0	97,8

(1) Data based on our 63,64% share in Natref.

Natref is an inland refinery, focusing on the production of refined petrol and distillate fuels and producing only a small percentage of fuel oil and bitumen. It is designed to upgrade relatively heavy crude oil with a high sulphur content (sour) to yield about 90% white petroleum products. Crude oil selection and degree of upgrade are ultimately dictated by refinery configuration and overall economics.

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Products of the refinery include petrol, diesel, commercial propane, jet fuel, different grades of bitumen, fuel oils, sulphur and various gasses.

While Sasol Oil operates the refinery, Total participates in its management with veto rights over a number of corporate actions, including, increasing or reducing Natref's share capital, amending Natref's Memorandum and Articles of Association and the rights attaching to its shares, appointing directors to serve as executive officers and determining directors' remuneration.

Under the terms of an agreement concluded between Total and Sasol, Total has the option to purchase up to 13,64% of the ordinary shares in Natref from Sasol at fair market value upon the occurrence of certain events. Since December 2003, Total has had two opportunities to increase its shareholding in Natref to 50%, the first being the termination of the Main Supply Agreements and the second the proposed transaction between Sasol and Petronas, which was subsequently prohibited by the Competition Tribunal. On both occasions Total decided not to exercise its option to increase its shareholding in Natref.

During the 2005 upgrade to meet new fuel specifications, Natref's nameplate capacity was reduced by 11%. A decision has been made that capacity will not be increased in the foreseeable future. South African fuel specifications continue to evolve with international trends and it is expected that substantial additional investment of approximately R4-5 billion will be required around 2015 to meet these more stringent specifications. Construction of a pipeline to integrate Sasol Synfuels and Natref has commenced. This will facilitate and optimise the production of new specification fuels through both plants.

During 2010, the overall refinery availability amounted to 92,1%, mainly due to planned and unplanned shutdowns. Planned shutdowns on the crude distillation unit, diesel unifier unit and residual crude desulphurisation unit have resulted in improved output from these units.

International Energy Cluster

Sasol Synfuels International

Nature of operations and principal activities

Based in Johannesburg and formed in 1997, SSI, our technology marketing and support subsidiary, is responsible for developing and implementing international business ventures based on our Fischer-Tropsch synthesis technology. We initiate and develop new ventures from project conception through to venture implementation and participate fully in supporting those ventures, holding equity in and marketing the products.

The Sasol SPD process

Based on our long and extensive experience in the commercial application of Fischer-Tropsch technology, we have successfully developed the Fischer-Tropsch-based Sasol SPD process for converting natural gas into high-quality, environment-friendly diesel and other liquid hydrocarbons. The SPD process consists of three main steps, each of which is commercially proven. These include:

- the Haldor Topsøe reforming technology, which converts natural gas and oxygen into syngas;
- our Slurry Phase Fischer-Tropsch technology, which converts syngas into hydrocarbons; and
- the Chevron Isocracking technology, which converts hydrocarbons into particular products, mainly diesel, naphtha and LPG.

Currently we believe, based on our knowledge of the industry and publicly available information, that on a worldwide basis we have the most extensive experience in the application of Fischer-Tropsch technology on a commercial scale. Given the increasing discovery of extensive natural gas reserves,

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especially in remote regions, our Sasol SPD process can be applied with significant commercial advantages in various parts of the world. As a consequence, our technology has evoked interest from countries and companies with extensive natural gas reserves as an appealing alternative for commercialising these reserves. In recent years, we have been actively promoting our Sasol SPD technology and are examining opportunities with a view to commencing commercial application for new GTL and CTL plants.

The Sasol SPD process converts natural gas into diesel and other liquid hydrocarbons which are generally more environmentally friendly and of higher quality and performance compared to the equivalent crude oil-derived products. In view of product specifications gradually becoming more stringent, especially with respect to emissions, we believe that the option of environmentally friendly GTL and CTL fuels will become increasingly appealing. GTL and CTL diesel can be used with optimised engines for best performance, although it can also be utilised with current compression ignition engines. GTL diesel is currently used as a cost-competitive blend stock for conventional diesels, thereby enabling conventional diesel producers to improve the quality and capacity of their product without investing substantially in sophisticated new plants and infrastructure. We anticipate that the combined factors of GTL and CTL diesel's superior characteristics and the prevailing market conditions in developed economies will enable GTL and CTL diesel to command premium prices for either niche applications or as a blend stock for upgrading lower- specification products. The construction of GTL/CTL facilities and the production of GTL/CTL fuels require significant capital investment.

In support of this growth driver, our team of researchers continues to advance our GTL and CTL technology, including our proprietary low-temperature Fischer-Tropsch Slurry Phase reactor and cobalt-based catalysts.

GTL developments utilising the Sasol SPD process

In June 1999, Sasol and Chevron Corporation, agreed to create a global alliance, Sasol Chevron (SC), a 50:50 joint venture between Sasol and Chevron, in order to identify and implement ventures based on the Sasol SPD process as part of our strategy to exploit our Fischer-Tropsch technology and to develop and commercialise the GTL process. During the first half of 2009, Sasol and Chevron reviewed and optimised their business model for cooperation regarding their GTL ambitions and have agreed, in future, to work together directly and only on a case-by-case basis, rather than through the SC joint venture.

In July 2001, we signed a joint venture agreement with Qatar Petroleum to establish Oryx GTL (Qatar Petroleum 51% and Sasol 49%). The joint venture has constructed a GTL plant located at Ras Laffan Industrial City to produce high quality synfuels from Qatar's natural gas resources. The plant started producing on specification product during the first quarter of calendar year 2007 and first product was sold in April 2007. Oryx GTL is in stable operation and has met and sustained its design basis. As the business has now demonstrated its viability, Sasol, together with its Qatari partners, is progressively expanding the facility by a further 10% with an expected completion date in the 2013 calendar year. The Oryx GTL facility had an unscheduled shutdown in the second quarter of 2010 as a result of a failure in a vendor supplied air compressor unit and undertook an approximate one month planned shutdown for statutory maintenance work in the fourth quarter of 2010. In December 2008, following negotiations with Chevron Nigeria Limited, Sasol reduced its economic interest in the Escravos GTL project from 37,5% to 10%, for which a consideration of R3 486 million (US$360 million) was received. Due to uncertainties that arose in 2009 from the fiscal arrangements for the project, management reassessed this impact on its commitments relating to the project. This resulted in a provision of R1 274 million (US$166 million) being recognised. A loss of R771 million was realised on the disposal in 2009. The 10% economic interest retained by Sasol has been recognised as an investment in an associate at its fair value from the effective date of the transaction. Sasol continues to provide full technical and manpower support to the project.

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In April 2009, Sasol, Uzbekneftegaz, the national oil and gas company of Uzbekistan, and Petronas, of Malaysia, signed agreements to evaluate the feasibility of GTL and upstream co-operation in Uzbekistan. On 15 July 2009, we signed a joint venture agreement with Uzbekneftegaz and Petronas, which launched a feasibility study for the development and implementation of a GTL project in Uzbekistan.

CTL developments utilising Sasol's proprietary Fisher Tropsch technology

In June 2006, Sasol announced the signing of co-operation agreements with the Shenhua Group Corporation Limited and the Shenhua Ningxia Coal Industry Group Company Limited of the People's Republic of China to proceed with the second stage of feasibility studies to determine the viability of two 80 000 barrels per day (bpd) CTL plants, respectively, in the Shaanxi Province and in the Ningxia Hui Autonomous Region.

In August 2008, Sasol and the Shenhua Ningxia Group agreed to proceed with only one plant with a nominal capacity of approximately 80 000 bpd in the Ningxia Hui Autonomous Region of China, which is situated about 1 000 km west of Beijing. The proposed site in the Ningdong Chemical and Energy base has excellent infrastructure and there are abundant coal reserves in proximity which provide a platform for possible future expansion. A feasibility study for the project was completed in the first half of the 2010 calendar year. Sasol and Shenhua Ningxia Coal Group jointly submitted a Project Application Report (PAR) to the Chinese Government in December 2009, to seek approval for the CTL plant, the result thereof is expected in the first half of the 2011 calendar year. We have initiated engagements with key stakeholders to ensure the establishment of an enabling environment within which to evaluate the potential for a CTL project in India. This has resulted in the decision to open a representative office in Mumbai. Sasol and the Tata group of India have signed agreements to form a 50:50 joint venture company which has been allocated a portion of the North of Arkhapal and Srirampur coal blocks in the Talchar coalfield in the State of Orissa for the development of a potential CTL project in India.

We have completed our evaluation of the viability of a CTL facility in a number of coal-rich states in the USA and are currently considering our options. We continue to be involved in exploratory discussion with some of the world's coal-rich countries with a view to developing CTL plants in the future.

Principal markets

The bulk of the ultra low sulphur GTL diesel produced at Oryx GTL is sold as a blend stock to produce on-specification automotive diesel from middle distillate product streams derived from conventional oil refining. The GTL naphtha produced at Oryx GTL is sold to naphtha crackers that produce olefins such as ethylene.

Seasonality

GTL product prices reflect the seasonal behaviour of global petroleum product markets.

Raw materials

Oryx GTL, a 51% Qatar Petroleum and 49% Sasol Joint Venture, purchases natural gas feedstock from Al Khaleej Gas, a joint venture between ExxonMobil Middle East Gas Marketing Limited and Qatar Petroleum, under a gas purchase agreement with a contractual minimum off-take volume. The agreement commenced in January 2006 and is valid for a term of 25 years with an option to extend for a further 7 years.

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Marketing channels

The products produced by Oryx GTL are marketed by Sasol Synfuels International Marketing Limited under a marketing and agency agreement.

Factors on which the business is dependent

Technology

SSI is dependant on the successful integration of various technologies also referred to in the description of the Sasol SPD process.

Feedstock

The growth of the SSI business depends i.e. on the availability of competitively priced natural gas or coal reserves.

Remaining cost competitive

Working closely with Sasol Technology's Fischer-Tropsch process innovation teams at Sasolburg and Johannesburg, we are involved in an ongoing programme aimed at further improving competitiveness by lowering the capital and operating costs of future GTL and CTL plants.

Property, plants and equipment

We, together with our joint venture partner, Qatar Petroleum, decided to repay the outstanding balance of the limited recourse project financing of the Oryx GTL venture.

Plant description	Location	Design capacity
Oryx GTL	Ras Laffan Industrial City in Qatar	32 400[(1)] bpd (nominal)

(1) Nominal design capacity was 34 000 bpd but the final approved detailed design capacity was 32 400 bpd.

Sasol Petroleum International

Nature of the operations and its principal activities

Mozambique

Our natural gas extraction and processing activities from the Temane and Pande fields have been fully operational since the first quarter of the 2004 calendar year. Production from the Pande field commenced following an extensive drilling campaign during 2007/8 and completion of the flowline and trunkline tie-in in 2009. Current gas production levels are in line with original expectations at the time of project approval.

There are currently two onshore licences in Mozambique; the Petroleum Production Agreement (PPA) area, and the Production Sharing Agreement (PSA) area. The ownership structure of the PPA is 70% Sasol Petroleum Temane Limitada (SPT), 25% Companhia Moçambicana de Hidrocarbonetos, S.A.R.L (CMH) and 5% International Finance Corporation (IFC). Sasol Petroleum Mozambique Limitada (SPM) holds 100% of the PSA, with a production sharing arrangement with Empresa Nacional de Hidrocarbonetos (ENH).

The Njika-1 and Njika-2 offshore exploration wells drilled in the exploration and production concession (EPC), Blocks 16 and 19, were completed in January 2009. A detailed integrated subsurface study was recently completed. Based on the extensive data we have acquired, we can confirm that both wells discovered gas, but due to reservoir complexity we do not foresee an immediate follow-up

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appraisal or development activities at this time. However, we are encouraged by these exploration results, which have proven an effective hydrocarbon system in the under-explored basin offshore Mozambique.

In November 2009, we acquired exploration rights in the Sofala and M-10 EPC's adjacent to the EPC Blocks 16 and 19. Our share as operator in the M-10 licence is 50% (Petronas, as our partner, acquired the other 50%) and in the Sofala licence is 100%. On 23 August 2010, ENH was assigned a 15% carried interest, until field development decision approval, representing the Mozambican government's participation in both the M-10 and Sofala licences, resulting in our share reducing to 42,5% and 85%, respectively. Potential success in either of these two new licences would possibly allow for this entire area, including the Njika discoveries in EPC Blocks 16 and 19, to be developed further.

Negotiations on the Block A EPC contract awarded during the Mozambique 3rd licensing round were concluded in August 2010. On 22 September 2010, the exploration and production concession contract was signed by the Mozambique Ministry of Mineral Resources, ENH and SPI.

Gabon

In Gabon, we hold a 27,75% working interest in the Etame Marin Permit, operated by VAALCO Gabon (Etame) Inc. This permit contains the Etame, Avouma and Ebouri fields as well as other discoveries and prospects. During the first half of 2010, the combined gross oil production from all three producing fields averaged 19 300 bpd.

The Etame field is currently producing from one vertical and three horizontal wells. The field produces through a Floating Production Storage and Off-loading (FPSO) vessel moored above the Etame field. The Avouma field was brought on stream in January 2007. The field produces from two wells via a minimum facilities fixed platform tied back by pipeline to the Etame FPSO with production commingled on the vessel. The Ebouri Field was brought into production early in 2009. Development is via a minimum-facilities platform and three horizontal wells tied back to the Etame FPSO.

A further drilling programme commenced in February 2010 to enhance production from existing fields and to test two exploration prospects. This programme is currently in progress.

Nigeria

We currently hold a 5% paying interest in the OML 140 permit, for which Chevron is the operator. The licence includes part of the Bonga SW/Aparo oil field, operated by Royal Dutch Shell, for which a development plan is being considered. In early 2010, the Nigerian government approved the development concept for this very large field, in which Sasol has a 0,375% paying interest. The licence area also includes the Nsiko discovery. Work continues on the feasibility of developing this field, as well as advancing the exploration potential of the permit.

We also hold a 5% working interest in the OPL 214 Production Sharing Contract, where ExxonMobil is the operator. Three oil discoveries have been drilled in the licence to date, two of which discovered and delineated the Uge Field. A feasibility study for the Uge development has been completed, and a field development plan is being considered. Work is also continuing to advance the exploration potential of this licence.

We hold a 2,4% working interest (6% paying interest) in the OPL 247 licence. Extensive 3D seismic data/studies have been acquired and interpreted resulting in identification of several small leads and prospects. Development in this deepwater licence will require either a large discovery or a cluster development. Some new opportunities are being evaluated in order to assess the potential of the licence. Drilling has been postponed until after this evaluation, but the joint venture believes that although technical prospectivity remains there is limited commercial prospectivity in the permit. Consquently, relinquishment is being considered.

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We also have a 5,1% interest in Block 1 of the Nigeria/São Tomé e Príncipe joint development zone. The OBO-1 discovery is a non-commercial discovery on a stand alone basis. Exploration efforts will focus on joint development with possible additional exploration successes in the vicinity. Exploration wells have been drilled in the nearby blocks, but are still of confidential nature.

South Africa

Following the change in legislation in South Africa, the conversion process from the "sub-lease" agreements to the "exploration rights/production rights" agreement (ER/PR) is still ongoing. We hold a 10% partially carried interest in the prospecting sub-lease agreement in Block 3A/4A, offshore of South Africa's west coast. It is expected that the partially carried interest will be converted to a partially carried ER/PR contract during the 2010 calendar year.

Papua New Guinea

In mid August 2008, Sasol Petroleum Papua New Guinea Limited (SPPNG) became the operator (51% interest) of onshore Petroleum Prospecting Licences 285, 286, 287 and 288, in Papua New Guinea. Since this time, SPPNG has been managing the project to ensure all necessary work programme obligations will be met. This included the acquisition of 375 km of 2D seismic studies, completed in March 2009, and the completion of regional aerogravity/aeromagnetic survey over four licences in June 2009. The interpretation of this data has high graded one drillable prospect ('Awapa') to satisfy the PPL 285 Second Term commitment well.

Activities are underway to enable drilling operations early in the 2011 calendar year. Additionally, planning is ongoing for new seismic acquisitions in all four licences, with start-up scheduled for October 2010.

Australia

In the offshore Northwest Shelf of Australia, Sasol Petroleum Australia (SPA) is a partner in two separate exploration permits.

In July 2008, Sasol farmed into the Oilex operated WA-388 licence in the Carnarvon Basin, agreeing to part-fund a 1 064 square kilometres (km^2) 3D seismic acquisition programme, thereby acquiring a 30% interest. The 3D seismic acquisition was completed in September 2008. Prospect maturation work of the 3D seismic acquired in September 2008 was completed during the 2010 calendar year and the joint venture is currently defining work programmes and activities for the 2011 and 2012 calendar years.

Recently acquired exploration licences

On 4 December 2009, Sasol signed a Farm-in Agreement with an Australian independent company, Finder Exploration Pty Ltd (Finder), giving SPI a 45% participating interest in Block AC/P 52, in the Browse Basin of the Northwest Shelf. The Farm-in Agreement called for Sasol to make a cash payment of US$3,5 million and finance the first three year work programme to a maximum of US$3,8 million. The acquisition of a 520 km^2 3D seismic programme is ongoing and was completed early in September 2010.

In July 2010, SPI was jointly, with Statoil ASA and Chesapeake Energy Corporation, awarded an onshore petroleum Technical Cooperation Permit covering approximately 88 000 square kilometres. This permit awards the applicants the right to study the prospectivity for shale gas in the Karoo Basin in the central region of South Africa.

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Principal markets

Mozambican production

Other than royalty gas provided to the Mozambican government, all gas produced is exported to South Africa. The Mozambican government is dedicating royalty gas for use in the vicinity of the processing plant in Temane as well as developing the gas market in the capital city, Maputo. The natural gas condensate produced in the gas processing plant is currently sold at the plant, trucked to Beira by the buyer, and exported via the port of Beira to offshore markets.

Gabon production

Oil production from operations is sold internationally on the open market.

Marketing channels

Mozambican production

In the ongoing business, all natural gas is sold on long-term sales contracts to Sasol Gas, for marketing in the South African market. Opportunities are being assessed for gas supply to Mozambican markets. The additional gas volumes will become available from the proposed expansion of the current operations.

Sasol Petroleum Temane sells its condensate on a long-term sales agreement with an international trading organisation.

Gabon production

An annual sales contract is typically entered into based on a competitive bidding process and sales prices are linked to international oil prices.

Property, plants and equipment

Mozambican production

Our gas processing facilities (CPF) in Mozambique are located some 700 km north of the capital, Maputo. Ownership is shared with the Mozambican government through CMH (25%) and the IFC (5%).

Gabon production

The Etame field production occurs via subsea wells through a dedicated FPSO vessel. This is moored offshore at the field site. In addition, two fixed steel platforms installed on Avouma and Ebouri produce and export oil from these fields via subsea pipeline to the FPSO.

Chemical Cluster

Sasol Polymers

Our polymer-related activities are managed in two separate entities, Sasol Polymers, a division of Sasol Chemical Industries Limited, and Sasol Polymers International Investments (Pty) Limited (SPII), a subsidiary of Sasol Investment Company (Pty) Limited. SPII manages our international operations.

Nature of the operations and its principal activities

In Sasol Polymers, we produce ethylene by separating and purifying an ethylene-rich mixture and by cracking of ethane and propane supplied by Sasol Synfuels. Propylene is separated and purified from a Fischer-Tropsch stream produced in the Sasol process. The ethylene is polymerised into low density

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polyethylene (LDPE), linear low density polyethylene (LLDPE) and the propylene into polypropylene (PP). We operate a fully integrated chlor-alkali/polyvinylchloride chain. Ethylene and chlorine, from on-site chlor-alkali plants, are reacted to produce vinyl chloride monomer and then polymerised to polyvinylchloride (PVC). Caustic soda, hydrochloric acid, sodium hypochlorite and calcium chloride are other chlor-alkali products which are produced. Sodium cyanide is produced from methane, ammonia and caustic soda.

We are a major South African plastics and chemicals operation and our vision is to be an exceptional producer of polymers and preferred supplier to all our customers. We supply quality monomers, polymers, chlor-alkali chemicals and mining reagents.

In South Africa Sasol Polymers has two operating businesses:

Polyolefins; and

Chlor Vinyls.

In Sasol Polymers International Investments we manage the following international investments:

Our 12% shareholding in Optimal Olefins (Malaysia) Sdn Bhd (with Petronas of Malaysia and The Dow Chemical Company of the USA), a manufacturer of ethylene and propylene. Optimal Olefins produces 600 kilotons per annum (ktpa) ethylene in an ethane/propane cracker. The cracker co-produces 90 ktpa of propylene.

Our 40% shareholding in Petlin (Malaysia) Sdn Bhd (with Petronas of Malaysia), a manufacturer and supplier of LDPE with a capacity of 255 ktpa is operated by Petlin (Malaysia).

Our 50% shareholding in Arya Sasol Polymer Company in Iran with Pars Petrochemical Company, a subsidiary of the National Petrochemical Company of Iran, a manufacturer and supplier of ethylene (1 000 ktpa), LDPE (300 ktpa), and medium and high density polyethylene (300 ktpa). Beneficial operation has been achieved for the entire Arya Sasol Polymers complex during 2009. The ethane cracker reached beneficial operation in November 2007. As part of the privatisation process in Iran, the National Petrochemical Company of Iran transferred 40% of its shareholding in Pars Petrochemical Company to SATA, a private company in Iran that is primarily engaged in making investments on behalf of the pension fund of the armed forces.

A 40% share in Wesco China Limited (with Rhine Park Holdings), a polymer distributor in China and Taiwan.

Principal markets

Over the past three years between 71% and 78% of Sasol Polymers' revenue has been earned from sales into the South African market.

We are the sole polymer producer of PVC, LDPE and LLDPE in South Africa and have the leading share of sales of these products in South Africa, where the competition is in the form of polymer imports primarily from Asian and Middle Eastern producers. We supply 160 ktpa ethylene and 100 ktpa propylene under contract to Safripol (Pty) Limited (Safripol) in Sasolburg, South Africa, by pipeline for the production of HDPE and polypropylene, respectively. We compete directly with Safripol in the polypropylene market, where we have a significant share of the South African market. Caustic soda is sold primarily in South Africa into the pulp and paper, minerals beneficiation and soap and detergent industries. We are the sole local producer of sodium cyanide solution which is sold to local gold producers. Sales are expected to be in line with investment in dump retreatment in association with gold and uranium prices.

Currently, we export polymers from our South African operations to the African continent, South East Asia, Europe and South America. Product from the Petlin plant in Malaysia is sold into Malaysia,

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India, China, Australia and New Zealand. The focus for polymer marketing activity from our Iran operations is mainly South East Asia, China and the Indian subcontinent, while ethylene is being exported into South East Asia.

Seasonality

Global polymer demand does not show any marked annual seasonality although higher demand tends to arise in the third quarter of each calendar year as converters stock up for increased sales over the South African festive season.

The global polymer industry is, however, cyclical in terms of margins earned, given lumpy investment patterns caused by large capital requirements and size of plants. The duration of a typical cycle has been seven years and margins can vary from low trough conditions to extreme peak conditions. During tight supply/demand periods, which usually coincide with increases in economic activity as measured by gross domestic product (GDP), margins may increase disproportionately with high peaks. Over time margins reduce as investment is stimulated or as demand slows down in line with GDP. It may happen that too much capacity is installed which results in collapsed margins.

Raw materials

Feedstock for ethylene and propylene in South Africa is purchased from Sasol Synfuels at market-priced fuel-alternative values. The mechanism for determining the fuel-alternative value is based on the South African Basic Fuel Price (BFP) mechanism administered by the Department of Energy. Feedstock prices have increased in line with the oil price. Salt used in our chlor-alkali production process is imported from Namibia and Botswana at US dollar denominated prices. Electricity is purchased from Eskom, South Africa's state-owned electricity provider.

Feedstock namely, ethane and propane, for SPII's joint venture cracker in Malaysia (Optimal Olefins) is purchased from Petronas at set prices, unrelated to oil, that escalates annually in line with US inflation rates. Petlin (Malaysia) buys its ethylene feedstock from Optimal Olefins at prices related to the South East Asian ethylene market. Arya Sasol Polymer Company (SPII's joint venture in Iran) buys its feedstock, ethane, from the Pars Petrochemical Company at a set price, unrelated to the oil price. In times of high oil prices this provides a competitive advantage to the operations in Malaysia and Iran, compared to crude oil based producers.

Marketing channels

Our sales in South Africa are made directly to customers using our own marketing and sales staff. Sales offices are located in Johannesburg, Durban and Cape Town. Account managers are responsible for management of our relationship with customers.

For exports from South African operations, an international trading business was established to sell directly into Southern Africa and through distributors and agents into East and West Africa, the Far East, Europe and South America. All sales, administration and logistics are arranged from the Johannesburg office. Half of the exports from Arya Sasol are handled by Sasol Polymers Middle East, a marketing company established in Dubai and wholly owned by SPII.

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Property, plants and equipment

The following table summarises the production capacities of each of our main product areas.

Production capacity at 30 June 2010

Product	South Africa[1],[2]	Malaysia[1],[2]	Iran[1],[2]	Total
		(ktpa)		
Ethylene	618	72	500	**1 190**
Propylene	950	11		**961**
LDPE	220	102	150	**472**
MD/HDPE			150	**150**
LLDPE	150			**150**
Polypropylene-1	220			**220**
Polypropylene-2	300			**300**
Ethylene dichloride	160			**160**
Vinyl chloride	205			**205**
PVC	190			**190**
Chlorine	145			**145**
Caustic soda	160			**160**
Cyanide	40			**40**
Hydrochloric acid	90			**90**
Calcium chloride	10			**10**

(1) Includes our attributable share of the production capacity of proportionately consolidated investees.

(2) Nameplate capacity represents the total saleable production capacity. Due to the integrated nature of these facilities, the requirement for regular statutory maintenance shutdowns and market conditions, actual saleable volumes will be less than the nameplate capacity.

Sasol Solvents

Nature of the operations and its principal activities

We are one of the leading manufacturers and suppliers of a diverse range of solvents, co-monomers and associated products. Solvent products are supplied to customers in approximately 110 countries and are used primarily in the coatings, printing, packaging, plastics, pharmaceutical, fragrance, aerosol paint and adhesive industries, as well as in the polish, cosmetics, agriculture and mining chemicals sectors. Pentene, hexene and octene are used as co-monomers in polyethylene production. We have production facilities in South Africa at Secunda and Sasolburg and in Germany at Moers and Herne. Our product range includes ketones, glycol ethers, acetates, alcohols, acrylates, pentene, hexene and octene, fine chemicals and mining chemicals. Our joint venture with Huntsman Corporation (Sasol Huntsman) produces maleic anhydride in Europe. We believe that the breadth of our product portfolio provides a competitive advantage relative to the more limited portfolios of some of our competitors in the global market.

The successful start up of Octene train III during 2009 added an additional 100 ktpa of Octene to the co-monomers product portfolio. A second 30 ktpa methyl isobutyl ketone (MiBK) in Sasolburg was commissioned in April 2010 and production is being ramped up according to plan.

Principal markets

In 2010, approximately 1,74 Mt of products were sold worldwide. Our global business is managed from offices in Johannesburg in South Africa. We have sales offices in Europe, Asia, the Middle East and the USA.

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We market our products throughout the world, with a large proportion of our alcohols being distributed in Europe. We are the leading producer of solvents in South Africa and we are the global market leader in co-monomers based on production capacity. We expect to strengthen our position in the co-monomer high growth market through the commercialisation of our proprietary tetramerisation technology which involves the manufacture of octene from ethylene. The basic engineering on a 100 ktpa octene plant has been completed with beneficial operation planned for the middle of the 2013 calendar year. The probable location of the unit is at the Sasol cracker complex at Lake Charles in Louisiana, USA, where we will benefit from plant integration economics and close location to our key customers.

Our competition varies depending on the products sold and includes a number of major international oil and chemical companies. Our competitors include ExxonMobil, Shell Chemicals, BP Chemicals, Chevron Phillips, Ineos, the Dow Chemical Company, Celanese and Eastman.

Seasonality

Production and sales volumes are generally not subject to seasonal fluctuations but tend to follow the broader global industry trends. In terms of the global cyclical nature of our products, periods of high demand and higher prices are followed by an increase in global production capacity which can depress global margins. The global economic crisis has had a detrimental effect on our sales volumes. However, moderate demand has returned to most of our markets and sales levels have improved to approximately 15% below levels attained prior to the global economic crisis. The increased demand and increasing feedstock costs have driven product prices up and margins have improved.

Raw materials

Feedstocks for our operations in Secunda are derived mainly from Sasol Synfuels at market-priced fuel-alternative values based on the Basic Fuel Price. Fluctuations in the crude oil price and rand/US dollar exchange rate have a direct impact on the cost of our feedstocks and hence on margins. Feedstocks in Sasolburg are purchased from Sasol Polymers (based on fuel-alternative value) and Sasol Infrachem based on a long-term supply contract price with an annual inflation-linked escalation clause.

Ethylene, propylene and butane, used in our production facilities in Germany, are purchased at market prices from third party suppliers under a combination of long-term supply contracts and open market purchases.

Some products are produced by converting primary chemical commodities produced in our facilities to higher value-added derivatives. These include:

Methyl iso-butyl ketone from acetone.

Ethyl acetate from ethanol.

Ethyl and butyl acrylates from acrylic acids and the corresponding alcohols.

Ethylene glycol butyl ethers from butanol and ethylene oxide.

Marketing channels

We operate thirteen regional sales offices and seven storage hubs in South Africa, Europe, the Asia-Pacific region, the Middle East and the USA. We utilise a number of distributors and agents worldwide as an extension of our sales and marketing force to enable increased market penetration.

A combination of product and account managers ensures continued, long-term relationships with our customers. Our in-house sales and administrative staff manage order processing, logistics and collection of payments as well as customer relationships. The use of bulk supply facilities situated in

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China, Dubai, Rotterdam and Antwerp in Europe, Singapore, South Africa and the United States allows for timely delivery to our customers.

Factors on which the business is dependant

Our plants operate using a combination of proprietary technology developed by Sasol, primarily by Sasol Technology, as well as technology licensed from various suppliers. Our acrylates and n-butanol technology is licensed from the Mitsubishi Chemical Company. Our maleic anhydride technology (utilised in Sasol Huntsman) is licensed from Huntsman. We also license MiBK technology from Uhde and hydroformylation technology for use in our Safol and octene 3 plants from Davy Process Technology.

We license our technology for alcohol recovery to PetroSA. Being fully integrated into the Sasol operations in South Africa, we are dependant on Sasol Synfuels and Sasol Infrachem for the supply of both our raw materials and utilities (electricity, water and air).

We are in the process of obtaining the relevant data required in order to comply with the European Union Regulatory Framework for the Registration, Evaluation and Authorisation of Chemicals (REACH), which became effective on 1 June 2007. The estimated costs of compliance over the next ten years amount to approximately €7 million.

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Property, plants and equipment

Production capacity as at 30 June 2010

Product	South Africa	Germany	Total[1]
		(ktpa)	
Ethylene	293	65	**358**
Acetone	175		*175*
MEK	60	65	*125*
MiBK	58		*58*
Glycol ethers		80	**80**
Butyl glycol ether		80	*80*
Acetates	54		**54**
Ethyl acetate	54		*54*
Mixed alcohols	215		**215**
Pure alcohols	323	530	**853**
Methanol	140		*140*
Ethanol	114	140	*254*
n-Propanol	54		*54*
Isopropanol		240	*240*
n-Butanol		150	*150*
iso-Butanol	15		*15*
Acrylates	125		**125**
Ethyl acrylate	35		*35*
Butyl acrylate	80		*80*
Glacial acrylic acid	10		*10*
C_5-C_8 alpha olefins	356		**356**
Maleic anhydride		30	**30**
Other	19	20	**39**

(1) Consolidated nameplate capacities excluding internal consumption, including our attributable share of the production capacity of our Sasol-Huntsman joint venture.

Nameplate capacity represents the total saleable production capacity. Due to the integrated nature of these facilities, the requirement for regular statutory maintenance shutdowns and market conditions, actual saleable volumes will be less than the nameplate capacity.

Approximately 70% of our production capacity is at sites in South Africa and 30% in Germany. Our second MiBK plant at Sasolburg, South Africa, with a nameplate capacity of 30 ktpa, started up in April 2010.

Sasol-Huntsman is progressing with plans to increase its total production capacity from 60 ktpa to 105 ktpa through the construction of a second 45 ktpa reactor and purification section, with the new capacity being available from the first quarter of the 2011 calendar year.

Sasol Olefins & Surfactants

In 2007, we began restructuring the business in order to improve its financial performance under a "turnaround" process.

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Despite the general downturn due to the global economic crisis, the turnaround process initiated in 2008 has improved the robustness of the business. The overall turnaround process focuses on fixed and variable cost reduction, margin improvement, disposal or shutdown of underperforming assets and an organisational overhaul. Nine plants, with a total production capacity in excess of half a million tons per annum, were shut down, idled or sold and headcount was reduced by approximately 400, or 14%, as compared to 2007.

We remain of the view that greater shareholder value has been unlocked by continuing to focus on the turnaround process of the Sasol O&S business and by exploring selected group cost optimisation and growth opportunities. We will continue to carefully monitor and review the performance of all assets in the Sasol O&S portfolio.

A large portion of the turnaround programme was successfully completed by 30 June 2010 and most of the focus areas during the turnaround process are now embedded as part of normal business processes.

Nature of the operations and its principal activities

Sasol O&S comprises seven areas of activity, grouped into two business divisions, namely the Organics and Inorganics Divisions.

The Organics Division consists of:

- Alkylates;
- Alcohols;
- Surfactants;
- Organic intermediates; and
- Ethylene.

The Inorganics Division consists of:

- High-purity alumina; and
- Ultra-high purity alumina.

Alkylates

The main alkylate products are paraffins, olefins and linear alkyl benzene (LAB). LAB is the feedstock for the manufacture of linear alkyl benzene sulfonate (LAS), an essential surfactant ingredient for the detergents industry. Paraffins (n-paraffins) and n-olefins are produced mainly as feedstock for the production of LAB and oxo-alcohols. A portion of this business unit's products are used internally for the production of downstream surfactants.

Alcohols

These products cover a diversified portfolio of linear and semi-linear alcohols of carbon range between C_6 and C_{22+}. The diversity of this product portfolio is supported by the wide range of feedstocks (petrochemical, oleochemical and coal-based), technologies and manufacturing facilities used. A portion of the alcohols production is consumed internally to produce surfactants and specialty plasticisers.

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Surfactants

These products include nonionic and anionic surfactants, based on alcohol and alkylates and other organic chemicals.

Organic intermediates

Other organic intermediate chemicals include ethylene oxide, alkyl phenols, alkanolamines, fatty acid esters, etc.

Ethylene

Our ethane-based cracker in Lake Charles, Louisiana produces ethylene for the United States market. A portion of the ethylene production is consumed internally to manufacture Ziegler alcohols and ethylene oxide.

Inorganics

These products involve mainly alumina products both as co-products from the Ziegler units (together with alcohol) as well as in dedicated production units. The alumina is upgraded by means of a variety of technical processes to adapt the product characteristics to highly specialised products.

In June 2009, agreement was reached for the sale of the Crotone, Italy Inorganic facilities, which produces zeolites and as such was considered non-core to the Sasol O&S business. This sale was concluded on 30 September 2009.

Principal markets

The bulk of the production from the alkylates product group ends up as surfactants, either produced internally (our surfactants product group) or by other parties having acquired the intermediates from us. The bulk of these surfactants result in the making of detergents and industrial or institutional cleaning products. The main competitors include: ExxonMobil, Shell and Petresa in n-paraffins; Huntsman, Petresa and ISU in the LAB market; and Huntsman and Cognis in the LAS market.

Although a substantial portion of the alcohols and resultant surfactants products also end up in detergents and industrial and institutional products, these products also find wide application in industries such as metalworking, flavours and fragrances, personal care, cosmetics, plastic additives, textiles and agriculture. The main competitors include Shell, BASF and Cognis. Significant additional oleochemical-based alcohol capacity has come on stream in Asia.

Aluminas (high-purity and ultra-high purity) from the inorganic division are used in a broad range of applications, including catalyst support, raw material for ceramics, coatings and polymer additives. Competitors in aluminas include UOP, Grace and BASF Catalyst.

Ethylene, based on Ethane as feedstock, is sold to plastic manufacturers in the US Gulf Coast region and is used internally to manufacture alcohols and ethylene oxide. There are numerous competitors in the United States ethylene market. It is expected that projected increases in ethylene production capacity in the Middle East will impact mainly Europe and Northeast Asia and to a lesser extent naphtha-based crackers in the USA.

Seasonality

There is very little seasonality associated with our products or the markets in which they participate. Cyclicality of this business is more related to the general chemical investment cycle, which impacts the supply side of the market equation. Many of the markets that we serve typically follow

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global and regional gross domestic product growth trends and are therefore impacted more by macro-economic factors, including the current global economic downturn.

Raw materials

The main feedstocks used in this business are kerosene, benzene, ethane, ethylene and aluminium (all purchased externally with the exception of some portion of our ethylene which is produced at our Lake Charles facility and the Fischer Tropsch based feedstock used for our South African alcohol production). The prices of most of these materials are related to crude oil and energy pricing and the prices follow the movement of crude oil and energy pricing reasonably closely and, to a lesser extent, lauric oils. In view of the expected increase in oleochemical-based alcohol production, the differential between crude oil and lauric oils is expected to become increasingly important in determining competitiveness.

Marketing channels

Over 90% of the products produced by Sasol O&S are sold directly to end-use customers by our sales and marketing personnel. A limited number of distributors are used. Approximately 60% of the total sales by Sasol O&S are conducted under annual and in some cases multi-year contracts.

Factors upon which the business is dependent

The business, especially margins, is dependent on the supply and demand of the various products that we make and the feedstock costs. Demand growth is typically GDP driven with some exceptions of higher growth products and markets. Supply is primarily influenced by the build-up of new capacity in the developing regions, especially China, India and Southeast Asia. Feedstock costs generally follow the trends of crude oil and vegetable oil.

We are in the process of obtaining the relevant data required in order to comply with the European Union Regulatory Framework for the Registration, Evaluation and Authorisation of Chemicals (REACH), which became effective on 1 June 2007. The estimated total costs of compliance over the next ten years amount to approximately €24 million. To date, €3 million has been incurred to comply with the REACH policy.

Property, plants and equipment

The following table summarises the production capacity for each of our main product areas.

Production capacity at 30 June 2010

Product	Facilities location	Total[1] (ktpa)
Surfactants	United States, Europe, Far East, Middle East	1 000
C_{6+} alcohol	United States, Europe, South Africa, Far East	600
Ethylene	United States	455
Inorganics[2]	United States, Europe	70
Paraffins and olefins	United States, Europe	750
LAB	United States, Europe	435

(1) Nameplate capacity represents the total saleable production capacity. Due to the integrated nature of these facilities, the requirement for regular statutory maintenance shutdowns and market conditions, actual saleable volumes will be less than the nameplate capacity.

(2) Inorganics capacity excludes the capacity from Crotone, our former inorganics facility in Italy which was sold during 2010.

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Other chemical activities

Sasol Wax

Nature of the operations and its principal activities

We produce and market wax and wax-related products to commodity and specialty wax markets globally. We refine and blend crude oil-derived paraffin waxes, as well as synthetic waxes produced on the basis of our Fischer-Tropsch technology. Sasol Wax has its head office in Hamburg and employs approximately 1 100 people globally.

The overall volume of products marketed by the business amounts to 600 ktpa, of which approximately 30% are products derived from the Fischer-Tropsch process. The product portfolio includes paraffin waxes, both fully refined and semi-refined, produced and marketed in various grades, as well as Fischer-Tropsch-based synthetic waxes which include the Fischer-Tropsch-derived hard wax, the Fischer-Tropsch-derived medium wax and liquid paraffins in the carbon range C_5 through C_{20}. Various specialty blends of waxes are also produced and marketed. We continue to develop niche markets for higher-value specialty waxes, such as those used by the cosmetics, pharmaceutical, construction-board, adhesive, polymer additives, inks and coatings and bitumen additive industries. We also produce wax emulsions at our facilities in Germany, Austria, South Africa, USA and the United Kingdom. We produce and market petroleum jelly and trade in white-oils to support our personal care business.

We manufacture and sell candles from our subsidiary, Price's Candles in South Africa. We supply the Middle East market as well as our operations in Hamburg with additional paraffin waxes from our subsidiary, Alexandria Wax Products Company, located in Egypt.

Principal markets

The division markets its products globally, but its main markets are in Europe, the United States and Southern Africa. Approximately 30% of waxes are sold to candle manufacturing companies and the balance is sold to numerous market segments, including cosmetics, pharmaceutical, construction-board, adhesive, polymer additives, inks and coatings and bitumen additive industries. N-paraffins are sold predominantly into the drilling-fluids market (west coast of Africa) and for use in the plastics industry (mainly South Africa, India and the Far East).

The overall world market for waxes is estimated at about 4 500 ktpa and our main competitors in the commodity market are ExxonMobil, Shell, China Oil and Sinopec. In specialty wax markets our main competitors are H & R Wax Company and Paramelt. Shell Malaysia is the only other hard wax producer.

Seasonality

The candle market in Europe is seasonal in nature, with demand peaking prior to the Christmas season. In South Africa, demand is relatively stable although higher demand is evident in the winter season. The other market segments that Sasol Wax services are more driven by economic growth than seasonality.

Marketing channels

Marketing is mostly done by own resources in all geographical areas where we operate. Primary marketing areas are Europe, the United States and South Africa but we also market our products in the rest of Africa, Latin America, the Middle East, Asia, and Australasia. Agents are also used, where appropriate.

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Factors upon which the business is dependent

As a result of the move from production of group I to group II & III base-oils, it is expected that there will be a long-term decline in the availability of slack wax.

It is expected that GTL production capacity will increase in future. GTL facilities typically also produce medium wax as an intermediate product which is cracked to produce liquid fuels. It is possible to extract this product stream for use in the wax industry.

We are in the process of obtaining the relevant data required in order to comply with the European Union Regulatory Framework for the Registration, Evaluation and Authorisation of Chemicals (REACH), which became effective on 1 June 2007. The estimated costs of compliance over the next ten years amount to approximately €1 million.

Property, plants and equipment

The main production assets are located in Hamburg, Germany; Sasolburg, Johannesburg and Durban, South Africa; and Richmond, California, United States. We also have wax emulsion production facilities located in Birkenhead, United Kingdom and Linz, Austria.

Our plant in Hamburg has a production and blending capacity for paraffin wax of 300 ktpa. It purchases slack wax feedstock from numerous lube-oil-producing refineries predominantly in Western Europe and from Eastern Europe and Africa. We initially de-oil slack waxes to fully or semi-refined quality and fully hydrogenate all final products. Subsequently, various product blends are produced. Products are sold either in liquid bulk or in solidified form.

Our plant in Sasolburg operates Fischer-Tropsch-based technology for the production of synthetic waxes. It uses natural gas as feedstock, supplied by Sasol Gas from Mozambique. We own and operate a wax plant integrated into the Engen refinery in Durban, South Africa. This plant produces wax blends predominantly for the South African and other African candle industries. The production capacity of the South African wax plants amounts to 220 ktpa of Fischer-Tropsch-derived products.

We also operate a major candle factory located in Johannesburg with a capacity of up to 26 ktpa.

In the United States, we have a plant based in Richmond, California. The facility receives refined and other waxy products from the Far East and from within the USA and markets them in the USA. We also distribute Fischer-Tropsch-derived and paraffin waxes.

Production capacity at 30 June 2010

Product	Germany	South Africa	United States	Total[(1)]
		(ktpa)		
Paraffin wax and wax emulsions	430			**430**
FT-based wax and related products		220		**220**
Paraffin wax		30	100	**130**

(1) Nameplate capacity represents the total saleable production capacity. Due to the integrated nature of these facilities, the requirement for regular statutory maintenance shutdowns and market conditions, actual saleable volumes will be less than the nameplate capacity.

Sasol Nitro

Nature of the operations and its principal activities

Sasol Nitro, a division of Sasol Chemical Industries Limited, our nitrogenous products division, manufactures and markets ammonia, fertilisers, commercial explosives and related products. The

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division also markets ammonia, sulphur and specialty gases produced by other Sasol divisions. All production activities are located in South Africa. The business' products are sold within South Africa with limited exports, mainly into Southern Africa.

The division's product portfolio includes:

- ammonia;
- nitric acid;
- ammonium nitrate solution;
- sulphur;
- hydrogen;
- specialty gases;
- various grades of fertiliser;
- ammonium sulphate;
- explosives-grade ammonium nitrate;
- various packaged explosives; and
- explosive accessories non-electronic initiation systems, boosters and detonating cord.

At the end of October 2009, the phosphoric acid plant in Phalaborwa was shut down for economic reasons and following a consultation process with relevant stakeholders. All impacted staff were either redeployed within Sasol or offered voluntary retrenchment packages by the end of June 2010, except for limited staff remaining to undertake rehabilitation and closure activities. An impairment loss of R174 million and a restructuring provision of R33 million were recognised in 2009 in respect of the Phalaborwa plant and workforce transition impacts, respectively.

Sasol Nitro also decided to mothball the packaged emulsion explosives plant in Secunda in November 2009. An impairment loss of R5 million was recognised in respect of this plant. The majority of the employees were redeployed within Sasol.

As part of a settlement agreement with the South African Competition Commission (the Commission) signed on 5 July 2010, and confirmed by the Competition Tribunal (the Tribunal) on 20 July 2010, Sasol Nitro will among other undertakings, dispose of the downstream fertiliser blending assets in Durban, Bellville, Endicott, Kimberley and Potchefstroom, within a period of 12 months or such later date as may be approved by the Commission or ordered by the Tribunal. Furthermore, as part of the settlement agreement, Sasol Nitro has undertaken that within 12 months, its Sasolburg ammonia plant and its ammonia business operations will be housed as a business unit separate from Sasol Nitro. Sasol Nitro has also agreed that, except for internal use within the Sasol group, it will cease within 25 months all importation of ammonia into South Africa except for those imports on behalf of third parties that may be occasional due to supply and logistic disruptions and plant

maintenance shutdowns.

Principal markets

About half of Sasol's total ammonia production is used to produce Sasol Nitro's ammonium nitrate-based fertilisers and explosives. The balance of ammonia is sold mainly to other South African explosives and fertiliser manufacturers with relatively small quantities sold for use in other industrial applications, which include chemical manufacture and mineral beneficiation.

Sasol is the only ammonia producer in South Africa, with a total production capacity of 660 ktpa.

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Seasonality

The fertiliser sales are closely linked to the relevant crop planting seasons. The majority of fertilisers are consumed for maize production, for which planting starts in October and runs through to January. Explosives products are used in both opencast and underground mining, with sales spread evenly throughout the year.

Raw materials

Natural gas is used as feedstock in the manufacture of ammonia at its Sasolburg plant. Ammonia is the main feedstock used in the manufacture of nitric acid and ammonium nitrate.

Most raw materials for non-electronic initiation systems have until now been imported from the USA. Sasol Nitro is in the process of backward integration in an effort to reduce its exposure to the rand/US dollar exchange rate fluctuations on these imports. The backward integration facility achieved beneficial operation in June 2010.

Fertilisers are usually a combination of nitrogen, potassium and phosphates in a so-called N:P:K (nitrogen : phosphate : potassium) formulation. The nitrogen compound consists mainly of either Sasol produced ammonium nitrate or imported urea. The phosphate compound was prior to November 2009 sourced from phosphoric acid produced at the Sasol Nitro Phalaborwa operations, and will in future be sourced from other local suppliers or imported. All of South Africa's potassium needs for its fertiliser industry are imported in the form of potash.

Marketing channels

Until the end of 2011, fertiliser will be supplied to the farming community via agents, distributors and co-operatives. As a result of the settlement agreement with the Commission, the fertiliser business will in future focus on bulk sales ex factory gate.

Explosives and explosive accessories are only supplied to the Southern African mining industry and explosives grade ammonium nitrate is exported to South America, the rest of Africa and Asia.

Factors on which the business is dependent

The profitability of the business is dependent on the international ammonia and urea prices, international mining and agricultural commodity prices, mining and agriculture activity, and the exchange rate. International mining commodity prices influence the demand for explosives, while the variability of maize and other crop production influence the market demand for fertiliser.

Property, plant and equipment

All production facilities of Sasol Nitro are located in South Africa. The Sasolburg operations also produce hydrogen that is sold to the oil and metal refining industries in South Africa.

Sasol Nitro operates two nitric acid plants. The smaller 315 ktpa unit in Sasolburg is linked to a downstream ammonium nitrate plant. The ammonium nitrate produced at the Sasolburg operations is used mainly for the production of explosive grade low-density ammonium nitrate. The 470 ktpa nitric acid plant in Secunda supplies a downstream ammonium nitrate plant linked to a 500 ktpa fertiliser granulation facility. The granulation plant produces limestone ammonium nitrate fertilisers and various other fertiliser blends containing nitrogen, phosphorus and potassium. Ammonium nitrate for industrial use is sourced from both the Sasolburg and Secunda sites.

Sasol Nitro will be commissioning a new 400 ktpa fertiliser granulation plant in Secunda producing only limestone ammonium nitrate to replace the existing granulation facility. The plant is expected to come on-line during 2011.

A 100 ktpa ammonium sulphate plant in Secunda was commissioned in June 2009.

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At the end of October 2009, the 225 ktpa phosphoric acid plant in Phalaborwa was shut down.

Sasol Nitro also manufactures bulk explosives at various mining sites and cartridge explosives in Ekandustria. Sasol Dyno Nobel (Sasol Nitro has a 50% share holding) manufactures non-electronic initiation systems in Ekandustria.

Product	Secunda	Sasolburg	Ekandustria	Phalaborwa[3]	Other	Capacity[2]
		(Number of plants)				(ktpa)
Ammonia[1]	1	1				**660**
Granular and liquid fertilisers	2	1			3	**700**
Fertiliser bulk blending[4]	1				3	**300**
Ammonium sulphate	1					**100**
Phosphates[3]				1		**225**
Explosives	3	1	2			**300**

(1) Includes volumes produced by Sasol Synfuels. The Sasolburg ammonia business will be housed outside Sasol Nitro in the future as part of the settlement with the Commission.

(2) Nameplate capacity represents the total saleable production capacity. Due to the integrated nature of these facilities, the requirement for regular statutory maintenance shutdowns and market conditions, actual saleable volumes will be less than the nameplate capacity.

(3) The phosphoric acid production capacity was shut down following the closure of the Phalaborwa operation in October 2009.

(4) The downstream fertiliser regional blending and liquid fertiliser facilities will be disposed of within 12 months as per the settlement agreement with the Commission or such later period as may be approved by the Commission or ordered by the Tribunal.

Sasol Infrachem

Nature of the operations and its principal activities

Sasol Infrachem is the supplier of utilities and services to various Sasol business units (Sasol Polymers, Sasol Solvents, Sasol Wax, Merisol and Sasol Nitro) as well as external businesses in Sasolburg. Sasol Infrachem operates and maintains the auto thermal reformer (ATR) which reforms natural gas into synthesis gas. Sasol Infrachem is the custodian of the Sasolburg gas pipeline and the primary responsibility of this function is to ensure that the gas demand/supply is balanced and that reformed gas is supplied to the users of gas on its site on behalf of Sasol Gas.

Raw materials

Coal required for steam and power generation is sourced internally from Sasol Mining. Raw water is sourced from the Vaal River and potable/drinking water is sourced from the local municipality. Electricity is purchased from Eskom, the state-owned electricity provider.

Property, plants and equipment

Production capacity at 30 June 2010

Product	Facilities location	Total[1]
Steam	South Africa	1 750 tonne per hour (tph)
Electricity	South Africa	175 Megawatt hour (MWh)
Water	South Africa	123 Mega litres per day (Ml/day)

(1)

Nameplate capacity represents the total saleable production capacity. Due to the integrated nature of these facilities, the requirement for regular statutory maintenance shutdowns and market conditions, actual saleable volumes will be less than the nameplate capacity.

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Merisol

Nature of the operations and its principal activities

Merisol is a joint venture company formed in 1997 by the merger of Sasol Phenolics in Sasolburg, South Africa, with the phenolics activities of Merichem Company, based in Houston, Texas, USA. The joint venture partners each own 50% of Merisol. Merisol has a strong presence in the global market for natural phenolics and cresylics with manufacturing facilities in Sasolburg, Houston, Texas, and Oil City, Pennsylvania, USA. Merisol has a 20:80 venture (Merisol holding 20%) with Chang Chun of Taiwan for the production in Sasolburg of ortho-cresol novolac, a precursor to high-performance epoxy resins used for encapsulating memory and processor chips. Merisol is the supplier of ortho-cresol feedstock and manages this plant.

Merisol manufactures the pure products, phenol, ortho-cresol, meta-cresol and para-cresol, and a diverse range of blended products, consisting of mixtures of phenol, cresols, xylenols and other phenol derivatives. These blends are known collectively as cresylic acids. Both the Sasolburg and Houston plants produce phenol- and ortho-cresol and cresylic acids. The Houston plant uses proprietary separation technologies to produce high-purity meta, para-cresol and pure meta-cresol and para-cresol, making Merisol one of the few producers of these products in the world.

Principal markets

The pure products, phenol, ortho-cresol, meta-cresol and para-cresol, are sold in competition with synthetically produced equivalents. Merisol is relatively small in the global phenol market, but strong in the South African market and in selected niche markets elsewhere.

Merisol supplies major shares of the cresol and cresylic acids global markets for:

ortho-cresol, where the main competitors include General Electric, Lanxess, Nippon Steel Chemicals, Rutgers Chemicals and Deza;

meta-cresol, where the main competitors include Lanxess and Honshu Chemical;

para-cresol, where the main competitors include Degussa, Konan Chemical, Atul Chemicals and various Chinese producers;

high purity meta, para-cresol, where the main competitors include Mitsui Chemicals, Lanxess and Sumitomo Chemicals; and

wire enamel solvents where the main competitors are Rütgers-Chemicals, Deza, C-Chem and Mitsui Chemicals.

Merisol derives about 75% of its turnover from North and South America, Europe and Far East markets and the balance from South Africa and other regions.

Seasonality

There is little seasonality associated with our products or the markets in which they participate. Our business is driven by market demands which are normally slightly higher in the second half of the financial year.

Raw materials

Merisol derives its raw material as a by-product of coal gasification that is recovered for purification and separation, mostly from Sasol. About 80% of raw materials are subject to fluctuations in the oil price.

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Marketing channels

Merisol markets its products worldwide through sales offices in the United Kingdom, Hong Kong, the United States and South Africa. Markets are served from product inventories held in Antwerp, Belgium, for the European market, in Houston, for the US market and Sasolburg for most other markets, including Asia.

Factors upon which the business is dependent

Our plants operate using a combination of distillation and proprietary technologies developed and licensed by Sasol Technology, as well as proprietary technologies developed and licensed by Merichem, a subsidiary within the Merisol group. Being fully integrated into the Sasol operations in South Africa, we are dependent on Sasol Synfuels and Sasol Infrachem for the supply of both our raw materials and utilities (electricity, water and air).

We are in the process of obtaining the relevant data required in order to comply with the European Chemical Policy, REACH. The estimated costs of compliance over the next five years amount to approximately US$3 million.

Property, plants and equipment

Merisol's Sasolburg plant, including the tar naphtha extraction plant, uses feedstock from our coal gasification activities at Secunda. During 2007, the Houston operations completed rationalisation and streamlining of its Green Bayou plant to reduce costs.

Merisol owns a butylation plant at Oil City, Pennsylvania, producing di-butyl para-cresol and meta-cresol from meta, para-cresol and pure para-cresol feedstock produced by Merisol at its Houston plant. The Oil City plant has completed an expansion project to increase meta-cresol capacity.

Production capacity at 30 June 2010

Product	Facilities location	Total[(1)] (ktpa)
Phenol	South Africa, United States	45
Ortho-cresol	South Africa, United States	15
Meta-cresol and para-cresol	United States	16
Pure meta,para-cresol	United States	30
Cresylic acids and xylenols	South Africa, United States	44
High-boiling tar acids	South Africa, United States	4
Butylated products	United States	13

(1) Nameplate capacity represents the total saleable production capacity. Due to the integrated nature of these facilities, the requirement for regular statutory maintenance shutdowns and market conditions, actual saleable volumes will be less than the nameplate capacity.

Other businesses

Sasol Technology

Nature of the operations and its principal activities

Sasol Technology, as the technology partner in the group, is fully committed to the growth objectives by working together with the business units and taking responsibility for the long-term research and development of technology improvements as well as developing new technologies. Through engineering and project execution activities Sasol Technology demonstrates its commitment to the delivery of functional plants to their business partners for their operation.

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Directing technology

Sasol Technology are responsible for directing Sasol's technology future, by delivering strategies for long-term research and development, technological improvements and new, innovative and cleaner technologies.

Acquiring technology research and development

The central research and development division in Sasolburg, South Africa, employs approximately 600 people who focus on fundamental research, while the decentralised divisions focus on product applications. The Sasolburg research facility was expanded and modernised with the aim to:

- enhance infrastructure through enabling the installation of new pilot-plants to expand operational efficiency and flexibility;
- allow the relocation, upgrading and full integration of existing pilot plants;
- enable enhanced reactor and catalyst development programs in support of our advanced Fischer-Tropsch technology development objectives;
- install modern process control systems; and
- improve the capturing of the information generated.

The enhanced facilities allow the opportunity to commercialise new and improved petrochemical processes more effectively. The central research function has a full suite of state-of-the-art pilot plants to support both current and the development of future technologies. As a result of our investment in facility upgrades in recent years, we are now seeing the benefits in the improved quality and efficiency of our research efforts.

The Sasolburg research activities, supplemented by a presence at the University of St Andrews in Scotland and in Enschede in The Netherlands, are also conducted through external alliances and research collaborations with over 100 research institutions, consortia and universities worldwide. In addition, strong emphasis is placed on training. As a result of this, at least 20 of the employees from South Africa are at any given time studying abroad in a continuing effort to ensure top level in-house research competency.

Noteworthy Sasol Technology research and revelopment successes over the past decade include the development of the Slurry Phase and Advanced Synthol reactors, the development of the proprietary cobalt catalyst, the low temperature Fischer-Tropsch process, ethylene tetramerisation and the 1-heptene to 1-octene conversion process.

A significant part of the research focuses on supporting the CTL and GTL technologies and associated products the production of chemicals from the primary Fischer-Tropsch products is of particular interest.

Research is also focused on the reduction of the Sasol operations' environmental footprint which includes greenhouse gas reduction, water treatment and purification. In this regard, special attention is given to water utilisation, given the location of some of the current and possible future plants in semi-arid areas. Reduction in greenhouse gases focuses on improving plant efficiencies, carbon dioxide capturing and understanding potential storage alternatives. The introduction of non-carbon based energy as process energy is also under review as part of our new energy focus.

Commercialising technology front end engineering and technology management

All front end engineering and technology integration and management are performed by specialist Sasol Technology teams, taking the ideas from our research and development teams and engineering them into a commercial proposition for exploitation by the group. The conceptual studies, basic design

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and engineering management of projects are undertaken on an integrated basis with the business units, leveraging with external technology suppliers and contractors.

Installing technology project execution and engineering

Sasol Technology is responsible for the project engineering and project management of the major capital programmes in the group. The involvement is not only focused in South Africa but also elsewhere in the world where Sasol is undertaking studies and the execution of projects. Delivery of smaller projects and shutdowns are also undertaken. These initiatives are highly leveraged with external engineering and construction contractors.

Optimising technology operations support

Technical support groups work on an integrated basis with the operations personnel of the business units to improve the profitability and optimise plant performance throughout the group.

Principal Markets

Sasol Technology partners with all business units in the Sasol group. However, in line with the group's strategic priorities Sasol Technology is focused on:

South African Energy Cluster

- expanding South African synthetic fuels capacity, specifically in the Secunda Complex;
- additional CTL capacity in South Africa for future projects; and
- understanding the energy landscape and evaluating various alternatives with a view to introducing low/no carbon based energy sources into our energy mix.

International Energy Cluster

- implementing prospective GTL and CTL facilities globally; and
- catalyst manufacture facilities to supply GTL and CTL plants with proprietary FT cobalt catalyst.

Chemical Cluster

- co-monomers, polymers and waxes.

Sasol group

- long-term strategic research in GTL, CTL, future chemicals and environmental technologies.

Property, plant and equipment

The Sasolburg research facility was expanded affording the opportunity to commercialise new and improved petrochemical processes more effectively. The central research function has a full suite of state-of-the-art pilot plants to support both current and the development of future technologies. A new fuel testing and engine emissions laboratory has been commissioned in Cape Town, to more effectively research the application of our unique GTL and CTL fuels at sea level.

Legal proceedings and other contingencies

Fly Ash Plant Sasol Synfuels was in legal proceedings with regard to the operation of a plant in Secunda. Ashcor claimed damages of R313 million relating to their inability to develop their business and a projected loss of future cash flows. In January 2010, Sasol Synfuels was granted absolution from the instance with a cost order in its favour. Ashcor filed an application for leave to appeal which was dismissed by the court with costs on 18 May 2010. The prospect of future loss is deemed to be remote.

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Sasol Nitro In 2004, the South African Competition Commission (Commission) commenced with investigations against Sasol Nitro, a division of Sasol Chemical Industries Limited, based on complaints levelled against Sasol Nitro by two of its customers, Nutri-Flo and Profert. Both complaints were subsequently referred to the Competition Tribunal (Tribunal) by the Commission. The Nutri-Flo complaint was referred in May 2005, alleging findings of prohibited horizontal practices (namely, price fixing and the prevention or lessening of competition) and abuses of dominance (namely, charging excessive prices and engaging in exclusionary conduct) in the fertiliser industry. The Profert complaint was referred in May 2006, alleging prohibited horizontal practices (namely, entering into agreements which divided the relevant market and which substantially lessened or prevented competition in that market) and abuses of dominance (namely, refusing to supply scarce goods to competitors, discriminating between customers in relation to sale prices and engaging in other exclusionary acts).

During this time Sasol Nitro was also advised by the Commission that it was investigating whether or not there were any other unlawful agreements amounting to contraventions of the Competition Act's prohibitions against restrictive horizontal practices between Foskor and Sasol Nitro relating to toll manufacturing arrangements concluded between the parties in 2004, pending consideration of a merger application to the Commission relating to the intended sale by Sasol Nitro of its phosphoric acid production facilities to Foskor. In terms of the toll manufacturing agreements Sasol Nitro would toll manufacture phosphoric acid for Foskor.

Sasol Nitro initially defended all three matters, but in late 2008 and early 2009, Sasol Nitro became aware of certain facts which necessitated that it engage with the Commission in order to negotiate a settlement with regard to the complaints relating to price fixing and market sharing. In the settlement agreement concluded with the Commission, and which was confirmed by the Tribunal on 20 May 2009, Sasol Nitro, acknowledged that, in the period from 1996 to 2005, it had contravened the Competition Act by fixing prices of certain fertilisers with its competitors, by agreeing with its competitors on the allocation of customers and suppliers and to collusively tendering for supply contracts. Sasol Nitro, as part of the settlement agreement, acknowledged that the toll manufacturing agreement and related interactions and communications between Sasol and Foskor on various levels amounted to a division of markets by allocating customers and territories with regard to phosphoric acid and its derivatives. Sasol Nitro subsequently paid an administrative penalty of R250,7 million.

Civil claims and law suits may be instituted against Sasol arising from the admissions made in the settlement agreement. It is currently not possible to make an estimate of such contingent liability and accordingly, no provision was made as at 30 June 2010.

Sasol Nitro did not at the time, as part of the settlement agreement, admit to engaging in price discrimination, excessive pricing or exclusionary practices as it does not believe it engaged in price discrimination, excessive pricing and exclusionary practices and these matters were to proceed to trial in due course. Subsequent to the settlement agreement, the Tribunal consolidated the hearing of the remaining Nutri-Flo and Profert complaints.

Sasol Nitro, however, continued with its engagement of the Commission and on 5 July 2010, Sasol Nitro concluded a further settlement agreement with the Commission. In terms of this settlement, Sasol Nitro will restructure its fertiliser business. Sasol Nitro believes the restructuring will address the Commission's concerns regarding Sasol's position within the nitrogen based fertiliser value chain, while also opening the industry to more competition. Sasol Nitro will withdraw from certain downstream fertiliser activities with increased focus on the core activities of its fertiliser business.

Sasol Nitro approached the Commission with this structural solution and has undertaken the following salient changes to its fertiliser business model:

- Divesting its regional blending capacity in Bellville, Durban, Kimberley, Potchefstroom and Endicott whilst retaining its full production activities in Secunda.

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Altering Sasol Nitro's fertiliser sales approach to a Secunda ex-works model. All fertiliser retail agent contracts will be phased out and a new fertiliser sales operating model formulated.

Pricing all ammonium nitrate based fertilisers on an ex-Secunda basis.

Phasing out ammonia imports on behalf of customers in South Africa.

The agreement is a full and final settlement of the alleged contraventions of excessive pricing and exclusionary practices, which were the subject of the Nutri-Flo and Profert referrals. As the Commission is of the view that the settlement will address their competition concerns, the Commission did not seek an administrative penalty.

On 20 July 2010, the Tribunal confirmed the settlement agreement. No finding was made relating to abuse of dominance and accordingly no administrative penalty was imposed. Sasol also did not make any admissions as to abuse of dominance.

Sasol Nitro has also concluded confidential settlement agreements with Profert and Nutri-Flo in terms of which any and all of the complaints arising from the Commission's investigations were settled without admission of any liability or admission of any anti-competitive or unlawful conduct as alleged by Profert and Nutri-Flo. A non-material liability has been recognised in this respect at 30 June 2010.

The settlement confirmed by the Tribunal on 14 July 2010, together with the changes to the Sasol Nitro business, will not have a material adverse impact on the Sasol group.

With the decrease in the price of phosphoric acid following the economic downturn, Sasol elected to cease the manufacturing of phosphoric acid and closed its plant at Phalaborwa on 31 October 2009. Sasol has commenced a process to dispose of this plant and is currently in discussion with a prospective purchaser.

Sasol Wax On 1 October 2008, following an investigation by the European Commission, the European Union found that members of the European paraffin wax industry, including Sasol Wax GmbH, formed a cartel and violated antitrust laws.

A fine of €318,2 million was imposed by the European Commission on Sasol Wax GmbH (of which Sasol Wax International AG, Sasol Holding in Germany GmbH and Sasol Limited would be jointly and severally liable for €250 million). According to the decision of the European Commission, an infringement of antitrust laws commenced in 1992 or even earlier. In 1995, Sasol became a co-shareholder in an existing wax business located in Hamburg, Germany owned by the Schümann group. In July 2002, Sasol acquired the remaining shares in the joint venture and became the sole shareholder of the business. Sasol was unaware of these infringements before the European Commission commenced their investigation at the wax business in Hamburg in April 2005.

On 15 December 2008, all Sasol companies affected by the decision lodged an appeal with the European Union's General Court against the decision of the European Commission on the basis that the fine is excessive and should be reduced. The fine has been paid in accordance with the legal requirements on 7 January 2009. As a result of the fine imposed on Sasol Wax GmbH, it is possible that customers may institute court proceedings against Sasol Wax for compensation of damages. The result of such proceedings cannot be determined at present and accordingly, no provision was made at 30 June 2010.

Veolia Water Systems On 15 July 2008, Veolia Water Systems (Veolia) issued summons against Sasol Synfuels arising from a contract concluded between Sasol Synfuels and Veolia in June 2004. The contract entailed the detailed engineering, construction and commissioning of a water desalination plant at Unit 544 of Sasol Synfuels' facilities at Secunda. Veolia claimed an amount of R438,6 million, including interest, for breach of contract, from Sasol Synfuels. The claim was originally defended. A counterclaim against Veolia was also made by Sasol. The parties underwent mediation proceedings during April 2010, and on 29 June 2010 a settlement agreement between Veolia and Sasol Synfuels was

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reached. Sasol Synfuels has agreed to settle the claim with Veolia by the payment of an amount of R160 million (including interest) to Veolia. This is in full and final settlement of all claims and the amount has been provided for at 30 June 2010.

Dorothy Molefi and others Certain plaintiffs sued Sasol Limited and National Petroleum Refiners of South Africa (Pty) Limited (Natref) and various other defendants in two claims in the United States District Court for the Southern District of New York. These claims are similar to many instituted against a large number of multi-national corporations worldwide under the Alien Tort Claims Act and the Torture Victim Protection Act, referred to as the related cases. The plaintiffs allege a conspiracy between the defendants and both the former "Apartheid Era Government" as well as the post 1994 democratic government in South Africa of former Presidents Nelson Mandela and Mbeki, resulting in the genocide of South Africa's indigenous people and other wrongful acts. Defendants in the related cases moved to dismiss the actions against them. The Molefi action against Sasol Limited and Natref was stayed in November 2004 pending a decision on the motions to dismiss in the related cases. The motion to dismiss in the related cases was granted, and plaintiffs appealed to the Second Circuit Court of Appeals. During October 2007, the appeal was decided. Plaintiffs in those related cases were successful on one of the three grounds of appeal, thus enabling the plaintiffs to amend their complaint to assert additional factual allegations to meet the requirements of the Alien Tort Claims Act. The case was then appealed to the United States Supreme Court. In May 2008, the Supreme Court issued an order stating that because four justices recused themselves, the United States Supreme Court lacked the necessary quorum and therefore affirmed the judgement of the Second Circuit Court of Appeals with the same effect as an affirmance by an equally divided court, namely, it does not have precedential effect. During 2009, the court issued an order dismissing the case against Sasol and the other defendants based on failure to prosecute. Despite this order, it remains possible for plaintiffs to join Sasol and the other defendants to the related cases.

Sasol Polymers As previously disclosed by Sasol, the Commission has been investigating the South African polymers industry. On 12 August 2010, the Commission announced that it has referred its findings to the Tribunal for adjudication.

The complaints that the Commission has referred to the Tribunal allege that Sasol Chemical Industries Limited (SCI) has in the pricing of polypropylene and propylene in the domestic South African market contravened section 8(a) of the Competition Act (the Act) in that its prices for each of the products are excessive. The referral further alleges that in regard to a formula employed and information exchanged between SCI and Safripol (Pty) Limited (Safripol) to determine the price of propylene which SCI sells to Safripol, SCI and Safripol have contravened section 4(1)(b)(i) of the Act by engaging in price fixing. The Commission also announced that it has simultaneously reached a settlement with Safripol in which Safripol admits that the supply agreement between SCI and Safripol and its implementation amounted to the indirect fixing of a price or trading condition in contravention of the Act. This settlement agreement was confirmed by the Tribunal on 25 August 2010.

The Commission's allegation of collusion relates to an agreement of the Sasol Polymers division of SCI with Safripol, which was structured at the behest of the former Competition Board following the formation of Polifin (the Sasol/AECI joint venture) in 1994. The agreement was structured to ensure Safripol's ongoing access to propylene supply at a market-related price. South African propylene and polypropylene prices are comparable to international prices and hence Sasol believes that there is no legitimate basis for the Commission's excessive pricing allegations.

At this time, there is no reasonable certainty as to whether or not SCI will be found to have contravened the Act as alleged, whether a penalty will be imposed and the quantum thereof. SCI intends defending the matter before the Tribunal should an amicable resolution of the matter with the Commission not be achieved and accordingly, no provision was made at 30 June 2010.

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The Commission has indicated that it is seeking an administrative penalty of 10% of SCI's annual turnover for each of these alleged contraventions and an order compelling SCI to sell polypropylene and propylene on an ex-works basis without discriminating in price between customers on the basis of their location. SCI houses a number of Sasol's South African chemical businesses such as Sasol Nitro, Sasol Polymers, Sasol Solvents and Sasol Wax. In Sasol Limited's public disclosures, Sasol has reported on a business segment basis and has not provided the turnover of SCI as a legal entity. The turnover of SCI excluding transfers to the Sasol group for the 2009 financial year was R22,13 billion. There is, however, no certainty that SCI is the correct base from which to calculate a potential administrative penalty.

Bitumen Pricing A review of competition law compliance at Sasol Oil and Tosas identified a competition compliance concern related to the use of a bitumen pricing methodology agreement reached within the South African Bitumen and Tar Association (SABITA), of which Sasol Oil and Tosas are members, along with other oil companies. Sasol Oil and Tosas thereupon approached the Commission for leniency in terms of the Commission's corporate leniency policy and were granted conditional leniency by the Commission in April 2009. On 4 March 2010, the Commission announced that it had referred the findings of its investigation into bitumen pricing to the Tribunal for adjudication.

Sasol Oil and Tosas, as leniency applicants, have been granted conditional immunity from prosecution and no penalty will be sought by the Commission against Sasol or its subsidiaries subject to the leniency becoming unconditional. Sasol Oil and Tosas are cooperating with the Commission in its preparation for the hearing of the referral against those respondents who have not yet concluded settlement agreements with the Commission.

Sasol Gas On 30 October 2009, after being advised that certain provisions in a suite of agreements concluded between Sasol Gas, Coal, Energy and Power Resources Limited (CEPR) and Spring Lights Gas (Pty) Ltd (Spring Lights) constituted contraventions of the Act, Sasol Gas applied for leniency in terms of the Commission's corporate leniency policy and obtained conditional leniency. Subsequent to Sasol Gas' leniency application, the Commission investigated the matter and found that provisions in the agreements resulted in fixing of prices and had the effect of dividing the piped gas market by allocating customers and territories. The suite of agreements related to the establishment of Spring Lights as a broad-based black economic empowerment (BBBEE) company for the purpose of acquiring a portion of the business of Sasol Gas as part of Sasol's BBBEE strategy at the time. On 20 August 2010, Spring Lights concluded a settlement agreement with the Commission in terms of which Spring Lights acknowledged the mentioned contraventions and agreed to pay an administrative penalty of R10,8 million. A provision was made for this amount in 2009. Spring Lights has also made an application to the Commission to exempt the conduct permitted in terms of these agreements, on the basis that it promotes the ability of small businesses, or firms controlled or owned by historically disadvantaged persons, to become competitive, in terms of section 10 (3)(b)(ii) of the Act. The settlement agreement was considered by the Tribunal on 1 September 2010 but the matter was postponed *sine die* to enable the Commission to make a ruling on the exemption application of Spring Lights.

Other From time to time Sasol companies are involved in other litigation and administrative proceedings in the normal course of business. Although the outcome of these proceedings and claims cannot be predicted with certainty, the company does not believe that the outcome of any of these cases would have a material effect on the group's financial results.

Competition matters

Sasol is continuously evaluating and enhancing its compliance programmes and controls in general, and its competition law compliance programme and controls in particular. As a consequence of these

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compliance programmes and controls, including monitoring and review activities, Sasol has also adopted appropriate remedial and/or mitigating steps, where necessary or advisable, lodged leniency applications and made disclosures on material findings as and when appropriate. As reported previously, these compliance activities have already revealed, and the implementation of certain close-out actions arising there from, may still reveal competition law contraventions or potential contraventions in respect of which we have taken, or will take, appropriate remedial and/or mitigating steps including lodging leniency applications.

The Commission is conducting investigations into the South African piped gas, coal mining, petroleum, fertilisers, wax and polymer industries. Sasol continues to interact and co-operate with the Commission in respect of the subject matter of current leniency applications brought by Sasol, conditional leniency agreements concluded with the Commission, as well as in the areas that are subject to the Commission's investigations. To the extent appropriate, further announcements will be made in future.

During 2010, Sasol received two notices of non-referral in regard to investigations that were conducted by the Commission into the South African candle wax industry. Sasol is not aware of any further investigations by the Commission in respect of this industry.

Environmental Orders

Sasol is subject to loss contingencies pursuant to numerous national and local environmental laws and regulations that regulate the discharge of materials into the environment or that otherwise relate to the protection of human health and the environment in all locations in which Sasol operates. These laws and regulations may, in future, require Sasol to remediate or rehabilitate the effects of its operations on the environment. The contingencies may exist at a number of sites, including, but not limited to, sites where action has been taken to remediate soil and groundwater contamination. These future costs are not fully determinable due to factors such as the unknown extent of possible contamination, uncertainty regarding the timing and extent of remediation actions that may be required, the allocation of the environmental obligation among multiple parties, the discretion of regulators and changing legal requirements.

Sasol's environmental obligation accrued at 30 June 2010 was R6 109 million compared to R4 819 million in 2009. Included in this balance is an amount accrued of approximately R3 328 million in respect of the costs of remediation of soil and groundwater contamination and similar environmental costs. These costs relate to the following activities: site assessments, soil and groundwater clean-up and remediation, and ongoing monitoring. Due to uncertainties regarding future costs the potential loss in excess of the amount accrued cannot be reasonably determined.

Under the agreement for the acquisition of Sasol Chemie, Sasol received an indemnification from RWE-DEA AG for most of the costs of remediation and rehabilitation of environmental contamination existing at Condea Vista Company located in the United States on or before 1 March 2001.

Although Sasol has provided for known environmental obligations that are probable and reasonably estimable, the amount of additional future costs relating to remediation and rehabilitation may be material to results of operations in the period in which they are recognised. It is not expected that these environmental obligations will have a material effect on the financial position of the group.

As with the oil and gas and chemical industries generally, compliance with existing and anticipated environmental, health, safety and process safety laws and regulations increases the overall cost of business, including capital costs to construct, maintain, and upgrade equipment and facilities. These laws and regulations have required, and are expected to continue to require, the group to make significant expenditures of both a capital and expense nature.

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Augusta Bay Pollution Investigation June 2008

The local prosecutor's office in Augusta, Italy, is investigating a pollution incident at Augusta Bay, allegedly caused by the infiltration of pollutants into the sea. The investigation involves all the companies located within the Melilli-Priolo-Augusta industrial area, which includes Sasol Italy. The Prosecutor's office and the involved companies have each appointed experts to evaluate the environmental situation which includes a broad range of ecological impacts. It is currently not clear what product is the cause of the pollution and Sasol Italy's potential involvement will only be able to be determined after collection and analysis of samples, sea sediments and sea water. Experts have, at the request of the judge, filed their opinions on the cause of the pollution. Depending upon the final determination of environmental impacts resulting from the investigation, administrative fines or criminal penalties may be imposed on the guilty party or parties.

The judge requested the court for an extension of the preliminary investigation. According to our expert, there is not a clear connection between the pollution and Sasol Italy's operations. Consequently, no provisions have been raised.

September 2004 Accident Trust

On 1 September 2004, the lives of ten employees and contractors were lost and a number of employees and contractors were injured during an explosion that occurred at our Secunda West ethylene production facilities.

The company, Solidarity, the Chemical, Energy, Paper, Printing, Wood and Allied Workers' Union and an attorney representing the unions negotiated a mechanism to pay compensation to the dependants of people that died or to people who were physically injured in the accident to the extent that they had not been previously compensated in terms of existing policies and practices. It was agreed to establish an independent trust, the September 2004 Accident Trust, to expeditiously make ex gratia grants to such persons. The September 2004 Accident Trust was registered on 29 June 2006. Qualifying victims of the accident were invited to submit applications for compensation. These grants were calculated in accordance with the applicable South African legal principles for the harm and loss suffered by them as a result of the accident to the extent that they had not already been compensated.

Sasol funded the September 2004 Accident Trust to pay the grants. Whilst accepting social responsibility, Sasol did not acknowledge legal liability in creating the trust. As at 30 June 2010, a total of 172 claims had been received, all of which have been finalised, resulting in payments totalling R22 million. The trust has concluded its objective and is in the process of being wound up.

Regulation

The majority of our operations are based in South Africa, but we also operate in numerous other countries throughout the world. In South Africa, we operate coal mines and a number of production plants and facilities for the storage, processing and transportation of raw materials, products and wastes related to coal, oil, chemicals and gas. These facilities and the respective operations are subject to various laws and regulations that may become more stringent and may, in some cases, affect our business, operating results, cash flows and financial condition.

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Empowerment of historically disadvantaged South Africans

Broad-based Black Economic Empowerment Act

The South African Department of Trade and Industry introduced the Broad-based Black Economic Empowerment Act (the Act). The Act's stated objectives are to:

- promote economic transformation in order to facilitate meaningful participation of black people in the economy;
- achieve a substantial change in the racial composition of ownership and management structures in new and existing enterprises;
- increase the instance of ownership and management of communities, workers and collective enterprise cooperatives in new and existing enterprises;
- promote investment programs that lead to broad-based and meaningful participation by black people in the economy in order to achieve sustainable development and general prosperity; and
- develop rural communities and empower local communities by enabling access to economic activities, land, infrastructure, ownership and skills.

The Act establishes a Black Economic Empowerment Advisory Council (the Council) to advise the President on BEE. In terms of the Act, the Minister of Trade and Industry may issue codes of practice on BEE, which may include:

- the interpretation and definition of BEE;
- qualification criteria for preferential purposes for procurement and other economic activities;
- indicators and weighting to measure BEE;
- guidelines for stakeholders in the relevant sectors of the economy to draw up transformation charters for their sectors;
- the development of a system of reporting on the implementation of BEE; and
- any other matter necessary to achieve the objectives of the Act.

The Act provides that every organ of the State must take into account any relevant code of practice issued pursuant to the Act in determining qualification criteria for the issuing of licences and other authorisations pursuant to any law and in developing and implementing a preferential procurement policy.

The Minister of Trade and Industry may propose regulations under this Act.

Sasol Inzalo share transaction

During May 2008, the shareholders approved the Sasol Inzalo share transaction, a broad-based Black Economic Empowerment (BEE) transaction which resulted in the transfer of beneficial ownership of 10% (63,1 million shares) of Sasol Limited's issued share capital before the implementation of this transaction to its employees and a wide spread of black South Africans (BEE participants). The transaction was introduced to assist Sasol, as a major participant in the South African economy, in meeting its empowerment objectives. This transaction will provide long-term sustainable benefits to all participants and has a tenure of ten years. The following BEE participants acquired indirect or direct ownership in Sasol's issued share capital at the time as follows:

Sasol employees and black managers through the Sasol Inzalo Employee Trust and Sasol Inzalo Management Trust (Employee Trusts) 4,0%;

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The Sasol Inzalo Foundation 1,5%;

Selected participants 1,5%; and

The black public through:

The funded invitation 2,6%; and

The cash invitation 0,4%.

The Employee Trusts and the Sasol Inzalo Foundation were funded entirely through Sasol facilitation whilst the selected participants and the black public participating, through the funded invitation, were funded by way of equity contributions and preference share funding (including preference shares subscribed for by Sasol). The black public participating, through the cash invitation, were financed entirely by the participants from their own resources.

The effective date of the transaction for the Employee Trusts and the Sasol Inzalo Foundation was 3 June 2008. The effective date of the transaction for the selected participants was 27 June 2008. The effective date for the black public invitations was 8 September 2008. Refer to "Item 5A Operating results Sasol Inzalo share transaction".

Codes of good practice for broad-based black economic empowerment (the Codes)

On 6 December 2006, the South African government approved the gazetting of both Phase 1 and Phase 2 of the Codes published in November 2005 and December 2005, respectively, pursuant to the Act mentioned above. The Codes were gazetted on 9 February 2007 in Government Gazette 29617 (Main Codes) and the Minister of Trade and Industry determined that the Codes came into operation on the same date.

Progress to date includes the publishing of guidelines on the Department of Trade and Industry website, which includes the following:

Guidelines: Equity Equivalents Programme for Multinationals; and

Guidelines: Complex Structures and Transactions, and Fronting (previously Statement 002).

Pursuant to the gazetting of the Codes (Main Codes) and published guidelines, private sector enterprises are urged to apply the principles contained in the Codes when implementing broad-based BEE initiatives. In interactions with public entities and organs of state, it is considered essential that the private sector applies these principles to ensure full recognition for their efforts. Furthermore, it is considered desirable that the private sector also apply these principles in their interactions with one another.

Stakeholders are encouraged to align any legislation properly enacted prior to the Act, which imposes BEE objectives, with the Act and the Codes. This will apply specifically to the Liquid Fuels Charter as contained in the Petroleum Products Amendment Act and the Mining Charter as contained in the Mineral and Petroleum Resources Development Act (MPRDA) which shall remain in force unless amended, substituted or repealed. Alignment of all such legislation, over time, will reduce any residual uncertainty.

The Mining Charter

In October 2002, the government and representatives of South African mining companies and mineworkers' unions reached broad agreement on the Mining Charter, which is designed to facilitate

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the participation of historically disadvantaged South Africans (HDSAs) in the country's mining industry. The Mining Charter's stated objectives include the:

expansion of opportunities for persons disadvantaged by unfair discrimination under the previous political dispensation;

expansion of the skills base of such persons;

promotion of employment and advancement of the social and economic welfare of mining communities; and

promotion of beneficiation, or the crushing and separation of ore into valuable substances or waste within South Africa.

The Mining Charter, together with a scorecard which was published on 18 February 2003 to facilitate the interpretation of and compliance with the Mining Charter (the scorecard), requires mining companies to ensure that HDSAs hold at least 15% ownership of mining assets or equity in South Africa within five calendar years and 26% ownership within ten calendar years from the enactment of the new MPRDA which came into force on 1 May 2004. The Mining Charter further specifies that the mining industry is required to assist HDSAs in securing finance to fund their equity participation up to an amount of R100 billion within the first 5 calendar years after the coming into force of the aforementioned Act. Beyond this R100 billion commitment, the Mining Charter requires that participation of HDSAs should be increased towards the 26% target on a willing-seller-willing-buyer basis at fair market value.

The scorecard provides a method of indicating the extent to which applicants for the conversion of their mineral rights under the MPRDA complied with the provisions of the Mining Charter. It is intended that the entire scorecard would be taken into account in decision making. Notes attached to the scorecard provide guidance in interpreting the objectives of the Mining Charter.

On 16 March 2006, we announced the implementation of the first phase of Sasol Mining's BEE strategy through the formation of Igoda Coal, an empowerment venture with Exxaro Coal Mpumalanga (formerly known as Eyesizwe Coal), a black-owned mining company. During August 2009, we received a notice of intention to withdraw from the Igoda transaction from our partner, Exxaro Coal Mpumalanga. Sasol Mining is actively pursuing alternatives to ensure that its BEE strategy remains intact.

On 11 October 2007, Sasol Mining announced the second phase of its BEE strategy by the formation of a black-woman controlled mining company called Ixia Coal (Pty) Limited (Ixia). Ixia is a venture with Women Investment Portfolio Holdings Limited and Mining Women Investments (Pty) Limited. The transaction is valued at R1,9 billion. This transaction brings Sasol Mining's broad-based BEE ownership component to an estimated 20% (calculated on attributable units of production). The transaction will be financed through equity (R47 million) and a combination of third party funding and appropriate Sasol facilitation. Ixia has procured its share of the financing for the transaction. The implementation of the transaction was conditional upon, inter alia, the conversion of the existing prospecting permits and mining authorisations (old order mining rights) to new order rights. The conversion of rights has been approved by the Department of Mineral Resources (DMR). The converted mining rights were signed and notarially executed on 29 March 2010. The converted mining rights for the Secunda Complex have been granted for a period of ten years. Sasol Mining has the exclusive right to apply and be granted renewal of the converted mining right for additional periods not exceeding 30 years at a time. The Mooikraal Complex converted mining right has been granted for the maximum allowable period of 30 years. The Competition Tribunal of South Africa approved the transaction on 1 September 2010. We anticipate that this transaction will be completed by the end of September 2010. The transaction was not yet effective at 30 June 2010.

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The Liquid Fuels Charter

In November 2000, following a process of consultation, the Minister of Mineral Resources and representatives of the companies in the liquid fuels industry, including Sasol Oil, signed the Liquid Fuels Charter setting out the principles for the empowerment of HDSAs in the South African petroleum and liquid fuels industry.

The Liquid Fuels Charter requires liquid fuels companies, including Sasol Oil, to ensure that HDSAs hold at least 25% equity ownership in the South African company holding their liquid fuels assets by the 2010 calendar year. It also envisages methods of measuring progress by requiring participants in the industry to meet targets set in connection with transformation of ownership. In addition, the Liquid Fuels Charter requires that historically disadvantaged persons be given preferred supplier status, where possible, in the procurement of supplies, products, goods and services, as well as access to use and ownership of facilities. By concluding the Sasol and Tshwarisano transaction, referred to below, Sasol Oil has satisfied this requirement.

It is possible that the Minister of Energy may wish to renegotiate the equity ownership of HDSA's in South African liquid fuels companies. However, clarity with regard to this possibility is not expected before November 2010.

Sasol and Tshwarisano BEE transaction

It is our fundamental objective to comply with the terms of the Liquid Fuels Charter. We have therefore facilitated a transaction with our BEE partner in the form of Tshwarisano which acquired a 25% shareholding in Sasol Oil effective 1 July 2006. Refer to "Item 5A Operating results Sasol and Tshwarisano BEE transaction".

BEE policies and legislation

The Broad Based Black Economic Empowerment Act No.53, underpinned by the scorecard setting out clear targets for Broad Based Black Economic Empowerment (BBBEE), was promulgated into law on 9 February 2003. The scorecard measures the following areas:

- Ownership
- Management and control
- Employment equity
- Skills development
- Procurement
- Enterprise development
- Socio-economic development

As from 1 July 2006, Sasol Oil has met the 25% BEE ownership target with Tshwarisano holding 25% of the shares in Sasol Oil in line with the BEE Charter.

Employees

In keeping with the spirit of the Liquid Fuels Charter, as well as the Employment Equity Act, we have set employment equity targets. This requires that advantageous treatment be given to HDSAs in aspects of employment such as hiring and promotion. Employment Equity targets are set out and reviewed periodically to ensure that they are met. Special training and mentorship programmes are in place to create a work

environment that is suited to the successful nurturing of HDSA staff.

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Procurement

Procurement is a crucial element of BEE as set out in the Liquid Fuels Charter, as well as in other industry charters and government policy. BEE procurement affords smaller industry players the opportunity to participate meaningfully in the sector. As prescribed in the Charter, HDSA companies are accorded preferred supplier status as far as possible.

Sasol Oil has established a BEE procurement policy; an enhanced procurement governance model and unique strategies to stimulate growth in its BEE spend.

Corporate social investment

We focus on facilitating the socioeconomic development of the communities in which we operate, through partnerships with key stakeholders in these communities.

Social investments are presently channelled into five main areas:

Education (particularly in mathematics and science);

Job creation and capacity building;

Health and welfare;

Arts, culture and sport development; and

Environment.

The Restitution of Land Rights Act

Our privately held land could be subject to land restitution claims under the Restitution of Land Rights Act 22 of 1994. Under this Act, any person who was dispossessed of rights in land in South Africa as a result of past racially discriminatory laws or practices is granted certain remedies, including, but not limited to:

restoration of the land claimed with or without compensation to the holder;

granting of an appropriate right in alternative state-owned land to the claimant; or

payment of compensation by the state or the holder of the land to the claimant.

If land is restored without fair compensation, it is possible that a constitutional challenge to the restoration could be successful. Once a land claim has been lodged with the Commission on Restitution of Land Rights, the rights of any person in respect of such land are restricted in that he may not perform certain actions relating to the land, including, but not limited to, selling, leasing exchanging, donating, subdividing, rezoning or developing such land, without the consent of the Commission. The Commission is obligated to notify the land owner of such a claim lodged or any other party which might have an interest in a claim. All claims had to have been lodged with the Commission by 31 December 1998. Although this was the final date for filing claims, many claims lodged before the deadline are still being reviewed and not all parties who are subject to claims have yet been notified. We have not been notified of any land claim that could have a material adverse effect on our rights to any of our significant properties. Sasol has however been notified of a potential land claim over a property that we believe belongs to Sasol Synfuels, namely the farm Goedehoop 301 IS. As this property consists of a number of portions and the Land Claims Commission is still investigating against which portion the claim has been instituted, we are unsure about possible impacts that the claim will have on our

operations, but no material adverse effect is anticipated. Sasol is currently assisting the Land Claims Commission to establish the exact nature of the claim to ensure that any risks can be mitigated.

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The Restitution of Land Rights Amendment Act became law in February 2004. Under the original Act, in the absence of a court order, the power of the Minister of Land Affairs to acquire or expropriate land for restitution purposes is limited to circumstances where an agreement has been reached between the interested parties. The Act would entitle the Minister to expropriate land in the absence of agreement. Such an expropriation could be for restitution or other land reform purposes. Compensation payable to the owner of the land would be subject to the provisions of the Expropriation Act 63 of 1975 and section 25(3) of the Constitution which provides, in general, that compensation must be just and equitable.

Regulation of mining activities in South Africa

The Minerals Act

For the period up to 30 April 2004, all mineral rights, encompassing the right to prospect and mine, were held, either privately or by the government of South Africa. Ownership of private mineral rights was held through title deeds and constituted real rights in land, which were enforceable against any third party. Prospecting and mining were regulated by the Minerals Act and South African common law. The Minerals Act regulated the prospecting for and the optimal exploitation, processing and utilisation of minerals. The Minerals Act required that anyone undertaking prospecting or mining operations had to compile an environmental management programme and to provide for the environmental impact of the proposed prospecting or mining activities. This programme had to be approved by the relevant Director of Mineral Development. The Minerals Act has subsequently been repealed by the implementation of the Mineral and Petroleum Resources Development Act (Act 28 of 2002), which came into effect on 1 May 2004.

Under the Minerals Act, we owned all the coal rights to the properties over which we had mining authorisations, except for small tracts of land at Secunda, which were owned by the government of South Africa and for which we have obtained the government's consent to mine in consideration for the payment of a royalty per ton of coal mined from those properties.

The Mineral and Petroleum Resources Development Act (MPRDA)

The fundamental principle of the MPRDA is the recognition that the mineral resources of the country are the common heritage of all South Africans and therefore belong to all the people of South Africa. The MPRDA vests the right to prospect and mine, including the right to grant prospecting and mining rights on behalf of the nation, in the state, to be administered by the government of South Africa. Thus, the state is the guardian of all mineral rights and has the right to exercise full and permanent custodianship over mineral resources.

The MPRDA imposes significantly more stringent environmental obligations on mining activities than the repealed Minerals Act and also introduces extensive social and labour plan, mining work programme and prospecting work programme requirements. However, it contains transitional arrangements for existing operations. Under these transitional provisions, the environmental management programmes will continue in force, while the Department of Mineral Resources (DMR) introduces the more stringent requirements of the MPRDA.

The MPRDA adopts the environmental management principles and environmental impact assessment provisions of the National Environmental Management Act (NEMA). The MPRDA addresses the allocation of responsibilities for environmental damage, pollution and degradation and imposes rehabilitation obligations. It significantly extends the scope of liability of directors who may be jointly and severally liable for any unacceptable negative impact on the environment, advertently or inadvertently caused by the company. It also allows the state to take remedial action and claim costs. It maintains the requirement for an environmental management programme/plan for all prospecting and mining operations, but with more detailed specifications than under the Minerals Act, and prohibits the

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carrying out of mining activities before the approval of the programme/plan. When rehabilitation is required, it is not limited to the land surface. We complied with the repealed Minerals Act, and we comply with the new legislation. The South African government has also adopted the MPRDA Amendment Act, 49 of 2008 and the NEMA Amendment Act, 62 of 2008, in an effort to streamline environmental approvals. Even though the MPRDA Amendment Act and the NEMA Amendment Act has been promulgated, they will only be implemented on a date still to be published in the Government Gazette. Once implemented, they introduce the concept of environmental authorisation which must be obtained in terms of the provisions of NEMA. It also provides an interim period of 18 months, during which the Minister of Mineral Resources will be the approval entity, where after it will revert to the Minister of Water and Environmental Affairs.

Mining rights

Transitional provisions are included in the MPRDA, which phases out privately held mineral rights held under the repealed legislation. The transitional provisions contemplate three types of rights:

(a) mineral rights in respect of which no prospecting permit or mining authorisation has been issued and/or no prospecting or mining activities are taking place;

(b) mineral rights in respect of which prospecting permits have been issued and prospecting is taking place; and

(c) mineral rights in respect of which mining authorisations have been issued and mining is taking place.

The rights described in these three categories are defined as Old Order rights. Under category (a), the holders of mineral rights had to apply for a prospecting or mining right in their own names to replace their existing mineral rights by 30 April 2005. Under categories (b) and (c), any prospecting permit or mining authorisation granted under the previous legislation would continue to be valid for a maximum period of two years ending on 30 April 2006 or five years ending on 30 April 2009 from enactment, respectively or for the duration of the prospecting permit or mining authorisation, whichever is the shorter. After the lapse of the one-year period referred to in category (a) and the respective periods in categories (b) and (c), the mineral rights will cease to exist. Within these periods, the holders of mineral rights and prospecting permits or mining authorisations, in order to continue with their mining or prospecting operations, must apply for a new prospecting right or mining right in respect of category (a) and for conversion to new prospecting or mining rights in respect of categories (b) and (c).

Under the MRPDA, prospecting rights can be granted for an initial period of up to five years, and could be renewed once, upon application, for a period not exceeding three years. Mining rights will be valid for a maximum period of thirty calendar years, and could be renewed, upon application, for further periods, each not exceeding thirty years. Provision is made for the grant of retention permits, which would have a maximum term of three calendar years and could be renewed once, upon application for a further two calendar years.

A wide range of factors and principles will be taken into account by the Minister of Mineral Resources when considering these applications. These factors include the applicant's access to financial resources and appropriate technical ability to conduct the proposed prospecting or mining operation, the environmental impact of the operation and, in the case of prospecting rights, considerations relating to fair competition. Other factors include considerations relevant to promoting employment and the social and economic welfare of all South Africans and showing compliance with the provisions of the Mining Charter for the empowerment of HDSAs in the mining industry. A major aspect through which this will be ensured is the Social and Labour Plan required for mining operations, which encapsulates most of the requirements of the Mining Charter.

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The Mining Titles Registration Amendment Act (Act 24 of 2003) and Regulations have been implemented simultaneously with the implementation of the MPRDA and new amendments to this legislation are under consideration. Further revisions to the Act are expected during the 2009 calendar year. It provides the mechanism to give effect to the provisions of the MPRDA, in particular with regard to the registration of rights under the MPRDA.

Sasol Mining held various prospecting permits or mining authorisations with respect to our existing mining operations, which were classified as old order rights. We applied for the conversion of all our existing old order mining rights in the Secunda area as well as our Mooikraal Operations near Sasolburg, well within the 30 April 2009 deadline imposed by the MPRDA. All old order prospecting rights have been converted to new order prospecting rights and all our old order mining rights have been converted to new order mining rights. The mining rights in respect of the Mooikraal Operations have been granted for 30 years, whilst those in respect of the Secunda area have been granted for ten years, after which both are capable of renewal.

With regard to the renewal of the converted mining rights, the holder of a mining right has the right to apply and be granted renewal of a mining right, subject to meeting specified requirements of the MPRDA and the Minister of Mineral Resources must grant renewal if these requirements have been met. Rights can be renewed for periods not exceeding 30 years at a time.

The mining rights in respect of the Secunda area were only granted for a ten year period as Sasol Mining does not currently comply with the 26% BEE ownership requirement. However, extensive plans to meet the required 26% BEE ownership requirements are currently being developed and will be implemented once the review of the Mining Charter has been finalised. In addition, Sasol Mining held the rights to coal over large reserves not covered by prospecting permits or mining authorisations. In terms of the MPRDA, these were classified as unused old order rights. We have acquired prospecting rights in terms of the MPRDA over all these areas. It is the declared intent of the South African government not to disrupt operations as a result of the introduction of the new legislation. The approved social and labour plans and mining work programmes are now legally enforceable, and we have undertaken and will continue to undertake any appropriate action required to ensure retention of our converted mining rights under the MPRDA.

The MPRDA provides that a mining right granted under the MPRDA may be cancelled if the mineral to which such mining right relates is not mined at an optimal rate. The MPRDA also provides that any rights granted under the MPRDA may be cancelled or suspended if activities are being conducted in contravention of the MPRDA, if any material terms or conditions of such rights are breached or if the approved environmental management programme/plan is contravened. However, such cancellation or suspension is subject to the Minister of Mineral Resources giving written notice of the intention to suspend or cancel the relevant right and affording the holder the opportunity to show why the right should not be cancelled or suspended.

Furthermore, royalties from mining activities are payable to the state, as from 1 March 2010, under provisions contained in the Mineral and Petroleum Resources Royalty Act, 28 of 2008 and the Mineral and Petroleum Royalty Administration Act, 29 of 2008 (the Acts). The most significant feature of the Acts is that the royalty is determinable in accordance with a formula-based system. The impact on Sasol Mining for the year ended 30 June 2010 is a cost of R9,9 million and an estimated cost of R35,3 million for the year ending 30 June 2011 and R93,7 million for the year ending 30 June 2012. The royalty will be deductible for normal income tax purposes.

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Regulation of pipeline gas activities in South Africa

The Gas Act

The Gas Act came into effect on 1 November 2005 as proclaimed by the President of South Africa. The Gas Act regulates matters relating to gas transmission, storage, distribution, liquefaction and re-gasification activities. Among its stated objectives are:

promoting the efficient development and operation of the respective facilities and the provision of respective services in a safe, efficient, economically and environmentally responsible way;

promoting companies in the gas industry that are owned or controlled by HDSAs;

promoting competition and investment in the gas markets; and

securing affordable and safe access to gas services.

The Gas Act provides for the powers of the National Energy Regulator of South Africa (NERSA) regarding pipeline gas, whose powers include the issuance of licences for a range of activities including:

the construction, conversion or operation of gas transmission, storage, distribution, liquefaction and re-gasification facilities; and

trading in gas.

NERSA has the authority to determine maximum prices for distributors, reticulators and all classes of consumers where there is inadequate competition as contemplated in the South African Competition Act. NERSA may impose fines not exceeding R2 million a day, if a licencee fails to comply with its licence conditions or with any provisions of the Gas Act. The Piped Gas Regulations issued in terms of section 34(1) of the Gas Act was promulgated on 20 April 2007.

The Regulatory Reporting Manual (RRM) developed in accordance with NERSA's authority to determine the format for regulatory reporting by licensed entities was gazetted on 9 September 2008 and is effective from 1 September 2008.

In terms of the RRM, licencees are required to submit six monthly financial reports to NERSA in compliance with the RRM requirements. The RRM became effective on 1 July 2009. The RRM obliges licencees to agree to an implementation plan with NERSA, which includes an agreement on a cost allocation manual which will enable the conversion of Sasol Gas' statutory financial statements to the format requirement by NERSA as well as the date for the submission of the relevant financial statements to NERSA. Sasol Gas is engaging with NERSA in order to agree these matters for subsequent implementation. Separate financial reports are required for the different regulated activities of a licencee. Compliance with the RRM requirements, necessitates regulatory reporting and accounting activities in addition to the existing statutory accounting and reporting requirements of Sasol Gas and Rompco. Sasol Gas implemented substantial upgrades to its Enterprise Resource Planning (ERP) system in order to enable compliance with the RRM requirements.

The National Energy Regulator Act

The National Energy Regulator Act came into operation on 15 September 2005 as proclaimed by the President. The National Energy Regulator Act provides for the establishment of a single regulator to regulate the piped gas, petroleum pipeline and electricity industries and for the functions and composition of the energy regulator.

On 1 November 2005, NERSA, pursuant to the National Energy Regulator Act, came into existence by the appointment of the four full-time regulators, of which one is the designated chief executive officer of NERSA. The Regulator consists of nine members, including four full-time members and five part-time members. Although the full-time members of NERSA are appointed for specific portfolios (gas, electricity and petroleum pipelines), NERSA operates as a collective and decisions are made on a collective basis.

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According to Section 35 of the Gas Act licence applications for existing business activities had to be submitted to NERSA within six months from the effective date of the Gas Act (2 May 2006) by any person owning or operating gas facilities or trading in gas. Accordingly, Rompco submitted an application for the operation of a gas transmission facility in respect of the Mozambique to Secunda pipeline. This licence to operate a transmission facility was issued to Rompco on 21 February 2007. Sasol Gas submitted licence applications for the operation of distribution and transmission facilities as well as for trading in gas.

All the licence applications have been compiled in accordance with the Gas Act and the rules published by NERSA. On 27 October 2008, Sasol Gas was granted 27 distribution and trading licences in respect of its operations in the Mpumalanga, Gauteng, Free State and North West provinces and on 23 March 2009, was granted seven distribution and trading licences in the KwaZulu-Natal province.

The licence applications in respect of the Sasol Gas' transmission operations have still to be concluded.

The Mozambique Gas Pipeline Agreement (Regulatory Agreement)

This agreement entered into between the Minister of Mineral Resources of South Africa, the Minister of Trade and Industry of Mozambique and our company in connection with the introduction of natural gas by pipeline from Mozambique into South Africa is incorporated into the Gas Act through the reference thereto in Section 36 of the Act. The Gas Act provides that the terms of the agreement bind the Gas Regulator for a period until ten years after natural gas is first received from Mozambique (26 March 2004). From the date of the conclusion of the agreement, the terms of the agreement relating to the following matters constitute conditions of the licences to be issued to Sasol Gas and Rompco under the Gas Act:

- our rights and periods granted in respect of transmission and distribution of gas;
- third party access to the transmission pipeline from Mozambique and to certain of our pipelines;
- prices we charge for gas;
- our obligation to supply customers, distributors and reticulators with gas; and
- the administration of the agreement.

As part of the Gas Act, the Mozambique Gas Pipeline Agreement forms part of the legislation and as such it may be susceptible to the same legislative processes generally applicable to changes in legislation.

Although we negotiated a ten year regulatory dispensation (4 years remaining until 2014) with the South African government covering the supply of Mozambican natural gas to the South African market, we cannot assure you that the enactment of the Gas Act and the appointment of the NERSA will not have a material adverse impact on our business, operating results, cash flows and financial condition.

The Gas Regulator Levies Act

The Gas Regulator Levies Act was signed into law on 15 January 2003 and came into effect on 1 November 2005. It provides for the imposition of levies by the Gas Regulator on the amount of gas delivered by importers and producers to inlet flanges of transmission or distribution pipelines. These levies will be used to meet the general administrative and other costs of the gas regulation activities of NERSA and the functions performed by NERSA in this regard. In terms of the Act, NERSA has to submit a budget to the Minister of Mineral Resources, which after approval by the Minister in conjunction with the Minister of Finance, will be relayed into a levy charged as a per gigajoule levy on the volumes of gas transported. The collection of levies commenced in September 2006. During the NERSA financial year which ended on 31 March 2010, Sasol Gas paid a total amount of R20,8 million in levies under this Act. For the NERSA financial year ending on 31 March 2011, the levies have been

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estimated to be R0 1928/GJ (2010 R0 1628/GJ). The levies have yet to receive required ministerial approval. It is anticipated that approximately R23,9 million will be paid in levies during this period.

Regulation of petroleum-related activities in South Africa

The Petroleum Products Amendment Act (Amendment Act)

This Amendment Act, which became effective on 17 March 2006, amends the existing Petroleum Products Act by enacting provisions regulating a range of matters including the licensing of persons involved in the manufacturing, wholesale, holding or development of sites, and retail sale of petroleum products. The Amendment Act prohibits licensed wholesalers from holding retail licences, except for training purposes. As the Amendment Act and regulations to be promulgated there under regulate business activities conducted by Sasol Oil, Natref and Sasol Synfuels, they have applied for manufacturing licences in respect of our plants, wholesale licences in respect to our wholesale activities and site licences for our retail sites. We cannot assure you that these licences will be granted. It should be noted that, as a person conducting the aforesaid activities at the commencement of the Amendment Act, Sasol Oil and Sasol Synfuels are entitled to the issue of such licences if they are found to be in compliance with all legal requirements in force for the operation of their respective activities. However, new site developments could be delayed given the requirements under the new regulations.

This Amendment Act entitles the Minister of Mineral Resources to regulate the prices of petroleum products. A regulatory price review is currently underway. The outcome is still uncertain, but it is possible that the wholesale and retail value of Sasol Oil's liquid fuels production could be affected.

The Petroleum Pipelines Act

This Act, which was signed by the President of South Africa on 31 May 2004 and became effective on 1 November 2005, among other things, establishes a petroleum pipelines authority, namely NERSA, as custodian and enforcer of the regulatory framework applicable to petroleum pipelines.

Among the stated objectives of the Petroleum Pipelines Act are:

promoting competition and limiting anticompetitive practices within the scope of the regulated activities;

promoting the efficient, sustainable and orderly development, operation and use of pipelines, marine offloading facilities and storage facilities from a national and industry-specific perspective;

ensuring the safe, efficient, economic and environmentally responsible transport and storage of crude oil and petroleum products;

promoting fair and equitable access to pipelines, offloading and storage facilities and related commercial services; and

promoting companies in the petroleum pipeline industry that are owned or controlled by HDSAs.

The Act provides that no person may construct, or operate, a petroleum pipeline, loading facility or storage facility without a licence issued by NERSA. It enables NERSA to impose conditions to such licences relating to, amongst other things:

pipelines being licensed for crude oil or petroleum products, or both;

interested parties being allowed to negotiate with licencees changes in the proposed routing, size and capacity of proposed pipelines;

shippers to be provided access to pipelines and capacity to be shared among users in proportion to their needs and within commercially reasonable and operational constraints; and

tariffs to be set by NERSA for pipelines, and approved by NERSA for loading and storage facilities.

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The resulting tariffs may influence the competitive position of Sasol Oil's products in the market. Currently, we are not impacted negatively by tariff rulings. However, we are unable to warrant that this situation will continue into the future.

We have submitted applications for the issue of licences for our depots and related infrastructure and are embarking on the process of submitting tariff applications for approval of third party tariffs

The Act enables the authority to expropriate land in accordance with Section 25 of the South African Constitution if a licencee is unable to acquire such land by agreement with the owner and the land is reasonably required for facilities which will enhance the Republic's petroleum pipelines infrastructure. The Act authorises the South African Minister of Energy to promulgate regulations and we cannot assure you that the application of the provisions of the Act, or the promulgation of regulations in terms thereof, will not have a material adverse effect on our business, operating results, cash flows and financial condition.

The Petroleum Pipelines Levies Act

The Petroleum Pipelines Levies Act No. 28 of 2004 empowers the National Energy Regulator to impose levies on petroleum transported by petroleum pipelines. The levy is applied in funding NERSA and is fully recovered via the controlled fuel pricing mechanism.

In terms of the Incremental Inland Transport Recovery Mechanism (IITRM), licensed wholesalers are refunded for incremental transport cost on petrol, diesel and jet fuel incurred as a result of logistical constraints to the Inland that is not recoverable through the current zone mechanism. Licensed wholesalers, wishing to participate in the mechanism, have to register with the DMR and provide the respective "shortfall" of petrol, diesel and jet fuel for twelve months from a designated date. A levy, determined by the DMR, based on the shortfall volume projected by wholesalers, will be collected at source for the benefit of Central Energy Fund (CEF). Wholesalers in turn will be able to claim the incremental transport cost, calculated by subtracting the zone recovery from a calculated transport tariff that is allowed for delivery to specific depots from CEF. A levy of 1,5c/l has been included in the pricing structures for collection at source, from 7 May 2008 to start building funds.

This mechanism reduces Sasol's inland advantage as it ensures recovery on logistics cost. Although it would be against the spirit of the mechanism, the danger exists that licensed wholesalers could replace Sasol volumes with own production or imports. Regular interaction with the DMR to make them aware of such occurrences will be required to discourage such practices.

Safety, health and environment

We are committed to zero exposure to harm to people, facilities and the environment. Our safety, health and environment (SH&E) performance is driven by the quest for continuous improvement that will help us achieve our vision of being a world class company.

Our combined mining, fuels and chemical operations are subject to numerous local, national and regional safety, health and environmental laws and regulations in Southern Africa, Europe, the United States, the Asia-Pacific region, the Middle East and the Indian subcontinent. Our global operations, including marketing and logistics, are also affected by international environmental conventions.

We focus on our safety, health and environmental responsibilities through our SH&E policy, strategy and essential requirements and are committed to ensure that we operate under safe working practices, safeguard against accidents and avoid harm to people and the environment in all our businesses. Our SH&E essential requirements also extend to new joint ventures in which we participate.

Safety, health and environmental laws and regulations affect a wide spectrum of our group activities. These statutory requirements often require permits or licences to be obtained for the use of

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natural resources such as water, and for the operation of our facilities and the disposal of our waste products. They also prescribe minimum standards for the safety and health of our employees. They impose restrictions on the types and quantities of emissions that can be released into the environment, and also regulate issues of product safety, waste generation, management and ultimate disposal. It is our expectation that these laws and regulations will become more stringent in the future.

Safety, health and environment policy and management systems

We have developed a systems-oriented approach towards the management of these issues. We have moved from a division-based safety, health and environment management policy to a structure directed on a group basis. We are committed to sustainable development and legal compliance being the essential requirement for all our operations. Matters of safety, health and environment are treated as critical business issues. Planning of safety, health and environmental issues includes the setting of targets, performance measurement, reporting and review.

In order to ensure that our safety, health and environmental performance is aligned with our group targets and objectives, SH&E governance and other audits are carried out regularly. All of our businesses are required to track their performance and furnish quarterly reports to their respective operating boards to the Group Executive Safety, Health and Environment Committee (acting as a sub committee of the GEC) and to the Group Risk and Safety, Health and Environment Committee. At the highest level, the Risk and Safety, Health and Environment Committee of the Sasol Limited Board considers the major risks and liabilities, progress on our internal indicators of performance and any major incidents and events of non-compliance. For information regarding our Group Executive Safety, Health and Environment Committee and the Risk and Safety, Health and Environment Committee of the Sasol Limited Board, refer also to "Item 6.C Board Practices". Similar reports are also required to address significant division-specific issues. We use the findings emanating from SH&E governance and other audits to implement improvement measures. Specific governance structures were developed to address greenhouse gas challenges facing the group. The Greenhouse Gas Management Committee meets every two months to discuss strategic greenhouse gas issues. The members are also mandated to take decisions on behalf of the group. The Carbon Credit Management Committee functions as a sub-committee of the Greenhouse Gas Management Committee and governs the Group Carbon portfolio. A Climate Change task team has recently been constituted by the Group Executive Committee to assess, evaluate and make recommendations on pressing climate change related matters.

Our businesses are required to manage their safety, health and environmental risks in line with internationally accredited management systems. On safety, health and environmental management systems, our operating businesses have achieved International Standards Organization (ISO) 14001 certification and Occupational Health and Safety Assessment Service (OHSAS) 18001 certification.

The ISO 14001 and OHSAS 18001 standards are internationally accepted standards for the development and implementation of safety, health and environmental management systems. Certification to the standard entails regular audits by an independent, accredited third party auditor. We have also set Process Safety Management (based on the US Occupational Safety and Health Administration and other Sasol requirements) as additional essential corporate requirements, including a behavioural safety programme for all Sasol businesses. These systems and programmes are currently implemented and progressed.

Health and safety

Safety. In 2010, there were regrettably eight fatalities, compared to four in 2009. These occurred at Sasol Mining, Sasol Synfuels, Sasol Polymers and Sasol Infrachem. In addition, there was one service provider fatality at premises leased from Sasol by the service provider and not under the control of Sasol.

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Although safety improvement plans were developed and implemented based on recommendations from DuPont Safety Resources in 2006, the number of fatalities in 2010 necessitates urgent intervention. A revised safety improvement plan has been supported by the GEC and other SH&E governance structures. Key areas for intervention include: leadership coaching; management training; workshop discussions around practices and behaviours; and enhanced incident root cause analysis to enable the institutionalisation of learnings.

The safety performances of our US and European operations have been excellent.

Emissions. Because of the nature of some of our processes, including coal gasification for the production of petrochemical products, our operations generate relatively high carbon dioxide emissions. Our coal gasification operations are situated in South Africa, which is classified as a developing country in terms of the Kyoto Protocol and though we are largely exempt from the emissions reduction targets required under the Protocol, we have implemented a successful project to replace coal as a feedstock with natural gas at our Sasolburg chemical operations. Sasol is also committed to reducing greenhouse gas emissions in terms of our Greenhouse Gas Policy Statement. We have established an internal Carbon Credit Management Committee to facilitate the governance of carbon credits obtained through, amongst other things, the clean development mechanism. We support the voluntary Energy Efficiency Accord championed by the South African Department of Energy.

We monitor and measure ambient air quality around our South African plants. In addition, our operations in the United States have reduced reported emissions under the Toxic Release Inventory by over 80% since reporting began in 1987.

As expected, our hydrogen sulphide odours from coal gasification, which were within statutory limits, were eliminated when natural gas replaced coal as a feedstock at our Sasolburg operations. Significant efforts are also being made to reduce hydrogen sulphide emissions emanating from the Secunda operation. The sulphur recovery plants are being upgraded to reduce levels of hydrogen sulphide emissions and improved monitoring and control equipment will also be addressed as part of this long-term project. Sasol also conducted an international audit focusing on air pollution management at our South African operations. Findings and recommendations made during the audit are being incorporated into current improvement and business plans.

Water. Water use is increasingly becoming a source of concern, not only in mining, but in all our operations, in particular in South Africa, Qatar and other arid countries. A series of water treatment and saving programmes and projects were introduced or are currently under way to address challenges in all of our operations. We have progressed significantly in the research and development of managing the water-related impacts of our mining activities. Sasol endorsed the United Nations Global Compact CEO Water Mandate which presents a comprehensive approach to water management. It is a voluntary initiative developed to inspire business to positively contribute to sustainable water resource management. Further initiatives on water management in South Africa, specifically, will be informed by the Water for Growth and Development Framework that is currently being developed by the Department of Water Affairs.

Our project team of internal and external experts in mining, geohydrology, geochemistry, water and waste treatment is committed to researching innovative and cost-effective solutions to further reduce our impact on the environment.

The long-term supply of water to the Secunda complex (up to 2030) has been augmented by the Vaal River Eastern Sub-System Augmentation Project (VRESAP). The Trans-Caledon Tunnel Authority was mandated by the then Minister of Water Affairs and Forestry of South Africa to fund and implement the VRESAP project to meet the growing demands of Eskom and Sasol in the Mpumalanga region. Construction of the VRESAP pipeline is complete. Since 1 June 2009, the project has been declared operational by the Department of Water Affairs. Temporary infrastructure will be used until

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the completion of the permanent abstraction works, which are scheduled for the end of the 2010 calendar year.

Fires, explosions and releases. The manufacture of petrochemicals involves using high volumes of flammable substances, often under high pressure and at high temperatures. Hence, managing the risk of fires, explosions and releases of hazardous substances is essential for us. In the course of our operations, we experienced a number of fires, explosions and releases of hazardous chemical substances, none of which were significant. We have taken steps to reduce the frequency and severity of these events through the implementation of the Process Safety Management System.

Our operations in the United States are conducted in accordance with the requirements of the Occupational Safety and Health Administration Process Safety Management and US Environmental Protection Agency (US EPA) Risk Management Program regulations. Through the application of these regulations, we implement a thorough safety management process designed to minimise the risks of accidents and releases of hazardous substances.

In addition, since 11 September 2001, assessing and improving the security of chemical operations in the United States has become an important focus. Our Lake Charles plant has since evaluated plant security programmes and made changes in procedures and physical security measures. Sasol NA has also adopted a Security Code of Management Practice, which requires that we conduct a security vulnerability analysis to identify areas in which additional security measures are necessary, and have a management system in place for other aspects of plant, distribution and cyber security. We have also submitted all of the required security information to the Department of Homeland Security for compliance with the Chemical Facility Anti-Terrorism Standard (CFATS).

All Sasol sites have identified and quantified their major risks with regards to major fire, explosion or releases. Risk mitigation plans are in place. We maintain a comprehensive insurance programme to address identified risks. It is our policy to procure property damage and business interruption insurance cover for our production facilities above acceptable deductible levels at acceptable commercial premiums. However, full cover for all scenarios of maximum losses may in some years not be available at acceptable commercial rates and we cannot give any assurance that the insurance procured for any particular year would cover all potential risks sufficiently or that the insurers will have the financial ability to pay claims.

Land remediation and rehabilitation. Because of our chemicals and fuels processes, we have particular legacy and current risks that we have addressed or are currently addressing. We are consolidating our regional strategies to form a group-wide strategy to address potential liabilities associated with land remediation and rehabilitation.

Our gas pipelines are buried underground in order to reduce long-term impacts. We implemented this approach for the Mozambique natural gas project, for which we used World Bank Group guidelines for environmental impact assessment studies.

Waste. Potential risks associated with waste are a priority for us. Historical legacies are addressed in accordance with relevant legal requirements, and cleaner production techniques are implemented to address future risks. Where we acquire new plants, the attendant risks are identified and the necessary indemnities sought from the sellers. Where we have not secured such indemnities, we are confident that such risks and attendant liabilities will not have a material effect. New waste management legislation came into effect on 1 July 2009 in South Africa (excluding the provisions on the management of contaminated land) and is likely to have long-term implications on waste management practices and associated costs. It is, however, too early to estimate these as the implementation of the act is dependant upon the establishment of a National Waste Management Strategy that is currently being finalised.

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The Natural Gas Conversion Project has had a significant impact on the reduction of waste produced, specifically with regards to tar and oil waste and ash at our operations in Sasolburg. The ash dump presently has a negative growth rate due to ash sales for brick making.

The South African Waste Discharge Charge System for the controlled discharge of effluent to a water body will be implemented by the Department of Water Affairs over the next three to five years. The financial impact to Sasol has yet to be quantified, but could be substantial. Waste and waste water effluent minimisation projects are receiving specific attention.

Asbestos. We have a strategy for the risk-based phase-out of asbestos, which is being implemented by our operations. We have implemented a policy to ensure that new sources of asbestos are not procured in the construction of new facilities worldwide. Remaining asbestos on some of our older facilities is managed according to a set of Sasol requirements in the absence of statutory phase out requirements. Asbestos is removed and disposed of under strict regulatory requirements as plant modifications are made or as necessary for maintenance.

Product Registration. The new European Union Regulatory Framework for the Registration, Evaluation, and Authorisation of Chemicals (REACH) that came into effect on 1 June 2007, aims to improve the protection of human health and the environment while maintaining competitive trade. We acknowledge the requirements of REACH and will ensure that these substances that constitute our products and that are subject to REACH will meet these requirements. We therefore embrace the opportunity to interact with our suppliers, customers and end users to fulfill these requirements. In order to ensure continued production and sale of our products in the EU we completed the first REACH milestone, namely the pre-registration of the Sasol produced or imported substances by November 2008. We are now preparing for registration by categorising our substances according to the specified volume ranges and chemicals regarded as of high concern. Refer to "Item 4.B Business overview Sasol Solvents, Sasol Olefins & Surfactants, Sasol Wax and Merisol".

South Africa

Environmental regulation

The Constitution of the Republic of South Africa provides the framework for the environmental legislation in South Africa. Section 24 of the Constitution enshrines the right of all citizens to an environment that is not harmful to their health and well-being and provides individuals with a right to the protection of the environment. It further provides that these rights can be enforced through reasonable legislative and other measures to prevent pollution and degradation, to promote conservation and to secure ecologically sustainable development. Further constitutional provisions provide relevant rights of enforcement, including class actions. A number of laws and regulations address specific issues relating to the protection of the environment. Recent changes in government resulted in the alignment of departments governing environmental matters. A single Ministry of Water and Environmental Affairs, now governs most of the environmental acts referred to below. Below is an analysis of some of these laws, which may be relevant to our operations.

National Environmental Management Act. The National Environmental Management Act (the Act) provides for co-operative environmental governance and coordination of the environmental functions of the government. The Act regulates environmental authorisation requirements, compliance and provides for enforcement measures including provision for fines of up to R10 million. These enforcement measures also extend to special environmental management acts, such as the Biodiversity Act, the Protected Areas Act, the Waste Act, the Water Act and the Air Quality Act. The Act principally imposes a duty of care on persons who have or may pollute or degrade the environment and other responsible parties to take reasonable measures to prevent and remediate environmental damage, protects workers refusing to undertake environmentally hazardous work and provides for control over

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emergency incidents. It promotes access to environmental information, protects whistleblowers and allows for private prosecution and class actions. The Act was recently amended to include provisions and requirements for environmental authorisations and impact assessments. Provisions in this regard under the Environment Conservation Act were repealed. Additional amendments have recently taken effect to facilitate the implementation of the proposed new environmental impact assessment regulations aiming to streamline the impact assessment requirements in support of economic growth objectives. However, the amendments impose stricter requirements in respect of environmental management programmes and permit the authorities to require financial security for compliance with the conditions of an authorisation, an environmental management programme and for closure. The latest amendments also provide for environmental authorisations related to mining and other activities (such as prospecting, production and exploration), presently regulated under the Mineral and Petroleum Resources Development Act, to be governed in terms of the National Environmental Management Act. The MPRDA has also been amended to give effect to this, but is not in effect yet. These specific provisions on environmental governance with respect to mining will only take effect within 18 months from the amendments to the MPRDA. These provisions will come into effect once the amendments to the MPRDA take effect.

National Environmental Management: Biodiversity Act. This Act deals with various issues relating to biological diversity including its management and conservation.

National Environmental Management: Protected Areas Act. This Act provides for the declaration of conservation areas. Of particular significance is that it provides for the expropriation of private land, including servitudes, in the interests of conservation. We have not been notified of any action that could have a material adverse effect on our rights to any of our significant properties.

Mineral and Petroleum Resources Development Act. Until the amendments to the MPRDA take effect, environmental governance with respect to mining, prospecting, production and exploration is still regulated under the Mineral Petroleum Resources Development Act. This Act makes provision for the effective management of impacts associated with mining activities. An environmental management programme or plan (EMP) must be compiled and approved by the Department of Mineral Resources, and regularly reviewed. The EMP is required to cover potential environmental as well as socio-economic impacts. The Act further requires the making of financial provision for the rehabilitation or management of negative environmental impacts.

Water protection

The National Water Act provides for the equitable allocation of water for beneficial use, sustainable water resource management and the protection of the quality of water resources. The Act establishes water management procedures and protects water resources through the licensing of various uses of water. It also includes provisions for pollution prevention, remediation requirements and emergency incidents. The Department of Water Affairs is currently implementing a Waste Discharge Charge System, which may have a significant impact on operational costs in the next three to five years.

A significant part of our operations, including mining, chemical processing and others, require use of large volumes of water. South Africa is generally an arid country and prolonged periods of drought or significant changes to current water laws could increase the cost of our water supplies or otherwise impact our operations. In this regard, the Department of Water Affairs is implementing a Pricing Strategy aimed at allocating the appropriate price for the use of water, which may have a significant impact on operational costs. Further initiatives in this regard include the Water Resource for Growth and Development Framework (intended to inform the revision of the National Water Resources Strategy, which is being updated and which will capture the overall approach to water management in South Africa, and the National Water Resource Allocation Strategy, aiming to ensure the equitable distribution of water. The Department of Water Affairs is also progressing towards establishing a state

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owned water resources infrastructure agency that will finance and implement all future national water infrastructure schemes.

Air protection

The National Environmental Management: Air Quality Act recently promulgated, came into full effect on 1 April 2010. In terms of the act, the Department of Environmental Affairs (the Department) has set ambient air quality and minimum point source emission standards, declared Priority Areas for the implementation of Air Quality Management Plans and is currently reviewing atmospheric emission licences. This act imposes stricter standards on air quality management in South Africa, through the adoption of internationally accepted ambient and minimum point source emission standards. Compliance with the minimum point source emission standards will result in significant capital and operational costs. The minimum point source emission standards impose different standards for new and existing facilities to be complied with from 1 April 2010. New facilities must comply with the standards immediately. Existing facilities have five years within which to comply with standards imposed thereon and must comply with the standards imposed for new facilities within ten years.

The Department has declared the Vaal Triangle (where the Sasolburg plant is situated) and the Highveld area (where our Secunda operations are situated) as Priority Areas. The Vaal Triangle Priority Area Air Quality Improvement Plan has been finalised and implemented. Compliance with the provisions of this plan will have significant cost implications. The Highveld Priority Area Air Quality Improvement Plan is being developed and we are providing input by participating in stakeholder meetings. The National Air Quality Management Framework was published in September 2007 and a second revision of this framework is still awaited. We further monitor air emissions at our plants to measure ambient air quality.

Some of our processes in South Africa, especially coal gasification, result in relatively high carbon dioxide emissions. South Africa is considered a developing country in terms of the Kyoto Protocol and, accordingly, it is largely exempt from the emissions reductions required. Government has indicated its intention to commit to reduction targets under the voluntary Copenhagen accord in 2009. It is expected that these targets will be formalised into the Climate Change Response Policy for South Africa expected in the 2011 calendar year. We are an active participant on the National Climate Change Committee as a representative of Business Unity South Africa to assist government in meeting its commitment. In addition, we participate on the Department of Trade and Industry Climate Change Committee which aims to address various climate change policy development issues. We are taking measures to reduce our emissions, inter alia, through the use of natural gas from Mozambique since 2004 as a partial replacement for coal. This change also reduced sulphur dioxide emissions and hydrogen sulphide odours from gasification operations in the Sasolburg region. This effort resulted in the significant reduction of greenhouse gas emissions. In addition, we have successfully registered a nitrous oxide emission reduction project using the Clean Development Mechanism, thereby reducing greenhouse gas emissions equivalent by about half a million tonnes of carbon dioxide equivalent a year. We are also advancing the development of six additional Clean Development Mechanism Projects in various areas of our business. In advancing our overall sustainable development performance, we have also developed new greenhouse gas targets for the group, including emissions intensity and absolute emission reduction targets. We have invested significant capital for energy efficiency improvements at various plants that have resulted in greenhouse gas reductions and improvements in ambient air quality. The newly installed natural gas turbines at our Secunda operations will contribute significantly to carbon emission intensity reduction. During the course of 2008 and 2009, we have also invested in renewable energy and carbon capture and storage projects. Implementation of these initiatives and investments are ongoing.

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Waste and hazardous substances

The National Environmental Management: Waste Act. The National Waste Management Act, 59 of 2008, took effect on 1 July 2009. The act repeals certain sections of the Environment Conservation Act and introduces new legislative requirements on all aspects of waste management in a comprehensive manner. The act also regulates on contaminated land management, but this section of the act is not in effect yet and is dependent on the finalisation of the Framework for the Management of Contaminated Land, expected to be published in the second half of the 2010 calendar year. The act imposes various duties on holders of waste (being any person who stores, accumulates, transports, processes, treats and disposes of waste). These duties are potentially far reaching as waste is broadly defined. The act also requires licences to be obtained for the commencement, undertaking or conducting of waste management activities. The process for the application for these licences is similar to the process for obtaining environmental authorisations under the National Environmental Management Act. The act further regulates on waste information systems and provides for specific regulation of priority wastes. The first step towards the full implementation of the act is the finalisation of the National Waste Management Strategy expected to be published in the second half of the 2010 calendar year. The framework will provide for, amongst other things, the development of norms and standards for the classification of hazardous waste, targets for waste reductions and waste management measures such as re-use, recycling and reduction and integrated waste management.

Hazardous Substances Act. The Hazardous Substances Act provides for the control and licensing of substances that may cause injury, ill-health or death to human beings by reason of their toxic, corrosive, irritant, strongly sensitising or flammable nature. Regulations have also been proposed by the Department of Labour providing for the adoption of the Globally Harmonised System for the classification and labelling of chemical substances. This will facilitate alignment with existing international practices.

Other environmental legislation

The National Road Traffic Act and its regulations regulate the transportation of dangerous goods and substances. This act provides specifications for road tankers, labelling, duties of responsible persons, compatibility of multi-loads, driver training and hazardous substance documentation. The National Railway Safety Regulator Act provides for similar regulation in respect of rail transport.

The Explosives Act consolidates the laws relating to the manufacture, storage, sale, transport, importation, exportation and the use of explosives and imposes an authorisation requirement for the manufacture and storage, as well as for the import, export and sale of explosives.

The Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies Act regulates the registration, importation, sale, acquisition, disposal or use of fertilisers, among other products.

Health and safety regulation

Occupational Health and Safety Act. The Occupational Health and Safety Act covers a number of areas of employment activity and use of machinery in South Africa, excluding mining activities. The Act imposes various obligations on employers and others to maintain a safe workplace and minimise the exposure of employees and the public to workplace hazards and establishes penalties and a system of administrative fines for non-compliance.

Mine Health and Safety Act. The principal objective of the Mine Health and Safety Act is to protect the health and safety of persons at mines by requiring that employers and others ensure that their operating and non-operating mines provide a safe and healthy working environment, determining penalties and a system of administrative fines for non-compliance and giving the Minister of Mineral Resources the right to restrict or stop work at any mine and require an employer to take steps to

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minimise health and safety risks at any mine. The act has recently been amended with the primary objective to strengthen the enforcement provisions, in order to simplify the administrative process for the issuing of fines and to reinforce certain fines and penalties. The amendment act imposes more stringent duties on the employer regarding the notification of and investigation of incidents as well as training. Although a provision has been included that extends liability to mining management and directors, this provision has not taken effect yet and is under reconsideration.

Compensation for Occupational Injuries and Diseases Act. The purpose of this act is to provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases. The act is administered by the Minister of Labour, through a Director-General who manages a compensation fund to which employers contribute, directly or indirectly. Where indirect contributions are made, these contributions are made to a mutual association, which acts as the insurer in respect of claims against the employers. All employers, with the exception of those in national, provincial and local government, are required either to register under the act or to be fully insured against related liabilities.

Occupational Diseases in Mines and Works Act. This act relates to the payment of compensation in respect of certain diseases contracted by persons employed in mines or at locations where activities ancillary to mining are conducted. Any mine (including the Sasol Mining operations) at which risk work takes place is deemed to be a controlled mine in respect of the employees for whom the employer is required to make payments to the fund for occupational diseases, in order to meet relevant claims. Persons who are employed in controlled mines are required to have a certificate of fitness, which must be renewed from time to time.

For further information, refer to "Item 6.C Board Practices The Risk and Safety, Health and Environment Committee".

Germany

In Germany, we operate a number of plants and facilities for the manufacture, storage, processing and transportation of chemical feedstock, products and wastes. These operations are subject to numerous laws and ordinances relating to safety, health and the protection of the environment.

General environmental care

The lack of a general environmental code in Germany means that no guideline legislation is available for general environmental care. In terms of the act on the Assessment of Environmental Impacts, the environment impact assessment (EIA) is an instrument of preventative environmental care that is legally binding. This has been introduced in existing public procedures for the licensing of, or considerable amendment to, certain projects of relevance to the environment, including chemical facilities. The EIA is based on the co-operation between the environmental authorities and the parties intending to carry out the project.

The Environmental Information Act guarantees everyone's access to official environmental information.

Issues relating to general environmental care are addressed by the environmental provisions of the Regional Planning Act and other specific and planning law designed to ensure environmental soundness, as well as by the Environmental Liability Act, which provides for liability in the case of environmental risks. Where human life or health is disturbed and where emissions have entered the soil, water or the air, the owner of a facility is liable, even if he or she is not at fault and irrespective of whether the damage was caused as a result of a hazardous incident or during normal operations. Damage resulting from force majeure is excluded from liability. The right to the restoration of the

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previous state also extends to nature and the landscape. Installations that pose a particular risk to the environment must have provisions for sufficient cover, an obligation which may be met by arranging liability insurance.

Criminal law provisions are included in the act to combat environmental crime, which targets a range of polluting activities, including water, soil and air pollution, environmentally damaging waste disposal and noise. It also addresses licensing of the operation of installations and the handling of hazardous substances and goods and particularly serious environmental offences.

Specific environmental protection legislation

Emission control. The guideline legislation to protect humans and the environment from air pollution and noise pollution is the Federal Emission Control Act. This act and the ordinances promulgated under it provide the framework for environmental protection and the technical safety of installations. It provides for licensing for installations that are particularly susceptible to causing harmful environmental impacts, including chemical facilities or mineral oil refineries.

Regulation of hazardous substances. Provisions for the protection of humans and the environment against the harmful effects of hazardous substances and preparations are provided in the Chemicals Act, the related ordinances on the Prohibition of Certain Chemicals and the Hazardous Incidents Ordinance. New substances are subject, as laid down in European law, to a registration and notification obligation before they can be brought onto the market. Old substances that have been on the market since 1981 are assessed on the basis of relevant European regulation. Hazardous substances and preparations must be classified, labelled and packed in line with their hazardous properties, their manufacture, marketing and use may be prohibited or limited. The regulation of hazardous substances will in future be governed by a legal framework called REACH which came into effect 1 June 2007.

The Chemicals Act is complemented by the Plant Protection Act of 14 May 1998 and the Fertilisers Act, as well as by legislation on animal feedstuffs and human foodstuffs and by substance-related provisions in other areas of care of the environment. This also includes the provisions concerning the environmental impacts of genetic technology under the Genetic Technology Act.

Avoidance, recovery and disposal of waste. The Closed Substance Cycle and Waste Management Act regulates the avoidance, recovery and disposal of waste. The aim of the act is to promote an economy based on closed substance cycles, thus conserving resources, and to guarantee the environmentally sound disposal of waste. Wherever waste cannot be avoided, recovered or used to produce energy, it must be removed from the cycle and, as a matter of principle, be disposed of within Germany in a way that is not detrimental to the common good. Under law, waste is defined as a tangible item, which falls under one of the legally determined categories of waste, and which the owner is getting rid of, desires to get rid of or must get rid of.

The Waste Transportation Act regulates the transport of waste into, out of or through the area of application of the act and creates the basis for the establishment of a solidarity fund to finance the return of waste exported illegally.

Water protection. The guideline legislation in the field of water protection is the Federal Water Act. This requires everyone to exercise adequate care when carrying out measures which may have an impact on a water body so that water pollution or any other negative effect on water is prevented. Surface waters and groundwater are, as public utilities, subject to a public management and utilisation code, which leaves the allocation of users' rights at official discretion.

The Waste Water Charges Act complements the Water Management Act and authorises an annually rising waste water charge linked to the toxicity of the discharged waste water. Water legislation

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promulgated by the Federal States goes beyond merely the enforcement of the framework of federal law to determine administrative procedures and regulate issues of private water law.

Water protection is also addressed directly or indirectly by substance-related provisions in other laws, including the Chemicals Act, the Fertilisers Act and the Waste Avoidance and Waste Management Act. They also comprise provisions through which water is indirectly protected via the soil and the air.

Soil protection. The protection and care of soil as an environmental medium and part of the ecosystem is promoted by a range of environmental provisions, primarily the Federal Soil Protection Act. Soil protection measures, preventative or remedial, aim at avoiding or reducing substance inputs into the soil, or removing already existing soil damage, and at addressing the extensive land consumption caused by soil sealing.

Health and safety

The Health and Safety at Work Act provides for protection of the health and safety of employees. It places the employer under a duty to assess hazards at the workplace, to take appropriate preventive measures, and to instruct employees about measures used. The employer must take precautions for especially hazardous areas and situations and provide preventive occupational healthcare. This act is complemented by the Safety at Work Act, which places employers under a duty to appoint appropriately qualified officers to support them in occupational health and safety matters, including ergonomic workplace design.

Italy

In Italy, we operate a number of plants and facilities for the storage and processing of chemical feedstock, products and wastes. These operations are subject to numerous laws and ordinances relating to safety, health and the protection of the environment.

General environmental care

On 28 April 2006, a new Environmental Decree (Legislative Decree 152/2006) came into force, regulating the most important environmental matters, including authorisations, emissions, water management, wastes and remediation and environmental damages. Several decrees were issued during 2007, 2008, 2009 and 2010, detailing different aspects of the law.

European Directive 96/61/CE (Integrated Pollution Prevention and Control) provides that companies must obtain an integrated authorisation for all environmental impact. Sasol Italy has presented the documentation required to be compliant with the Directive relevant to the sites in Terranova, Augusta and Sarroch. The documentation for Porto Torres plant has also been presented but was withdrawn as the plant is currently being idled.

Specific environmental protection legislation

Emission control. Environmental protection and the technical requirements for the licensing of all installations from which emissions emanate is now regulated by Legislative Decree 152/06, section 5.

Regulation of hazardous substances. Legislative Decree 52/1997 implemented in Italy the EU Directive relevant to classification, packaging and labelling of dangerous substances. Legislative Decree 65/2003 implemented the EU Directives relevant to classification, packaging and labelling or dangerous preparations. New substances are subject, as laid down in European law, to a registration and notification process before they can be brought onto the market. Old substances that have been on the market since 1981 are assessed on the basis of relevant European regulation. Hazardous substances and preparations must be classified, labelled and packed in line with their hazardous properties; their

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manufacture, marketing and use may be prohibited or limited. The regulation of hazardous substances will in future be governed by the framework for REACH.

Avoidance, recovery and disposal of waste. Legislative Decree 152/06, Part 4, incorporates the principle of 'polluters pay' and further provides for cradle to the grave liability for waste. Legislative Decree 4/2008 introduced some requirements about Waste Water Treatment and Risks analysis compliance for underground water contamination.

Water protection. Legislative Decree 152/2006, Part 3, defines the authorisation procedure and discharge limits, in order to protect surface and underground water. Surface water and groundwater are, as public utilities, subject to a public management and utilisation regulation which leaves the allocation of users' rights at official discretion.

Soil protection. The protection and care of soil as an environmental medium and part of the ecosystem is promoted by Legislative Decree 152/06, which essentially follows the Ministerial decree 471/1999 with some simplification as far as documentation is concerned. Soil protection measures, preventative or remedial; aim at avoiding or reducing substance inputs into the soil, or removing already existing soil damage. The Legislative Decree sets forth both the acceptable limits and the rules for monitoring communication and reclamation.

Health and safety

In April 2008, a new Legislative Decree (LD) 81/08, which is renewing and collecting all the legislation concerning Safety and Occupational Health with the exclusion of Major Hazards (Seveso), was published and came into effect on 14 May 2008. The new legislative decree covers the safety and health matters formerly defined by LD 626/94 and the aspect related to construction (buildings, scaffolds, etc). Some of the new rules include:

- in case of an accident causing serious injuries or fatalities, the prosecutor will be able to pursue the company together with the responsible managers;
- to avoid a sentence the company will have to demonstrate the implementation and continuous enforcement of an Occupational Health and Safety Management System;
- in case of sentence penalties are heavier than in the past;
- some new type of risk has to be evaluated, for instance work related stress;
- the LD is defining in a better way responsibilities and duties in the organisation (top managers, managers, superintendents, workers, etc); and
- representatives of workers for Safety and Health problems have wider access to risk evaluation documents, with more duty of confidentiality.

United States

Environmental compliance

Sasol North America (Sasol NA), Sasol Wax and Merisol are subject to numerous federal, state, and local laws and regulations that regulate the discharge of materials into the environment or that otherwise relate to the protection of human health and the environment. As with the chemical industry, generally, compliance with existing and anticipated environmental, health, safety, and process safety laws and regulations increases the overall cost of business, including capital costs to construct, maintain, and upgrade equipment and facilities. These laws and regulations have required, and are expected to continue to require, Sasol NA, Sasol Wax and Merisol to make significant expenditures of both a

capital and expense nature. Environmental compliance expenditures for our interest in Merisol, Sasol Wax and Sasol NA's manufacturing sites for the next five years are estimated to range from US$2 million to US$5 million per year.

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Remedial action

Active and former manufacturing sites. Sasol NA has been investigating the remediation of soil and groundwater contamination at the Lake Charles chemical complex (LCCC) and Baltimore plant sites resulting from historical operations under orders issued by Louisiana and Maryland Departments of the Environment (DoE), respectively. The Vinyl Chloride Monomer (VCM) Plant which was sold to Georgia Gulf in 1999 is also subject to US Resource Conservation and Recovery Act (RCRA) corrective action requirements. An agreement has been reached with the Maryland Department of Environment on remediation technology that will be implemented at Baltimore late in the 2010 calendar year. Remedial costs at Baltimore are not expected to exceed US$600 000. The current costs of monitoring the VCM Plant site and any foreseeable remediation costs are not expected to be material.

In addition to Sasol NA's operating sites, Sasol NA has been indemnified by Georgia Gulf Corporation against the costs of the remediation of three manufacturing operations sold in November 1999 and located in Aberdeen, Mississippi, Jeffersontown, Kentucky, and Oklahoma City, Oklahoma. Georgia Gulf has been released from liability at Mansfield, Massachusetts, where the business was sold but not the property. The Mansfield site, which is still owned by Sasol NA, has been extensively investigated and remediated since 1991, and the remediation of groundwater and an area of soil contamination is ongoing. The Aberdeen plant site has also been investigated under several orders issued by state authorities, and several areas of contamination have been remediated. Further investigations of part of the Aberdeen site are still being performed and the need for further remediation is currently being investigated and undertaken.

Under the agreement for the acquisition of Sasol Chemie, most of Sasol NA's costs of remediation and contamination from historical operations at its active and sold sites are being indemnified by RWE-DEA AG, and will continue to be indemnified until at least 1 March 2023 in respect of Lake Charles, and in perpetuity in respect of the Mansfield, Aberdeen, Jeffersontown, and Oklahoma City sites. In addition to indemnities from RWE-DEA AG, Sasol NA also has indemnities from some of its predecessors, namely BP for Mansfield and Reichhold Chemical for Jeffersontown, for contamination resulting from those companies' operations at the sites. Sasol NA does not expect costs to remediate these sites to have a material effect on operations or results.

Calcasieu Estuary CERCLA Site. In June 1999, Sasol NA and other Calcasieu Parish industry members received letters from USEPA making demands under Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) for past costs and future remedial investigation, remediation, and restoration costs associated with the Calcasieu Estuary. The Calcasieu Estuary, which includes the Calcasieu River and several major tributaries in the vicinity of Lake Charles, Louisiana, has received releases and discharges from industry since the 1930's. Bayou Verdine has received releases and discharges from the ConocoPhillips Lake Charles Refinery beginning in the 1940's and from the LCCC beginning in the 1960's. The "Bayou Verdine Area of Concern" is one of the areas of concern of the Calcasieu Estuary CERCLA Site.

In 1999 and 2000, ConocoPhillips and Sasol NA completed a voluntary joint remedial investigation of Bayou Verdine under the oversight of state and federal authorities. In 2001, ConocoPhillips and Sasol NA completed ecological and human health risk assessments of Bayou Verdine and in 2002 performed an Engineering Evaluation and Cost Analysis (EECA) of removal actions for Bayou Verdine under an Administrative Order on Consent with the US EPA.

Beginning in October 2002, ConocoPhillips and Sasol NA performed a sediment removal action for a relatively small area of elevated ethylene dichloride (1-2 dichloroethane or EDC) concentrations located near the confluence of Sasol NA's West Ditch and Bayou Verdine. The West Ditch Project was completed in July 2003 at a cost to Sasol NA of about US$2 million. To date, no third party claims have been filed in connection with the West Ditch Project.

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The EECA also recommends removal actions for the "Main Channel Area" of Bayou Verdine. ConocoPhillips and Sasol NA intend to perform the Main Channel Removal Action under a Consent Decree. Under a Consent Decree, ConocoPhillips and Sasol NA hope to resolve all of the government's CERCLA claims against the companies in connection with the Calcasieu Estuary and will receive protection against CERCLA contribution claims by other "Potentially Responsible Parties" against the companies. An agreement has been reached with US EPA and the resource trustees concerning the scope of the "Main Channel Area" and natural resource restoration projects, as well as the amount of past agency response costs to be reimbursed by Sasol NA and ConocoPhillips. Sasol NA will pay 10% of these costs. Finalisation of the Consent Decree process is expected in the last quarter of the 2010 calendar year.

Sasol NA's total estimated liability at 30 June 2010 for its 10% share of Bayou Verdine and the Calcasieu Estuary CERCLA Site is about US$1,8 million. Under the agreement for the acquisition of Sasol Chemie, 80% of Sasol NA's estuary related remediation costs are expected to be indemnified by RWE-DEA AG, and will continue to be indemnified until at least 1 March 2023.

Mozambique

In Mozambique, Sasol operates a processing plant and associated facilities for the extraction and processing of natural gas and condensate and transportation of natural gas. The Central Processing Facility has been in operation since February 2004. These operations are subject to numerous Mozambican laws and regulations as well as World Bank Group requirements and best practice standards.

Environmental, health and safety regulations. The Ministry for the Coordination of Environmental Affairs (MICOA) was created in 1994 to coordinate environmental affairs in Mozambique. In 1995, the Ministry drew up a National Environmental Management Programme, which is a policy document outlining the priorities for environmental management and sustainable development in Mozambique. This programme contains a National Environmental Policy, a proposal for Framework Environmental Legislation and Environmental Legislation and an Environmental Strategy.

The Framework Environmental Law (20/97) was enacted in October of 1997. The aims of the Environmental Law are to provide a legal framework for the use and correct management of the environment and its components and to assure sustainable development in Mozambique. The Law is applicable to all public or private activities that may directly or indirectly influence the environment. It requires licensing of activities that are liable to cause significant environmental impacts. The granting of an environmental licence is subject to the preparation and approval of an appropriate level of environmental impact study and management plan. The body of environmental legislation is growing and comprises the Regulation on Environmental Impact Assessment Process (45/2004 of 29 September) which revokes the 1998 Regulation (76/98 of 29 December), the Regulation on Environmental Quality and Effluent Emissions Standards (18/2004) of 2 June and the Regulation on Environmental Auditing (32/2003) of 20 August. During 2006, new legislation was enacted namely the Regulation on Environmental Inspections (11/2006) of 15 June, the Regulation on Waste Management (13/2006) of 15 June and General Directives for Environmental Impact Studies (129/2006) and the Public Participation Process (130/2006) of 19 July. On 4 November 2008, Decree 42/2008 was enacted to amend articles 5, 15, 18, 20, 21, 24, 25 and 28 of the Environmental Impact Assessment Regulations approved by Decree 45/2004.

In terms of environmental protection and safety, the Petroleum Act (3/2001) and the Petroleum Operations Regulations (24/2004) require holders of exploration and production rights to conduct petroleum operations in compliance with environmental and other applicable legislation.

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Sasol Petroleum Temane Limitada (SPT), our Mozambican subsidiary, was certified in terms of ISO 14001 and ISO 9001 in November 2004 and has retained certification in subsequent annual surveillance audits. SPT also achieved OHSAS 18001 certification during January 2006.

In June 2005, we signed agreements with the Mozambican government for an offshore exploration licence in the Indian Ocean. Seismic activities were conducted from January to June 2007 following a comprehensive and detailed EIA process which took in excess of 13 months to complete and approve. To ensure an open and transparent process, Sasol promoted wide and active public consultation and engagement with all identified stakeholders, in line with the published EIA Regulations. As recommended in the EIA, Sasol undertook year long baseline and monitoring studies during 2007 pertaining to the potential impacts of shallow water exploration activities on sensitive receptors and in particular the resident dugong population and the artisanal fishery. Based on the outcomes and recommendations of the shallow water baseline and monitoring studies, we agreed to postpone all exploration activities in the shallow water environment, until the conclusion of the Strategic Environmental Assessment which is currently being planned by the Government of Mozambique. In August of 2008, Mozambique's Ministry for the Coordination of Environmental Affairs and the National Petroleum Institute were notified of our decision.

The Simplified Environmental Impact Assessments for the planned onshore expansion aimed at the de-bottlenecking of the gas processing facility and the transportation pipeline have been concluded. The Environmental License for the Central Processing Facility (CPF) Expansion Project was issued in March 2009 and the project is currently in the execution phase. The Simplified Environmental Assessment for the Pipeline Expansion Project has been amended to accommodate scope changes and the environmental licences have accordingly been issued by the MICOA.

The amended Simplified Environmental Impact Assessment was approved by the MICOA . Currently, Sasol is preparing for the payment of the respective licence, in terms of the Environmental Impact Assessment Regulation.

The Inhassoro Development Environmental Impact Assessment (EIA), which began in the 2008 calendar year and was due to be completed in the middle of the 2009 calendar year, has been placed on hold, pending the drilling of an appraisal well to establish the feasibility of such a development.

Mineral Rights. Petroleum activities are regulated by the provisions of the Law Regulating Petroleum Activities. The National Petroleum Institute administers and regulates petroleum operations on behalf of the Mozambique Government. The Mozambique government encourages the exploration and development of the country's hydrocarbon potential within a certain project framework.

EIA Regulations for the Petroleum Sector as envisaged in the EIA Regulations (Decree 45/2004) are being compiled by the National Petroleum Institute. No information is currently available as to when these would be passed.

In accordance with the constitution of Mozambique, the land and the natural resources of the soil and the subsoil of the territorial waters and continental shelf are the property of the state, which determines the conditions for their development and use, through the Land Act (19/97, of 1 October) and Regulation of Land Act (Decree 66/98 of 8 December).

Qatar

Environmental regulation. All public or private development plans, including industrial, agricultural and infrastructure projects are required to follow the Environmental Protection Law and obtain an environmental authorisation permit from the Ministry of Environment (MOE). MOE is also responsible for environmental protection and conservation in Qatar.

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The Environmental Protection Law, Decree-Law No. (30) of 2002 aims to meet the following objectives: (1) protection of the environment, (2) prevention of pollution (short-and long-term) (3) sustainable development by developing natural resources for the benefit of the present and future generations, (4) the protection of society, human health and other living creatures, and (5) protection of the environment from the damaging effect of activities outside of the State of Qatar.

The Executive By-Law for the Environmental Protection Law, Issued vide the Decree Law No. 30 for the Year 2002 (the By-Law) stipulates specific standards and regulations to meet the objectives of The Environmental Protection Law. This includes regulations on determining the environmental impact of projects (requirements to conduct an EIA), emergency response plans for environmental disasters, hazardous wastes and materials, air pollution, water pollution, protection of marine environment. There are also 8 Annexes to this By-Law, including:

Air protection. Annex (3) of the By-Law stipulates standards for air quality for different industries including petrochemical industries as well as ambient air quality standards.

Water protection. Annex (4) of the By-Law provides standards for pollutants in case of discharges to the water environment and also prohibits some non decaying solid and liquid substances from discharge into water environments.

Waste and hazardous substances. Annex (7) of the By-Law regulates the management and trans-boundary movement of hazardous wastes.

Annex (8) of the By-Law regulates the import, production, handling and transportation of hazard materials including the categorisation, labelling, separation and packing of hazardous materials.

Consent to Operate (CTO). This is Oryx GTL's operating permit issued under the Authority of Law 30 of 2002 and its By-Law No. 4 of 2005 and is renewable on an annual basis. This permit stipulates general monitoring requirements, wastewater quality standards, point source air emission standards, overall noise level limit, handling and storage of hazardous wastes, chemical use, records and emergency response programmes.

Qatar is a signatory to the following: Kyoto Protocol to the United Nations Framework Convention on Climate Change (Non Annex 1 country), Stockholm Convention on Persistent Organic Pollutants, Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and Disposal, Amendment to the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal, Montreal Protocol on Substances that Deplete the Ozone Layer, Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, Vienna Convention for the Protection of the Ozone Layer, United Nations Framework Convention on Climate Change.

The State of Qatar has implemented Clean Development Mechanism (CDM), an initiative to reduce the emission of greenhouse gases. Gas flaring mitigation and the reduction of carbon emissions were among the two key areas focused on by Qatar as part of its commitment towards CDM.

The Environmental Design Basis (EDB) stipulates the environmental standards that should be followed during the project phase.

Health and safety regulation. All medical professionals (including nurses, lab technicians, physiotherapists) have to be registered to practice in Qatar with the National Health Authority (NHA). Oryx GTL comply with all Qatar National Health Guidelines which is in line with World Health Organization (WHO) standards. Oryx GTL's health centre is licensed with the NHA through Qatar Petroleum (QP).

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The Labour Law No (14) of the Year 2004. This law does not apply to employees and workers of Ministries and other governmental organs, public institutions, corporations and companies which are established by Qatar Petroleum (QP) by itself or with others, armed forces, casual workers, domestic employees, working members of employer's family and workers employed in agriculture and grazing. The Labour Law covers safety, vocational health and social care as well as work injuries and compensation thereof. Some sections (i.e. heat stress sections) do not apply to Oryx GTL.

Requirements for the Establishment and Operation of First Aid Stations within Ras Laffan Industrial City (QPR-MSR-001, 25/04/2006). This procedure describes the level of first aid services which may be provided at project specific locations in accordance with established international best practice by providing minimum and general requirements. This procedure assists organisations within Ras Laffan Industrial City (i.e. Oryx GTL) in determining requirements for a first aid station on-site.

Occupational Health and Safety Administration (OSHA). There is no regulatory authority for safety or health in Qatar and therefore Oryx GTL used the internationally recognised OSHA standards as guidelines where applicable.

Iran

Environmental regulation. All public or private development plants, including industrial, agricultural and infrastructure projects, are required to follow the Environmental Protection Law and obtain an environmental authorisation permit from the Department of Environment (DOE). The DOE is also responsible for environmental protection and conservation in Iran.

The Environmental Protection Law, Decree-Law No. 50 (1979), aims to meet the following objectives:

Protection of the environment;

Prevention of pollution (short- and long-term);

Sustainable development by developing natural resources for the benefit of the present and future generations;

The protection of society, human health and other living creatures; and

Protection of the environment from the damaging effect of activities outside of Iran.

The Iranian Environment Supreme Council Decree No. 138 (1994), stipulates specific standards and regulations to meet The Environmental Protection Laws. This includes projects to do environmental impact assessments before construction and to obtain all approvals and implement necessary proactive measures before the issuing of a certificate to operate. Important executive regulations and by-laws used in Iran include the following:

Air protection law stipulates standards for air quality for different industries, including petrochemical industries and ambient air quality requirements.

Water protection law provides standards for pollutants in case of effluent discharges, which may impact on the environment.

Waste and hazardous substance law regulates the management and transportation of general and hazardous wastes. It further regulates the responsibility for managing, handling, labelling, storage, separation, packing and transportation of hazardous materials.

Permit to operate (PTO). As per Iranian laws, a permit is issued by the DOE and Ministry of Industries and Mines (MIM). This permit stipulates general monitoring requirements, waste water

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quality standards, point source air emission standards, overall noise level limits, handling and storage of hazardous waste, chemical use, records, and emergency response programmes.

Other environmental legislation. Iran is a signatory to the following:

Kyoto protocol to the United Nations Framework Convention on Climate Change;

Stockholm Convention on Persistent Organic Pollutants;

Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal; and

Montreal Protocol on Substances that Deplete the Ozone Layer.

Iran recently implemented a "Clean Development Mechanism" (CDM), an initiative to work on a plan to reduce the emission of greenhouse gases by reduction of flow gas flaring at the petrochemical complexes.

The operations in Iran obtained their Integrated Management Systems (IMS) certification for OHSAS 18001, ISO 14001 and ISO 9001 in June 2010. Through international certification in these systems, complying with world class standards is demonstrated and managed as one of the business strategic objectives.

Other countries

In a number of other countries we are engaged in various activities that are regulated by local and international laws, regulations and treaties. In Malaysia, China and other countries, we operate plants and facilities for the storage, processing and transportation of chemical substances, including feedstock, products and waste. In the United Arab Emirates, Nigeria, Gabon and other countries, we are involved, or are in the process of being involved, in exploration, extraction, processing or storage and transportation activities in connection with feedstock, products and waste relating to natural gas, petroleum and chemical substances. Our operations in the respective jurisdictions are subject to numerous laws and regulations relating to exploration and mining rights and the protection of safety, health and the environment.

4.C Organisational Structure

Sasol Limited is the ultimate parent of the Sasol group of companies. Our wholly owned subsidiary, Sasol Investment Company (Pty) Limited, a company incorporated in the Republic of South Africa, holds primarily our interests in companies incorporated outside South Africa. The following table presents each of Sasol's significant subsidiaries (including direct and indirect holdings), the nature of business, percentage of shares of each subsidiary owned and the country of incorporation at 30 June 2010 .

Name	Nature of business	Percentage ownership	Country of incorporation
Sasol Mining (Pty) Limited	Coal mining activities	100	South Africa
Sasol Synfuels (Pty) Limited	Production of liquid fuels, gases and chemical products and refining of tar acids	100	South Africa
Sasol Technology (Pty) Limited	Engineering services, research and development and technology transfer	100	South Africa
Sasol Financing (Pty) Limited	Management of cash resources, investment and procurement of loans (for South African operations)	100	South Africa

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Name	Nature of business	Percentage ownership	Country of incorporation
Sasol Investment Company (Pty) Limited	Holding company of the group's foreign investments (and investment in movable and immovable property)	100	South Africa
Sasol Chemical Industries Limited	Production and marketing of mining explosives, gases, petrochemicals, fertilisers and waxes.	100	South Africa
Sasol Gas Holdings (Pty) Limited	Holding company for the group's gas interests	100	South Africa
Sasol Oil (Pty) Limited	Marketing of fuels and lubricants	75	South Africa
Republic of Mozambique Pipeline Investments Company (Pty) Limited	Owning and operating the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa	50	South Africa
Sasol Chemical Holdings International (Pty) Limited	Investment in the Sasol Chemie group	100	South Africa
Sasol Chemicals Europe Limited	Marketing and distribution of chemical products	100	United Kingdom
Sasol Chemicals Pacific Limited	Marketing and distribution of chemical products	100	Hong Kong
Sasol Financing International Plc	Management of cash resources, investment and procurement of loans (for operations outside South Africa)	100	Isle of Man
Sasol Gas Limited	Marketing, distribution and transportation of pipeline gas and the maintenance of pipelines used to transport gas	100	South Africa
Sasol Group Services (Pty) Limited	Supplier of functional core and shared services to the Sasol Group of companies	100	South Africa
Sasol Oil International Limited	Buying and selling of crude oil	75[1]	Isle of Man
Sasol Petroleum International (Pty) Limited	Exploration, production, marketing and distribution of petroleum and natural gas	100	South Africa
Sasol Polymers International Investments (Pty) Limited	Holding company for Sasol Polymers' foreign investments	100	South Africa
Sasol Synfuels International (Pty) Limited	Develop and implement international GTL and CTL ventures	100	South Africa
Sasol Wax International Aktiengesellschaft	Holding company for Sasol Wax (outside South Africa) operations	100	Germany
Sasol Wax GmbH	Production, marketing and distribution of waxes and wax related products	100	Germany
Tosas Holdings (Pty) Limited	Investment holding company	75[1]	South Africa
National Petroleum Refiners of South Africa (Pty) Limited	Refining crude oil	47,73[1]	South Africa

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Name	Nature of business	Percentage ownership	Country of incorporation
Sasol Chemie GmbH and Co. KG	Investment in the Sasol Germany GmbH, Sasol Solvents Germany GmbH and Sasol Olefins and Surfactants GmbH	100	Germany
Sasol Germany GmbH	Production, marketing and distribution of (chemical products) olefin and surfactant products	100	Germany
Sasol Solvents Germany GmbH	Production and marketing of solvents	100	Germany
Sasol Italy SpA	Trading and transportation of oil products, petrochemicals and chemical products and derivatives	99,9	Italy
Sasol North America Inc.	Manufacturing of commodity and speciality chemicals	100	United States

(1) This represents our effective holding through our 75% interest in Sasol Oil (Pty) Limited.

4.D Property, plants and equipment

Plants and facilities

We operate coal mines and a number of plants and facilities for the storage, processing and transportation of oil, chemicals and gas related raw materials, products and wastes. For a detailed discussion regarding the use, capacity and products of these facilities provided for each business refer to "Item 4.B Business Overview".

Coal mining facilities

Our main coal mining facilities are located at the Secunda Mining Complex, consisting of underground mines (Bosjesspruit, Brandspruit, Middelbult, Syferfontein and Twistdraai export mine) and Sigma: Mooikraal near Sasolburg.

Pages M-1 to M-4 include maps showing the location of our coal properties and major manufacturing plants in South Africa.

Our Secunda facilities

Our main manufacturing facilities are located at Secunda and they are the base for our Synfuels operations and a range of our chemical industries operations, including explosives, fertilisers, monomers and polymers, solvents and tar. The approximate size of this property is 82,5 square kilometres (km^2) with operating plants accounting for 8,35 km^2.

Our Sasolburg facilities

Our facilities at Sasolburg are the base for a number of our chemical industries operations, including ammonia, explosives, fertilisers, mining chemicals, phenols, solvents, polymers, tars and wax operations. The approximate total size of these properties is 51,4 km^2.

The size of the Natref refinery, also based in Sasolburg, is approximately 1,1 km^2.

Our Mozambican facilities

Our natural gas processing operations in Mozambique are operated by Sasol Petroleum Temane Limitada (a subsidiary of Sasol Petroleum International). These facilities, located some 700 km north of

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the Mozambican capital, Maputo, on a site of approximately 400 000 m^2, extract and process natural gas from the Temane and Pande gas field. The processed gas is supplied to the South African gas market, utilising an underground high pressure pipeline, some 865 km in length and owned by Rompco.

Our facilities in Germany

Sasol Solvents has manufacturing sites based at two locations in Germany, the most significant of these facilities is Moers (site size approximately 808 000 m^2; plant size 400 000 m^2).

The operations of Sasol Olefins & Surfactants, are based at three locations in Germany, most significant of these facilities are at Brunsbüttel (site size approximately 2,0 million m^2; plant size 500 000 m^2) and Marl (site size approximately 160 000 m^2; plant size 75 000 m^2).

Sasol Wax facilities are based in Hamburg (site size approximately 160 000 m^2; plant size 100 000 m^2).

Our facilities in Italy

The operations of Sasol Olefins & Surfactants are based at three locations in Italy. The primary facilities are at Augusta (site size approximately 1,36 million m^2; plant size 510 000 m^2) and Terranova (site size approximately 330 000 m^2; plant size 160 000 m^2).

Our facilities in the United States

Various operations of Sasol Olefins & Surfactants are based at a number of locations in the United States. The most significant of these facilities is located at Lake Charles, Louisiana (site size approximately 3 million m^2; plant size 540 000 m^2).

Merisol also has operations based at Oil City, Pennsylvania and Houston and Winnie, Texas.

Sasol Wax's production facility is located in Richmond, California. Sales and marketing activities are conducted from its office in Hayward, California.

For more information regarding capital expenditure in respect of these properties and the related facilities and operations, refer to "Item 4.A History and development of the company Capital expenditure" for a description of our material plans to construct, expand and enhance our facilities.

Our facilities in Qatar

Oryx GTL is a gas-to-liquids plant, with a nominal design capacity of 32 400 bpd located at Ras Laffan Industrial City, situated along the northeast coast of Qatar.

Our facilities in Iran

Arya Sasol Polymers Company consists of an Ethane Cracker and two Polyethylene plants located in a 72 hectare area within the Pars Special Economic Energy Zone in Bushehr Province on the Persian Gulf.

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Mining properties and operations

Mine systems and their production capacity

Sasol Mining operates six mines, the annual nominated capacities and actual production values are indicated in the following table:

Nominated capacity and production

Mine	Nominated capacity per year[(1)] (Mt)	2010 actual production (Mt)	2009 actual production (Mt)
Bosjesspruit (Secunda)	8,0	7,6	6,4
Brandspruit (Secunda)	8,6	8,0	7,4
Middelbult (Secunda)	8,3	8,5	7,6
Syferfontein (Secunda)	9,4	9,9	9,5
Twistdraai Export (Secunda)	7,4	6,6	6,4
Sigma : Mooikraal (Sasolburg)	1,9	2,0	1,8

(1) The 2010 nominated capacity of the mines is the expected maximum production of that mine during normal operational hours.

All mines employ the underground bord and pillar mining method, using continuous miners. At Sasolburg, the Sigma Mine was established in 1950 and the Mooikraal shaft started production during 2006. In the Secunda area, production at the first two mines, Brandspruit and Bosjesspruit, commenced in 1977. Twistdraai and Middelbult followed during the early 1980s, while Syferfontein started production in 1992. In 1996, the Twistdraai Export Mine was commissioned. The mine boundaries are extended based on ongoing studies and new planning. All the production equipment is either replaced or overhauled on a regular basis according to a managed maintenance system.

Processing operations

Export business Secunda operations. The export business was initiated in August 1996 as part of a growth strategy. To date, a total of 43,4 Mt of coal has been exported, beneficiated from 117 Mt at the Twistdraai Export Plant from 1996 through 2010 . Coal is fed to the beneficiation plant from the existing Twistdraai Mine. The beneficiation plant produces primary export product with an ash content of approximately 12,5% (as received) as well as a secondary product for the Sasol Synfuels market.

The export beneficiation plant has a design throughput capacity of 10,5 Mt per year. In the 2010 financial year, 6,4 Mt was processed. The plant consists of a primary and secondary beneficiation stage. The primary stage comprises three modules with two identical feed streams each. The coal is fed at a rate of 300 tons per stream per hour, which is fed into three 800 millimetre (mm) diameter dense medium cyclones. There are a total of 18 cyclones in the primary stage. The secondary stage consists of two modules with two 1 000 mm diameter dense medium cyclones.

The ROM coal is transported via overland conveyor belts to the export beneficiation plant from the Twistdraai mine. The export product is loaded onto trains by means of a rapid load-out system, and then transported to the Richards Bay Coal Terminal in KwaZulu-Natal.

The existing nameplate capacity at the Richards Bay Coal Terminal (RBCT) was increased from 76 Mt to 91 Mt per year, following the commissioning of the Phase V expansion in May 2010. Sasol Mining has a 5% share in the original capacity of this terminal, which corresponds to the existing entitlement of 3,6 Mt per year. Sasol Mining's entitlement l remained at 3,6 Mt per year after the expansion of the terminal. For the foreseeable future, it is anticipated that Sasol Mining will only

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export approximately 3,0 Mt per year. This is due to Transnet Freight Rail constraints and the commissioning of Phase V at RBCT.

Sasol Coal Supply Secunda operations. Sasol Coal Supply operates the coal handling facility between Sasol Mining and Sasol Synfuels by stacking and blending coal on six stockpiles of 110 000 tons each. The overland conveyors from the mining operations to the coal handling facility are, in total, 35 km long and also form part of the Sasol Coal Supply operation.

The Sasol Coal Supply operation has a stockpile capacity of 660 000 tons, which is turned over approximately 1,2 times per week. In addition, there is a reserve stockpile capacity of more than 2,5 Mt. The objectives of this facility are:

to homogenise the coal quality supplied to Sasol Synfuels;

to keep the Sasol Synfuels bunkers full with a product that conforms to customer requirements;

to maintain a buffer stockpile to ensure even supply; and

to prevent fine coal generation.

The daily coal supply to Sasol Synfuels is approximately 110 000 tons.

Coal exploration techniques

Sasol Mining's geology department employs several exploration techniques in assessing the geological risks associated with the exploitation of the coal deposits. These techniques are applied in a mutually supportive way to achieve an optimal geological model of the relevant coal seams, targeted for production purposes. The Highveld Basin is considered to be structurally complex when compared to the other coalfields in South Africa where mining activities are taking place. As a result, Sasol Mining bases its geological modelling on sufficient and varied geological information. This approach is utilised in order to achieve a high level of confidence and support to the production environment.

Core recovery exploration drilling. This is the primary exploration technique that is applied in all exploration areas, especially during reconnaissance phases. In and around operational mines, the average vertical borehole density varies from 1:10 to 1:15 (boreholes per hectare), while in medium term mining areas, the average borehole density is in the order of 1:25. Usually, the drilling depth ranges from 200 m to 250 m. Depths of the boreholes drilled vary, depending on the depth to the Pre-Karoo basement, which vary from 160 m to 380 m. The major application of this technique is to locate the coal horizons, to determine coal quality and to gather structural information about dolerite dykes and sills, and the associated de-volatilisation and displacement of coal reserves. This information is used to compile geological models and forms the basis of geological interpretation.

Directional drilling (surface to in-seam). Directional drilling from surface to in-seam has been successfully applied for several years. A circular area with a radius of approximately 2 km of coal deposit can be covered by this method, from one drill site. The main objective of this approach is to locate dolerite dykes and transgressive dolerite sills, as well as faults with displacements larger than the coal seam thickness.

Horizontal drilling. This technique is applied to all operational underground mines and supplies short-term (minimum three months) exploration coverage per mining section. No core is usually recovered, although core recovery is possible, if required. The main objective is to locate dolerite dykes and transgressive sills intersecting the coal mining horizon, by drilling horizontal holes in the coal seam from a mined out area. A drilling reach of up to 1 km is possible, although the average length is usually 800 m in undisturbed coal.

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Aeromagnetic surveys. All exploration areas are usually aero-magnetically surveyed before the focused exploration is initiated. The main objective is to locate magnetic dolerite sills and dykes, as well as large-scale fault zones.

Airborne electro-magnetic surveys. Due to the occurrences of non-magnetic dolerite dykes and sills, it has been necessary to survey certain exploration areas electro-magnetically to pinpoint these structures to optimise mine deployment.

Geophysical wireline surveys of directional boreholes. Geophysical surveys are routinely conducted in the completed directional drilled boreholes. This results in the availability of detailed information leading to increased confidence of the surface directional drilling results. This technique has also been applied in underground directional drilling with excellent results.

Secunda operations

The coal supplied to Sasol Synfuels is the raw coal mined from the four mines supplying Sasol Synfuels exclusively and the secondary product from the export mine's beneficiation plant.

Extensive geological exploration has been done in the coal resource areas. Additional exploration is undertaken to update and refine the geological models, which allows accurate forecasting of geological conditions and coal qualities, for the effective planning and utilisation of the coal reserves.

Computation and storage of geological information

Geological information is stored in a Sequel Server database. Data validation and quality checking through several in-house methods is conducted regularly. Data modelling is conducted by manual interpretation and computer-derived geological models, using the Minex 5 edition of the GEMCOM/MINEX software. Reserves and composite qualities are computed using established and recognised geo-statistical techniques.

General stratigraphy

The principal coal horizon, the Number 4 Lower Coal Seam, provides some 87,1% (2009: 91,0%) of the total proved and probable reserves. The Number 4 Lower Coal Seam is one of six coal horizons occurring in the Vryheid Formation of the Karoo Supergroup, a permo-carboniferous aged, primarily sedimentary sequence. The coal seams are numbered from the oldest to the youngest.

Characteristics of the Number 4 Lower Coal Seam. The Number 4 Lower Coal Seam is a bituminous hard coal, characterised by the following borehole statistics:

The depth to the base of the seam ranges from 40 m to 241 m with an average depth of 135 m below the surface topography. All the current mining done on this seam is underground.

The floor of the seam dips gently from north to south at approximately 0,5 degrees.

The thickness of the seam varies in a range up to 10 m with a weighted average thickness of 3,3 m. In general, thinner coal is found to the south and thicker coal to the west adjacent to the Pre-Karoo basement highs.

The inherent ash content (air dried basis) is an average 28,6%, which is in line with the coal qualities supplied during the past 30 years to Sasol Synfuels.

The volatile matter content is tightly clustered around a mean of 19,5% (air dried).

The total sulphur content (air dried), which primarily consists of mineral sulphur in the form of pyrite and minor amounts of organic sulphur, averages 1,08% of the total mass of the coal.

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The other potential coal seam is:

The Number 2 Coal Seam, which provides an additional tonnage to the reserve in one area and was evaluated in a number of other areas to provide supplemental reserve tonnage. The Number 2 Coal Seam at Middelbult Colliery has been included into Sasol Mining's reserve base.

Mining parameters and assumptions used during reserve estimation

Minimum mining height (meters): the minimum mining height used is 2,2 m. The exception is Bosjesspruit mine, where the height is 1,5 m.

Maximum mining height (meters): the maximum mining height used is 4,8 m (Syferfontein).

Primary safety factor[(1)]: the safety factor used in the mine planning, for primary development, in normal ground conditions is 1,8.

Secondary safety factor[(1)]: the safety factor used in the mine planning, for secondary development, in normal ground conditions is 1,6.

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(1) The safety factor is calculated by dividing the strength of the pillar by the stress acting on the pillar. The strength of the pillar is determined by the inherent strength of the coal material, the width of the pillar and the height of the pillar. The stress on the pillar is the result of the pillar load, which is determined by the depth of mining, the pillar width and the bord width.

Minimum dry ash free volatile matter content: the dry ash free volatile matter content gives an indication of devolatilised coal. During estimations, areas with a dry, ash free volatile matter content of less than 28% are excluded, and considered to be devolatilised coal areas.

Geological loss factor: the geological loss factors vary in the respective blocks from 2,9% (Bosjesspruit) to 35% (Block 5 East) and averages at 10% in the operational mines. The geological loss factor is a discount factor applied to the gross in situ tonnage to take into account as yet unobserved geological features, which may occur. The geological loss factor is therefore a function of the borehole density and known geological complexity of the area, as well as the judgment of the competent person involved.

Mine layout losses: the mine layout loss factors, expressed as a percentage of the in situ coal reserves used varies between 12% for Middelbult and 47% for Brandspruit where panels have been laid out but not scheduled The mine layout loss factor is a discount factor required to account for the expected loss of coal reserves, due to actual mining activities, not reaching the defined boundary of the mineable in situ coal reserve block. The mine layout loss factors applied are therefore a function of the complexity of the depicted actual and anticipated geological structures and the actual historical loss factors experienced.

Mine method losses: this is the coal left behind in the roof due to not mining the full seam. The reason for this being safety, leaving a protective layer of coal in the roof of the coal seam. Losses reported are 12,8% (2009: 10,7) for Syferfontein, 0,9% (2009: 0,7%) for Twistdraai and 8,3% (2009: 8,8%) for Sigma Mooikraal

Mining losses: mining loss factor, expressed as a percentage of the mineable in situ coal reserve, vary between 37% for Thubelisha Shaft (2009: 40,64% for Twistdraa) and 58,2% (2009: 58,0%) for Syferfontein and Middelbult, with an average value of 45,3% for the operational mines. The factor for Twistdraai is low due to the high proportion of stooping tonnes left and the factor for Syferfontein and Middelbult is higher than other mines due to the lack of high extraction. The mining loss factor is the discount factor required to account for the expected loss of coal reserves, due to actual mining activities, which requires support pillars to be left in situ. The mining loss factors applied are therefore a function of the mining method used and planned to be used, as well as the actual historical loss factors experienced.

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Contamination factor: the contamination factor expressed as a percentage of the extractable coal reserve, vary between 0,4% (2009: 0,4%) for Syferfontein and 4,2% for Bossjespruit (2009: 4,8% for Bosjespruit). The contamination factor for Bosjesspruit increased in 2008 due to the fact that thinner seams are mined and the equipment used is not optimal for thin seams, resulting in overcutting being planned, but is managed consistently. The contamination factor refers to the extraneous coal and non-coal material which is unintentionally added to the practical mining horizon, as a result of the mining operations. The contamination factors applied are therefore a function of expected geological conditions in the immediate roof and floor of the mining horizon, as well as the actual and historical contamination factors experienced. Contamination factors are also influenced by the equipment selection relative to the planned mining height.

Superficial moisture factor: the superficial moisture factor, expressed as a percentage of the extractable coal reserve, vary between 4,2% for Thubelisha Shaft and Middlebult (2009: 4,7% for Middelbult) and 2,3% for Sigma Mooikraal. The superficial moisture refers to the extraneous moisture added to the extracted coal as a result of the mining operations. The factors applied are therefore based mostly on the historical factors experienced.

Reserve estimation (remaining reserves at 31 March 2010)

We have approximately 3,9 billion tons (Bt) of gross in situ proved and probable coal reserves in the Secunda Deposit and approximately 1,4 Bt of recoverable reserves. The coal reserve estimations are set out in table 1 below. The different reserve areas are depicted on a map on page M-4, as well as whether a specific reserve area has been assigned to a specific mine.

Table 1.

Coal reserve estimations[(1)] as at 31 March 2010, in the Secunda area where Sasol Mining has converted mining rights (signed on 29 March 2010) in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Gross in situ coal resource[(2)] (Mt)[(5)]	Geological discount (Mt)[(5)]	Mine layout losses (Mt)[(5)]	Extraction rate (%)	Recoverable reserves[(3)] (Mt)[(5)]	Beneficiated yield (%)	Proved/ probable
Middelbult Mine, number 4 seam	798	128	212	42	265	100	Proved
Middelbult Mine, number 2 seam	162	32	13	39	56	100	Probable
Bosjesspruit Mine	357	11	91	57	165,9	100	Proved
Twistdraai Mine	63	3	13	59	35	P51,S20[(4)]	Proved
Syferfontein Mine	469	19	66	40	166	100	Proved
Brandspruit Mine	144	12	59	56	51	100	Proved
Twistdraai Thubelisha Shaft	408	61	167	62	164	P35,S45[(6)]	Proved
Impumelelo, Block 2, number 4 seam	447	121	125	54	151	100	Proved
Impumelelo, Block 2, number 2 seam	237	64	66	54	80	100	Probable
Block 2 South, number 4 seam	363	98	102	54	123	100	Probable
Block 2 South, number 2 seam	133	36	37	54	45	100	Probable
Block 5 East	184	64	22	45	47	100	Probable
Block 3 South	141	38	19	58	52	100	Probable
Total Secunda Area	**3 906**				**1 400,9**		

(1) The coal reserve estimations in this table were compiled under supervision of Ms Karin van der Merwe and Mr Jakes Lock. The "South African Code for Reporting of Minerals Resources and Minerals Reserves (The

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SAMREC Code 2007 edition)" dealing with competence and responsibility, paragraph 7, state Documentation detailing Exploration Results, Mineral Resources and Mineral reserves from which a Public Report is prepared, must be prepared by, or under the direction of, and signed by a Competent Person. Paragraph 9 states: A 'Competent Person' is a person who is registered with SACNASP, ECSA or PLATO, or is a Member or Fellow of the SAIMM, the GSS or a Recognised Overseas Professional organisation (ROPO). The Competent Person must comply with the provisions of the relevant promulgated Acts. Mr JD Conradie, on behalf of Gemecs (Pty) Limited performed a comprehensive and independent audit of the coal resource/reserve estimations in February 2007. The estimates was certified as correct by one of the Gemecs (Pty) Ltd directors, Mr CD van Niekerk (Pr.Nat.Sci), who signed the statement in his capacity as a competent person and auditor. The current estimation still is in line with the audited reserve and resource statement of February 2007. The estimation of the reserves is compliant with the definition and guidelines as stated in the SAMREC and JORC codes, as well as SEC Industry Guideline 7.

(2)

The gross in situ coal resource is an estimate of the coal tonnage, contained in the full coal seam above the minimum thickness cut off and relevant coal quality cut off parameters. No loss factors are applied and seam height does not include external dilution or contamination material.

(3)

The recoverable coal reserve is an estimate of the expected recovery of the mines in these areas and is determined by the subtraction of losses due to geological and mining factors and the addition of dilatants such as moisture and contamination.

(4)

The P% of P51 refers to the export product yield from the recoverable coal reserve and the S% of S20 refers to secondary product yield, which will be supplied to the Synfuels factory. The balance of this is discard material. The secondary product yield dropped due to an increase in slimes generated.

(5)

Mt refers to 1 million tons. Reference is made of tons, each of which equals 1 000 kilograms, approximately 2 205 pounds or 1 102 short tons.

(6)

Twistdraai Colliery, Thubelisha Shaft contains some coal which can be beneficiated for the export market. The project is currently in construction phase and production will start by 2012.

Coal qualities per associated reserve estimation (remaining reserves at 31 March 2010)

In tables 2 and 3, additional information regarding coal qualities is provided.

Table 2.

Coal qualities, on an air dry basis, in respective coal reserve areas, where Sasol Mining has converted mining rights in respect of the Secunda mining complex in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Wet/ dry tons	Average Inherent Moisture Content (%)	Average Superficial Moisture Content (%)	Assigned/ unassigned	Steam/ metallurgical coal	Heat Value (air dry) basis MJ/kg	Sulphur (air dry basis)
Middelbult Mine	Wet	4,2	4,5	Assigned	Steam	20,2	0,8
Bosjesspruit Mine	Wet	3,6	4,0	Assigned	Steam	20,6	1,1
Twistdraai Mine	Wet	3,7	3,5	Assigned	Steam	20,3	1,2
Syferfontein Mine	Wet	5,7	4,8	Assigned	Steam	21,7	0,7
Brandspruit Mine	Wet	4,0	3,7	Assigned	Steam	18,4	1,3
Twistdraai, Thubelisha Shaft	Wet	4,3	4,3	Assigned	Steam	21,0	1,0
Impumelelo, Block 2, number 4 seam	Wet	4,1	3,7	Unassigned	Steam	18,2	1,2
Impumelelo, Block 2, number 2 seam	Wet	3,6	3,7	Unassigned	Steam	17,4	0,7
Block 2 South, number 4 seam	Wet	4,1	3,7	Unassigned	Steam	18,2	1,2

Block 2 South, number 2 seam	Wet	3,6	3,7	Unassigned	Steam	17,4	0,7
Block 5 East	Wet	3,7	3,1	Unassigned	Steam	20,8	1,0
Block 3 South	Wet	3,4	3,5	Unassigned	Steam	21,9	0,7

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Table 3.

Coal qualities, on an as received basis, in respective coal reserve areas, where Sasol Mining has converted mining rights in the Secunda mining complex in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Wet/ dry tons	Average Inherent Moisture Content (%)	Average Superficial Moisture Content (%)	Assigned/ unassigned	Steam/ metallurgical coal	Heat Value (as received) basis MJ/kg	Sulphur (as received basis)
Middelbult Mine	Wet	4,3	4,5	Assigned	Steam	19,2	0,8
Bosjesspruit Mine	Wet	3,6	4,0	Assigned	Steam	19,8	1,0
Twistdraai Mine	Wet	3,7	3,5	Assigned	Steam	19,5	1,1
Syferfontein Mine	Wet	5,7	3,8	Assigned	Steam	20,8	0,7
Brandspruit Mine	Wet	4,1	3,7	Assigned	Steam	18,4	1,3
Twistdraai Colliery, Thubelisha Shaft	Wet	4,3	4,3	Assigned	Steam	20,2	1,0
Impumelelo, Block 2, number 4 seam	Wet	3,7	3,7	Unassigned	Steam	17,5	1,2
Impumelelo, Block 2, number 2 seam	Wet	3,7	3,7	Unassigned	Steam	16,7	0,6
Block 2 South, number 4 seam	Wet	4,1	3,7	Unassigned	Steam	17,5	1,2
Block 2 South, number 2 seam	Wet	3,6	3,7	Unassigned	Steam	16,7	0,6
Block 5 East	Wet	3,7	3,1	Unassigned	Steam	20,3	1,0
Block 3 South	Wet	3,4	3,5	Unassigned	Steam	21,1	0,7

Criteria for proved and probable

Over and above the definitions for coal reserves, probable coal reserves and proved coal reserves, set forth in Industry Guide 7, under the US Securities Act of 1933, as amended, which are included in our glossary, we consider the following criteria to be pertinent to the classification of the reserves.

Probable reserves are those reserve areas where the drill hole spacing is sufficiently close in the context of the deposit under consideration, where conceptual mine design can be applied, and for which all the legal and environmental aspects have been considered. Probable reserves can be estimated with a lower level of confidence than proved coal reserve. Currently this classification results in variable drill spacing depending on the complexity of the area being considered and is generally less than 500 m, although in some areas it may extend to 880 m. The influence of increased drilling in these areas should not materially change the underlying geostatistics of the area on the critical parameters such as seam floor, seam thickness, ash and volatile content.

Proved reserves are those reserves for which the drill hole spacing is generally less than 350 m, for which a complete mine design has been applied which includes layouts and schedules resulting in a full financial estimation of the reserve. This classification has been applied to areas in the production stage or for which a detailed feasibility study has been completed.

Legal rights on coalfields

Prospecting permits and mining authorisations (including the underlying mineral rights) were substituted with interim statutory rights to be converted into new order rights in accordance with the transitional provisions of the Mineral and Petroleum Resources Development Act (Act 28 of 2002), which came into effect on 1 May 2004. Sasol Mining, therefore, hold these interim statutory rights (old order mining rights) to mine more than 98% of the mineral rights previously owned in the Secunda area. Sasol Mining's old order mining rights consisting of 163 687 hectares of coal rights in respect of the Secunda area and 4 938 hectares in respect of the Mooikraal operation near Sasolburg were converted into new order mining rights on 29 March 2010. The four converted mining rights in respect

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of the Secunda Complex comprises the total reserve area depicted in table 1 and plan in attachment page M-4. Refer to also "Item 4.B Business Overview Regulation of mining activities in South Africa". In respect of the Mooikraal Operation in the Free State, the relevant old order mining right was also converted and signed on 29 March 2010. In addition, Sasol Mining was granted a mining right in respect of small reserve blocks situated within or adjacent to the Mooikraal Operation.

Sasolburg operations

Exploration history

The Northern Free State area was first explored in the late 1930s. The exploration was conducted by drilling core recovery boreholes over the current Sasolburg area. Some boreholes were initially drilled by the South African government. The Sigma mine was established in 1950. Subsequent drilling by the General Mining and Finance Corporation in the 1960s identified more coal reserves in the southwest of the existing Sigma Mine as well as extensions to the south and east. Page M-3 includes a map showing the location of our Sasolburg coal operations.

The geological models are continually updated and refined with additional drill and analytical results.

Coal seam geology

There are two primary coal seams of importance, the Number 2 Coal Seam and the Number 3 Coal Seam. These coal seams are separated by a carbonaceous mudstone to siltstone parting and consist of a number of coal plies and carbonaceous mudstone interburdens. The individual coal plies are numbered from the base upwards and selected mining horizons are identified on the basis of the coal quality required. The major controlling factor on the coal development is the pre-Karoo basement.

Selective mining within coal seams implies that strict horizon control is exercised to maintain mining on the selected horizon. This has been done very successfully at the old Sigma underground operations and at the Mohlolo underground operation. The same principles which were applied when mining the old Sigma and Mohlolo underground operations are applied at the Sigma: Mooikraal Mine. In the visible coal seam a well-defined sulphide marker within the seam assists in the identification and verification of the pre-determined minable horizon underground, even in areas where the coal seam is displaced by faulting.

In general, the quality of the coal (the ash yield or the fixed carbon content) deteriorates from the base of the coal seam to the top of the coal seam.

In-seam occurrence of inorganic material is rare in the selected mineable area and may consist of locally developed carbonaceous mudstone lenses. Inorganic material occurs mainly towards the top of the coal seam, but has been excluded from the selected mineable horizon.

Sigma Mine has been active since 1950 and has completed total extraction of bord and pillar and longwall mining on both the major coal seams. The operations at the Mohlolo underground mines, developed from the highwalls of the Wonderwater strip mine, were closed during the 2006 calendar year.

The Sigma: Mooikraal mine started production during 2006. The production for 2010 is 2 Mt, where the number 3 B seam is mined.

Selected mining horizon

The determination of the selected mining horizon is driven primarily by the required coal quality for the steam process at Sasol Infrachem. In order to define the mining horizon, detailed sampling,

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with associated coal seam descriptions, are conducted. From this, both a visual and chemical correlation of the plies are made.

Reserve estimation

Sasol Mining has 21,3 Mt proved recoverable coal reserves for supply to Sasol Infrachem for steam generation from the number 3B coal seam. The reserve estimation is depicted in Table 4 below.

Table 4.

Coal reserve estimation[1] of proved and probable reserves, in areas where Sasol Mining has converted mining rights in the Sasolburg mining complex, in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Coal seam	Gross in situ coal resource[2] (Mt)[5]	Geological discount (Mt)[5]	Mine layout losses (Mt)[5]	Extraction Rate (%)	Recoverable Coal reserves[3&4] (Mt)[5]	Proved/ probable
Sigma : Mooikraal	3B	67	8	22	47	21	Proved
Sigma : Mooikraal (Remainder)[6]	3B	152	18	56	39	50	Probable
Total Sasolburg area		**219**				**71**	

(1) The coal reserve estimations in this table were compiled under supervision of Ms Karin van der Merwe and Mr Jakes Lock. The "South African Code for Reporting of Minerals Resources and Minerals Reserves (The SAMREC Code 2007 edition)" dealing with competence and responsibility, paragraph 7, state: Documentation detailing Exploration Results, Mineral Resources and Mineral reserves from which a Public Report is prepared, must be prepared by, or under the direction of, and signed by a Competent Person. Paragraph 9 states: A 'Competent Person' is a person who is registered with SACNASP, ECSA or PLATO, or is a Member or Fellow of the SAIMM, the GSS or a Recognised Overseas Professional organisation (ROPO). The Competent Person must comply with the provisions of the relevant promulgated Acts. Mr JD Conradie, on behalf of Gemecs (Pty) Limited performed a comprehensive and independent audit of the coal resource/reserve estimations in February 2007. The estimates were certified as correct by one of the Gemecs (Pty) Ltd directors, Mr CD van Niekerk (Pr.Nat.Sci), who signed the statement in his capacity as a competent person and auditor. The current estimation still is in line with the audited reserve and resource statement of February 2007. The estimation of the reserves is compliant with the definition and guidelines as stated in the SAMREC and JORC codes, as well as SEC Industry Guide 7.

(2) The gross in situ coal resource is an estimate of the coal tonnage, contained in the full coal horizon, selected for mining, above the minimum thickness cut off a relevant coal quality cut off parameters. No loss factors are applied and seam height does not include external dilution or contamination material.

(3) Recoverable coal reserve refers to the economically mineable coal, inclusive of diluting and contaminating material, and allows for losses that may occur when material is mined.

(4) At Sasolburg, no coal beneficiation is conducted with 100% of the recoverable coal supplied to the client.

(5) Mt refers to 1 million tons. One ton equals 1 000 kilograms, approximately 2 205 pounds or 1 102 short tons.

(6) The remainder portion of the Sigma: Mooikraal reserve area, the coal is overlain by a dolerite sill, which had an effect on the coal seam which is planned to be mined. The reserves in this area are therefore indicated as probable reserves. The reserves' minebility will be proved once mining is attempted in this area.

Coal qualities per associated reserve estimation (remaining reserves at 31 March 2010)

In tables 5 and 6 additional information regarding coal qualities is provided.

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Table 5.

Coal qualities on an Air Dry Basis, per reserve estimation area, in areas where Sasol Mining has converted mining rights in the Sasolburg mining complex in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Wet/ dry tons	Average inherent moisture content (%)	Average superficial moisture content (%)	Assigned/ unassigned	Steam/ metallurgical coal	Heat Value (air dry basis) MJ/kg	Sulphur (air dry basis)
Sigma : Mooikraal	Wet	4,6	2,0	Assigned	Steam	21,1	0,9
Sigma : Mooikraal (Remainder)	Wet	5,3	3,2	Assigned	Steam	20,2	0,6

Table 6.

Coal qualities on an as received basis, per reserve estimation area, in areas where Sasol Mining has converted mining rights in the Sasolburg mining complex in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Wet/ dry tons	Average inherent moisture content (%)	Average superficial moisture content (%)	Assigned/ Unassigned	Steam/ metallurgical coal	Heat value (as received basis) MJ/kg	Sulphur (air dry basis)
Sigma : Mooikraal	Wet	4,7	2,0	Assigned	Steam	20,6	0,9
Sigma : Mooikraal (Remainder)	Wet	5,3	3,2	Assigned	Steam	19,2	0,6

Oil and gas production and exploration operations

SPI, our dedicated oil and gas exploration and production company, currently has reserves in two fields:

In Gabon, the company holds a 27,75% non-operated interest in the offshore Etame Marin permit. An internally determined assessment of oil reserves was conducted during July 2010. As this licence is a Production Sharing Contract, reserves reported represent the net economic interest volumes attributable to the company, after deduction for royalties, grossed up for income taxes.

In Mozambique, the company holds a 70% operated interest in the Pande and Temane Petroleum Production Agreement gas fields. An internally determined assessment of gas reserves was conducted during July 2010. Reserves reported represent the net economic interest volumes attributable to the company, after deduction of petroleum production tax. Additionally, the Proved Developed and Undeveloped volumes booked are restricted to the take-or-pay quantities defined in the gas sales agreement for the remainder of the 25-year term. A phased approach to field development has been followed with Temane. During the first semester of 2009, the first development of the Pande field has been completed and production commenced in 2009.

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Reserve and production disclosure

Refer to unaudited supplemental oil and gas information to "Item 18 Financial statements" for further disclosures of synthetic oil, natural oil and gas operations.

	Synthetic oil	Crude oil and condensate			Natural gas	
	South Africa[1]	Mozambique	Other areas	Total	Mozambique	Other areas	Total
	Millions of barrels	Millions of barrels			Billions of cubic feet	
Proved developed and undeveloped reserves						
Balance at 30 June 2007		5,6	8,5	14,1	1 276,6	1 276,6
Revisions		(0,6)	(0,7)	(1,3)	2,8	2,8
Production		(0,5)	(1,8)	(2,3)	(65,4)	(65,4)
Balance at 30 June 2008		4,5	6,0	10,5	1 214,0	1 214,0
Revisions		1,6	0,8	2,4	495,1	495,1
Extension/discoveries			2,4	2,4		
Production		(0,5)	(2,0)	(2,5)	(65,3)	(65,3)
Balance at 30 June 2009		5,6	7,2	12,8	1 643,8	1 643,8
Revisions	685,0	(0,7)	(0,9)	(1,6)	21,6	21,6
Improved recovery			0,2	0,2		
Extension/discoveries	203,0					
Production	(47,0)	(0,2)	(1,9)	(2,1)	(68,0)	(68,0)
Balance at 30 June 2010	**841,0**	**4,7**	**4,6**	**9,3**	**1 597,4**	**1 597,4**
Proved developed reserves						
At 30 June 2008		2,1	5,4	7,5	277,3	277,3
At 30 June 2009		2,3	6,8	9,1	780,9	780,9
At 30 June 2010	**638,0**	**2,0**	**2,7**	**4,7**	**805,5**	**805,5**

(1) Synthetic oil equivalent proved coal reserves were added with effect from 1 July 2009.

The table above records estimates of the synthetic oil equivalents and natural oil and gas reserve quantities held by Sasol through its various operating entities under Sasol Mining (Pty) Limited and Sasol Petroleum International (Pty) Limited (SPI), respectively.

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ITEM 4A. UNRESOLVED STAFF COMMENTS

There are no unresolved written comments from the SEC staff regarding our periodic reports under the Exchange Act received more than 180 days before 30 June 2010.

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ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

This section should be read in conjunction with our consolidated financial statements included in "Item 18 Financial Statements" as at 30 June 2010, 2009 and 2008, and for the years ended 30 June 2010, 2009 and 2008, including the accompanying notes, that are included in this annual report on Form 20-F. The following discussion of operating results and the financial review and prospects as well as our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Certain information contained in the discussion and analysis set forth below and elsewhere in this annual report includes forward-looking statements that involve risks and uncertainties. See "Item 3.D Key information Risk factors" for a discussion of significant factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this annual report.

5.A Operating results

Company and business overview

Sasol is an integrated energy and chemical company. We add value to coal, oil and gas reserves, using these feedstocks to produce liquid fuels, fuel components and chemicals through our unique, proprietary technologies. We mine coal in South Africa and produce gas and condensate in Mozambique and oil in Gabon, and our chemical manufacturing and marketing operations span the globe. In South Africa, we refine imported crude oil and retail liquid fuel products through our network of retail convenience centres. We also supply fuels to other distributors in the region and gas to industrial customers.

We maintain extensive chemical manufacturing and marketing operations, mostly in South Africa, Europe, the United States of America (USA), the Middle East and Asia.

In South Africa, we refine imported crude oil and retail liquid fuels through a network of 418 Sasol retail convenience centres and Exel service stations. We also supply fuels to oil companies operating in South Africa and other distributors in South Africa and sub-Saharan Africa. Through Sasol Synfuels International (SSI) we are pursuing international opportunities to commercialise our CTL and GTL technology. We brought our first international GTL plant, Oryx GTL, into operation in 2007 in response to the growing international interest in our CTL and GTL offerings, as we continue to expand our international presence. We are promoting our CTL technology in China, Indonesia and India, and GTL technology in Uzbekistan.

We employ approximately 33 300 people worldwide and remain one of South Africa's largest investors in capital projects, skills development and technological research and development.

The group has nine reportable segments that comprise the structure used by the Group Executive Committee (GEC) to make key operating decisions. While the information is presented by cluster, the underlying business unit information in each of the clusters is still presented to the GEC and board. We have continued to present each of the business units as reporting segments.

Whilst Sasol Petroleum International (SPI) and SSI do not meet the quantitative criteria for disclosure as a separate segment, they are expected to become significant contributors to the group's performance in future years as the upstream supplier of resources for the group's GTL and CTL activities. Consequently, the GEC has chosen to include SPI and SSI as reportable operating segments, as we consider this presentation to be appropriate in light of their strategic importance to the group.

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We divide our operations into the following segments:

South African energy cluster:

- Sasol Mining
- Sasol Gas
- Sasol Synfuels
- Sasol Oil
- Other includes costs related to the pre-feasibility study for the expansion of our synthetic fuels capacity in South Africa known as Project Mafutha.

International energy cluster:

- Sasol Synfuels International
- Sasol Petroleum International

Chemical cluster:

- Sasol Polymers
- Sasol Solvents
- Sasol Olefins & Surfactants
- Other Chemicals includes Sasol Wax, Sasol Nitro, Merisol, Sasol Infrachem and other chemical businesses.

Other businesses:

- Other includes Sasol Technology, Sasol Financing, the group's central administration activities and alternative energy businesses.

External factors and conditions

Our business, operating results, cash flow and financial condition are subject to the influence of a number of external factors and conditions. These include conditions in the markets in which we sell our products, including the fluctuations in the international price of crude oil, effect of fluctuations in the currency markets, most notably in the exchange rate between the rand and the US dollar, cyclicality in the prices of chemical products, the effect of coal prices on export coal operations and the effects of inflation on our costs. Other factors which may influence our business and operating results include economic, social, political and regulatory conditions and developments in the countries in which we operate our facilities or market our products. See "Item 3.D Key information Risk factors".

Fluctuations in refining margins and crude oil, natural gas and petroleum products prices

Through our participation in the Natref refinery, we are exposed to fluctuations in refinery margins resulting from fluctuations in international crude oil and petroleum product prices. We are also exposed to changes in absolute levels of international petroleum product prices through our synfuels operations. Fluctuations in international crude oil prices affect our results mainly through their indirect effect on the Basic Fuel Price (BFP) formula. A key factor in the BFP is the Mediterranean and Singapore (for petrol) or the Arab Gulf (for diesel) spot price. See "Item 4.B Business overview Sasol Synfuels", "Sasol Oil" and "Sasol Petroleum International". Furthermore, prices of petrochemical products and natural gas are also affected by fluctuations in crude oil prices.

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Market prices for crude oil, natural gas and petroleum products fluctuate as they are subject to local and international supply and demand fundamentals and factors over which we have no control. Worldwide supply conditions and the price levels of crude oil may be significantly influenced by international cartels, which control the production of a significant proportion of the worldwide supply of crude oil, and by political developments, especially in the Middle East.

The volatility of the crude oil price is illustrated in the following table, which shows the annual high, low and average of the European Brent crude oil price (free on board) in US dollars for the past ten years and to 21 September in the 2010 calendar year:

	US dollars per barrel (US$/b)		
Financial year	**Average[1]**	**High**	**Low**
2000	24,03	31,93	17,25
2001	28,38	37,43	22,23
2002	23,24	29,22	16,51
2003	27,83	34,94	22,82
2004	31,30	39,22	25,51
2005	46,17	58,50	35,36
2006	62,45	74,45	52,84
2007	63,95	78,26	49,95
2008	95,51	139,38	67,73
2009	68,14	143,95	39,41
2010 (through 30 June)	74,37	88,09	58,25
July 2010	75,58	78,60	71,73
August 2010	77,04	83,76	70,61
September 2010	74,97	77,19	73,52

Source: Energy Information Administration (US Department of Energy)

(1) The average price was calculated as an arithmetic average of the quoted daily spot price.

On 21 September 2010, the price of European Brent crude oil was US$73,52/b.

Significant changes in the price of crude oil, natural gas and petroleum products over a sustained period of time may lead us to alter our production, which could have a material impact on our turnover. Decreases in the price of crude oil and petroleum products can have a material adverse effect on our business, operating results, cash flows and financial condition.

Other factors which may influence the aggregate demand and hence affect the markets and prices for products we sell may include changes in economic conditions, the price and availability of substitute fuels, changes in product inventory, product specifications and other factors. In recent years, prices for petroleum products have fluctuated widely.

We make use of derivative instruments, including commodity options and futures contracts of short duration as a means of mitigating price and timing risks on crude oil and other energy-related product purchases and sales. While the use of these derivative instruments provides some protection against short-term volatility in crude oil prices, it does not protect against longer-term trends in crude oil prices.

As a result of the group's substantial capital investment programme and cash flow requirements, we deemed it necessary to shield the group's income from fluctuations in crude oil prices by means of appropriate hedging strategies.

In 2008, we hedged the crude oil equivalent of approximately 30% of our Sasol Synfuels' production (45 000 bpd) by means of a zero cost collar in terms of which the group was protected at crude oil prices below US$62,40/b and benefited from crude oil prices up to US$76,75/b. A similar

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crude oil hedge was entered for the planned production from Sasol Petroleum International's West African output for a range between US$64,10/b and US$75/b. However, we incurred a cash outflow as crude oil prices exceeded the cap of US$76,75/b during the hedging period. As a result of the significant increase in crude oil prices during the 2008 financial year (average dated Brent was US$95,51/b in 2008 compared to US$63,95/b in 2007), the settlement of the oil hedge in May 2008 and June 2008 resulted in a net cash outflow of R2,3 billion for the year ended 30 June 2008.

In 2009, we hedged the equivalent of approximately 30% of Sasol Synfuels' production (45 000 bpd). A zero cost collar hedge was entered into in August 2008 in terms of which the group was protected at crude oil prices below US$90/b, and benefited from crude oil prices up to US$228/b. A similar crude oil hedge was entered into for approximately 30% (550 000 barrels) planned production from Sasol Petroleum International's West African output for a range between US$90/b and US$240/b. As a result of the significant decrease in crude oil prices during 2009 (average dated Brent was US$68,14/b in 2009 compared to US$95,51/b in 2008), the settlement of the oil hedges in May 2009 resulted in a net cash inflow of R5,1 billion for the year ended 30 June 2009. Refer to "Item 11. Quantitative and qualitative disclosure about market risk".

While we believe this hedging strategy has been appropriate in the past, there are other risk mitigation initiatives, such as cost containment, cash conservation and capital prioritisation, which need to be considered in conjunction with this strategy and which have already resulted in a strengthening of our balance sheet. As a result, for the 2010 financial year, we have not entered into a similar hedge as in the past as we did not consider there to have been value in the zero cost collars available in the market during the financial year. However, the situation is monitored regularly to assess when a suitable time might be to enter into an appropriate hedge.

In 2011, for budgeting and forecasting purposes, we estimate that for every US$1/b increase in the annual average crude oil price, our group operating profit will increase by approximately R615 million. This estimate is applicable for a US$80/b crude oil price and an average rand/US dollar exchange rate of R7,75. It should be noted that in the volatile environment that we are currently experiencing, these sensitivities could be materially different than those disclosed depending on the crude oil price, exchange rates, product prices and volumes.

Exchange rate fluctuations

The rand is the principal functional currency of our operations. However, a large part of our group's turnover is denominated in US dollars and some part in euro, derived either from exports from South Africa or from our manufacturing and distribution operations outside South Africa. Approximately 90% of our turnover is linked to the US dollar as petroleum prices in general and the price of most petroleum and chemical products are based on global commodity and benchmark prices which are quoted in US dollars. A significant part of our capital expenditure is also US dollar denominated, as it is directed to investments outside South Africa or constitutes materials, engineering and construction costs imported into South Africa.

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After the significant weakening of the rand against the US dollar in 2002, the rand appreciated against the US dollar between 2003 and 2005. This appreciation had a negative impact on our operating results over this period. In 2006, the rand began to weaken against the US dollar. During 2008, the rand weakened slightly against the US dollar, with the average exchange rate for 2008 being R7,30 per US dollar compared to R7,20 per US dollar in 2007. In 2009, the rand weakened further against the US dollar, with the average rate for 2009 being R9,04 per US dollar compared to R7,30 per US dollar in 2008. In 2010, the rand strengthened by 16% against the US dollar, despite the global economic crisis and the fragility of the beginnings of the global economic recovery, with the average rate for the year being R7,59 per US dollar. This strengthening in the rand had a negative impact on our operating results in 2010. The relationship between the euro and US dollar impacts the profitability of our European operations, where our costs are euro based and a significant portion of our turnover is US dollar based. Between 2006 and 2009, the euro strengthened against the US dollar which negatively impacted the profitability of our European operations, whereas in 2010, the euro weakened against the US dollar which had a positive impact.

Subsequent to year end, the rand/US dollar exchange rate has continued to strengthen. On 23 September 2010, the rand/US dollar exchange rate was R7,07.

The average exchange rate for the year has a significant effect on our turnover and our operating profit. In 2011, for budgeting and forecasting purposes, we estimate that for every R0,10 weakening or strengthening in the annual average rand/US dollar exchange rate, our operating profit will increase or decrease by approximately R632 million, as applicable. This estimate is applicable is applicable for a US$80/b crude oil price and an average rand/US dollar exchange rate of R7,75. It should be noted that in the volatile environment that we are currently experiencing, these sensitivities could be materially different than those disclosed depending on the crude oil price, exchange rates, product prices and volumes.

Although the exchange rate of the rand is primarily market determined, its value at any time may not be an accurate reflection of the underlying value of the rand, due to the potential effect of, among other factors, exchange controls. These regulations also affect our ability to borrow funds from non-South African sources for use in South Africa or to repay these funds from South Africa and, in some cases, our ability to guarantee the obligations of our subsidiaries with regard to these funds. These restrictions have affected the manner in which we have financed our acquisitions outside South Africa and the geographic distribution of our debt. See "Item 10 Additional information".

We manage our foreign exchange risks through the selective use of forward exchange contracts and cross currency swaps. We use forward exchange contracts to reduce foreign currency exposures arising from imports into South Africa. The GEC sets limits to specifically assess large forward cover amounts for long periods into the future which has the potential to materially affect Sasol's financial position. These limits are reviewed from time to time. We apply the following principal policies in order to

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protect ourselves against the effects (on our South African operations) on the volatility of the rand against other major currencies as well as an anticipated long-term trend of a devaluing rand:

- All major capital expenditure in foreign currency is hedged on commitment of expenditure or on approval of the project (with South African Reserve Bank approval), by way of forward exchange contracts; and

- All imports in foreign currency in excess of an equivalent of US$50 000 per transaction are hedged on commitment by way of forward exchange contracts.

See "Item 11 Quantitative and qualitative disclosure about market risk".

Cyclicality in petrochemical products prices

The demand for our chemical products is cyclical. Typically, higher demand during peaks in industry cycles leads producers to increase production capacity, at which point prices decrease. Most commodity chemical prices tend, over the longer term, to track the crude oil price.

On average, we experienced an increase in the polymer prices and a decrease in ammonia product prices in 2010, compared to 2009, with a marginal decrease in solvent product prices. The global economic conditions negatively affected the overall worldwide chemical prices in 2009, however in 2010, we have seen an increase in demand due to the recovery in the global economy. The increase in crude oil prices in 2010 also precipitated the increase in prices and margins for chemical products during the latter half of the year.

Although peaks in these cycles have in the past been characterised by increased market prices and higher operating margins, such peaks have prompted further worldwide capital investment which has led to supply exceeding demand and a resultant reduction in selling prices and operating margins. In times of high crude oil and related product prices (the primary feedstock of most commodity chemicals), the profit margin shifts towards the feedstock producer while in times of high chemical prices and lower feedstock prices, the profit margin shifts towards the downstream activities. Our strategy for our commodity chemicals business, therefore, is wherever possible to invest in the value chain of raw materials to final products. As a result of this approach, the group has elected not to hedge its exposure to commodity chemical prices as this may, in part, negate the benefits of being backward integrated into its primary feed streams.

Coal prices

Internal coal sales are made to Sasol Synfuels and Sasol Infrachem. Coal sales prices into these markets are based on contracts and are subject to periodic price adjustments. Transfer price negotiations are at arm's length and market related.

Approximately 7,55% of coal production is sold to external markets (3,0 million tons (Mt) was sold to the export market (2009 3,2 Mt) predominantly in Europe and Asia and 0,1 Mt was sold to the South African market (2009 0,2 Mt)). External sales to these markets represented approximately 21,68% of the total turnover generated by Sasol Mining during 2010 (2009 34,8%).

Export coal sales prices are compared to the published international coal price indices to track performance. Sasol Mining's policy is to sell at prices partially on an American Petroleum Standard Index (API) related basis, and partially on fixed prices. Sales at fixed prices are normally not extended beyond sixteen months forward.

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The average free on board Richards Bay price index for the past seven financial years:

Inflation

Whilst over recent years, inflation and interest rates have been at relatively low levels, the economy of South Africa, though currently well managed, at various times in the past has had high inflation and interest rates compared to the USA and Europe. Should these conditions recur, this would increase our South African-based costs.

High interest rates could adversely affect our ability to ensure cost-effective debt financing in South Africa. Sasol expects the impact of changes in the inflation rates on our international operations to be less significant.

The history of the South African consumer price index (CPI) and producer price index (PPI) is illustrated in the following table, which shows the average increase in the index for the past 10 calendar years and the annual percentage change on a monthly basis in calendar year 2010:

Calendar year	CPI	PPI
2000	5,4%	9,2%
2001	5,7%	8,4%
2002	9,2%	14,2%
2003	5,8%	1,7%
2004	1,4%	0,6%
2005	3,4%	3,1%
2006	4,6%	7,7%
2007	7,2%	10,9%
2008	11,5%	14,2%
2009	7,1%	(0,1)%
January 2010	6,2%	2,7%
February 2010	5,7%	3,5%
March 2010	5,1%	3,7%
April 2010	4,8%	5,5%
May 2010	4,6%	6,8%
June 2010	4,2%	9,4%
July 2010	3,7%	7,7%

Source: Statistics South Africa

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Our operations are subject to various laws and regulations in the countries in which we operate

The group operates in numerous countries throughout the world and is subject to various laws and regulations which may become more stringent. Our mining, gas and petroleum-related activities in South Africa are subject to, amongst others, the following laws or regulations:

The Broad-based Black Economic Empowerment Act;

The Gas Act;

The Gas Regulator Levies Act;

The Minerals Act;

The Mineral and Petroleum Resources Development Act (MPRDA);

The Mineral and Petroleum Royalty Act;

The National Energy Regulator Act;

The Petroleum Products Act and the Petroleum Products Amendment Act;

The Petroleum Pipelines Act;

The Petroleum Pipelines Levies Act; and

The Restitution of Land Rights Act.

We are also subject to various local, national and regional safety, health and environmental laws and regulations. Our global operations are also impacted by international environmental conventions. See "Item 4. Business overview" and "Item 3.D Key information Risk factors" for the details of the various laws and regulations which may impact on our operating results, cash flows and financial condition.

In South Africa, our operations are required to comply with certain procurement, employment equity, ownership and other regulations which have been designed to address the country's specific transformation issues. These include the Mining Charter, the Liquid Fuels Charter, and the Broad-based Black Economic Empowerment Act along with the various Codes of Good Corporate Practice for broad-based black economic empowerment (BEE), the MPRDA and the Restitution of Land Rights Act. See "Item 4.B Business overview".

Broad-based Black Economic Empowerment transactions

Sasol Mining BEE transaction

We announced on 16 March 2006, the first phase implementation of Sasol Mining's black empowerment strategy for compliance with the Mining Charter and the MPRDA through the formation of Igoda Coal (Pty) Limited (Igoda Coal), a 65:35 BEE venture with Exxaro Coal Mpumalanga (formerly Eyesizwe Coal (Pty) Limited). During August 2009, we received a notice of intention to withdraw from the Igoda transaction from our partner, Exxaro Coal Mpumalanga. Sasol Mining is actively pursuing alternatives to ensure its BEE strategy remains intact.

On 11 October 2007, Sasol Mining announced the second phase of its BEE strategy by the formation of a black-woman controlled mining company called Ixia Coal (Pty) Limited (Ixia). Ixia is a venture with Women Investment Portfolio Holdings Limited and Mining Women Investments (Pty) Limited. The transaction is valued at R1,9 billion. This transaction brings Sasol Mining's BEE ownership component to an estimated 20% (calculated on attributable units of production). The transaction will be financed through equity (R47 million) and a combination of third party funding and appropriate Sasol facilitation. Ixia has procured its share of the financing for the transaction. The implementation of the transaction was conditional upon, inter alia, the conversion of the existing

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prospecting permits and mining authorisations (old order mining rights) to new order rights. The conversion of rights has been approved by the Department of Mineral Resources (DMR). The converted mining rights were signed and notarially executed on 29 March 2010. The converted mining rights for the Secunda Complex have been granted for a period of ten years. Sasol Mining has the exclusive right to apply and be granted renewal of the converted mining right for periods not exceeding 30 years at a time. The Mooikraal complex converted mining right has been granted for the maximum allowable period of 30 years. The Competition Tribunal of South Africa approved the transaction on 1 September 2010. We anticipate that this transaction will be completed by the end of September 2010. The transaction was not yet effective at 30 June 2010.

Sasol Mining remains in compliance with the Mining Charter and will be compliant with the full requirements of Mining Charter by 2014.

Sasol and Tshwarisano BEE transaction

In compliance with the Liquid Fuels Charter, we entered into a R1,45 billion transaction with our BEE partner Tshwarisano LFB Investment (Pty) Limited (Tshwarisano). Tshwarisano acquired a 25% shareholding in Sasol Oil (Pty) Limited from Sasol Limited with effect from 1 July 2006. The financing of the transaction has been provided in part through the issue of preference shares by Tshwarisano to Standard Bank South Africa Limited (Standard Bank), and in part by application of the subscription proceeds from the issue of the ordinary shares to Tshwarisano ordinary shareholders. The Tshwarisano ordinary shareholders in turn raised the funding to subscribe for the ordinary shares through the issue of preference shares to Standard Bank. Over time, Tshwarisano and its ordinary shareholders will redeem their respective preference shares with the proceeds of dividends distributed by Sasol Oil. As part of this arrangement, Sasol Oil has amended its dividend policy such that it is required to pay out up to a maximum of one times earnings for that financial year by way of dividends. The actual dividend paid shall be the maximum possible amount, taking into account certain specified ratios relating to net debt to shareholders' equity and earnings before interest, tax, depreciation and amortisation to net interest. The dividend paid may not be less than one third of earnings.

In certain limited default circumstances, which include Tshwarisano being in default on the repayment of the preference shares, Standard Bank may require that a trust (consolidated by Sasol Limited) established in the context of the transaction to acquire the preference shares held by Standard Bank or, alternatively, to subscribe for new preference shares issued by Tshwarisano to enable Tshwarisano to redeem the preference shares held by Standard Bank. In addition and in the same limited default circumstances, the trust may acquire the ordinary shares held by its ordinary shareholders. As a result, the trust may own all or a portion of the outstanding securities issued by Tshwarisano. This would enable the trust to place these securities in another transaction in compliance with the Liquids Fuel Charter. Neither Tshwarisano nor its ordinary shareholders would owe any amounts to this trust or any other person. We have guaranteed the trust's obligation to make payment in these circumstances. This guarantee was valued at R39 million at the time of the transaction.

Sasol Inzalo share transaction

During May 2008, the shareholders approved the Sasol Inzalo share transaction, a broad-based BEE transaction, which resulted in the transfer of beneficial ownership of 10% (63,1 million shares) of Sasol Limited's issued share capital before the implementation of this transaction to its employees and a wide spread of black South Africans (BEE participants). The transaction was introduced to assist Sasol, as a major participant in the South African economy, in meeting its empowerment objectives. This transaction will provide long-term sustainable benefits to all participants and has a tenure of ten

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years from the inception of the scheme. The following BEE participants acquired indirect or direct ownership in Sasol's issued share capital at the time as follows:

Sasol employees and black managers through the Sasol Inzalo Employee Trust and Sasol Inzalo Management Trust (Employee Trusts) 4,0%;

The Sasol Inzalo Foundation 1,5%;

Selected participants 1,5%; and

The black public through:

The funded invitation 2,6%; and

The cash invitation 0,4%.

The Employee Trusts and the Sasol Inzalo Foundation were funded entirely through Sasol facilitation whilst the selected participants and the black public participating, through the funded invitation, were funded by way of equity contributions and preference share funding (including preference shares subscribed for by Sasol). The black public participating through the cash invitation were financed entirely by the participants from their own resources.

The effective date of the transaction for the Employee Trusts and the Sasol Inzalo Foundation was 3 June 2008. The effective date of the transaction for the selected participants was 27 June 2008. The effective date for the black public invitations was 8 September 2008.

The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust

On 3 June 2008, staff members that were South African residents or who were migrant workers that did not participate in the Sasol Share Incentive Scheme and the Sasol Share Appreciation Rights Scheme, participated in The Sasol Inzalo Employee Trust (Employee Scheme), while all senior black staff that are South African residents participated in The Sasol Inzalo Management Trust (Management Scheme). The share rights, which entitled the employees from the inception of the scheme to receive ordinary shares at the end of the ten years, vest according to the unconditional entitlement as follows:

after three years: 30%

thereafter: 10% per year until maturity

Participants in the Employee Scheme were granted share rights to receive 850 Sasol ordinary shares. The allocation of the shares in the Management Scheme was based on seniority and range from 5 000 to 25 000. 12% of the allocated shares were set aside for new employees appointed during the first five years of the transaction. On resignation, within the first three years from the inception of the transaction, share rights granted will be forfeited. For each year thereafter, 10% of such share rights will be forfeited for each year or part thereof remaining until the end of the transaction period. On retirement, death or retrenchment the rights will remain with the participant.

The Sasol ordinary shares were issued to the Employee Trusts, funded by contributions from Sasol, which collectively subscribed for 25,2 million Sasol ordinary shares at a nominal value of R0,01 per share subject to the following pre-conditions:

right to receive only 50% of ordinary dividends paid on Sasol ordinary shares; and

Sasol's right to repurchase a number of shares at a nominal value of R0,01 per share at the end of year ten in accordance with a pre-determined formula.

The participant has the right to all ordinary dividends received by the Employee Trusts for the duration of the transaction.

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After Sasol has exercised its repurchase right and subject to any forfeiture of share rights, each participant will receive a number of Sasol ordinary shares in relation to their respective share rights. Any shares remaining in the Employee Trusts after the distribution to participants may be distributed to the Sasol Inzalo Foundation.

The Sasol Inzalo Foundation

On 3 June 2008, The Sasol Inzalo Foundation (the Foundation), which is incorporated as a trust and being registered as a public benefit organisation, subscribed for 9,5 million Sasol ordinary shares at nominal value of R0,01 per share. The primary focus of the Foundation is skills development and capacity building of black South Africans, predominantly in the fields of mathematics, science and technology.

The pre-conditions of subscription for Sasol ordinary shares by the Foundation includes the right to receive dividends of 5% of the ordinary dividends declared in respect of Sasol ordinary shares held by the Foundation and Sasol's right to repurchase a number of Sasol ordinary shares from the Foundation at a nominal value of R0,01 per share at the end of ten years in accordance with a predetermined formula. After Sasol has exercised its repurchase right, the Foundation will going forward receive 100% of dividends declared on the Sasol ordinary shares owned by the Foundation.

Selected participants

On 27 June 2008, selected BEE groups (selected participants) which include Sasol customers, Sasol suppliers, Sasol franchisees, women's groups, trade unions and other professional associations, through a funding company, subscribed for 9,5 million Sasol preferred ordinary shares. The shares, which were not allocated to selected participants, have been subscribed for by a facilitation trust, which is funded by Sasol. As at 30 June 2010, 1,1 million (2009 1,1 million) Sasol preferred ordinary shares were issued to the facilitation trust. The selected participants contributed equity between 5% to 10% of the value of their underlying Sasol preferred ordinary shares allocation, with the balance of the contribution being funded through preference share debt, including preference shares subscribed for by Sasol, issued by the funding company.

The selected participants are entitled to receive a dividend of up to 5% of the dividend declared on the Sasol preferred ordinary shares in proportion to their effective interest in Sasol's issued share capital, from the commencement of the fourth year of the transaction term of ten years, subject to the financing requirements of the preference share debt.

At the end of the transaction term, the Sasol preferred ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE Limited. The Sasol ordinary shares remaining in the funding company after redeeming the preference share debt and paying costs may then be distributed to the selected participants in proportion to their shareholding. The funding company, from inception, has full voting and economic rights with regard to its shareholding of Sasol's total issued share capital.

Black public invitations

Funded invitation

The members of the black public participating in the funded invitation, through a funding company, subscribed for 16,1 million Sasol preferred ordinary shares. The black public contributed equity between 5% to 10% of their underlying Sasol preferred ordinary shares allocation, with the balance of the contribution being funded through preference share debt, including preference shares subscribed for by Sasol, issued by the funding company. As at 30 June 2010, 56 452 (2009 57 254) Sasol preferred ordinary shares, which were not subscribed for by the black public, were issued to the facilitation trust, which is funded by Sasol.

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Participants in the funded invitation may not dispose of their shares for the first three years after inception. Thereafter, for the remainder of the transaction term of ten years, trading in the shares will be allowed with other black people or black groups through an over-the-counter trading mechanism. Participants in the funded invitation may not encumber the shares held by them before the end of the transaction term.

The black public are entitled to receive a dividend of up to 5% of the dividend on the Sasol preferred ordinary shares in proportion to their effective interest in Sasol's issued share capital, from the commencement of the fourth year of the transaction term of ten years, subject to the financing requirements of the preference share debt.

At the end of the transaction term, the Sasol preferred ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE Limited. The Sasol ordinary shares remaining in the funding company after redeeming the preference share debt and paying costs may then be distributed to the black public in proportion to their shareholding. The funding company will have, from inception, full voting and economic rights with regard to its interest in Sasol's issued share capital.

Cash invitation

The cash invitation allowed members of the black public to invest directly in 2,8 million Sasol BEE ordinary shares. The Sasol BEE ordinary shares cannot be traded for the first two years of the transaction term of ten years and, for the remainder of the transaction term, can only be traded between black people and black groups. Participants in the cash invitation are entitled to encumber their Sasol BEE ordinary shares, provided that these shares continue to be owned by members of the black public for the duration of the transaction term. At the end of the transaction term, the Sasol BEE ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE Limited. At 30 June 2010, 17 405 (2009 16 097) BEE ordinary shares, which were not subscribed for by the black public, were issued to the facilitation trust, which is funded by Sasol.

Preference shares

The preference share funding comprises A, B and guaranteed C preference shares which are funded by external financiers and D preference shares funded by Sasol. The funding companies are required to maintain, inter alia, minimum share cover ratios in respect of the A and B preference shares, being the ratio between the value of the Sasol preferred ordinary shares and the amount required to redeem the preference shares. The maintenance of the ratio is dependent upon the Sasol ordinary share price and the dividends paid by Sasol on the Sasol preferred ordinary shares. Sasol has call options to purchase some or all of the outstanding A, B and C preference shares. Currently, the minimum share cover ratio will be breached when the Sasol ordinary share price falls below approximately R206 per share for the A preference shares and R178 per share for the B preference shares and R201 per share for the A preference shares and R174 per share for the B preference shares, in respect of the selected participants and black public, respectively. The Sasol ordinary share price at 30 June 2010 was R274,60 per share. The share cover ratios decrease over time with the maturation of the preference shares. In addition, a further condition to the guaranteed C preference shares is that the Sasol group must maintain a maximum net debt to earnings before interest, taxation, depreciation and amortisation (EBITDA) cover ratio of 2,5 times. Our current net debt to EBITDA ratio is 0,0 times at 30 June 2010.

The preference shares are accounted for in the statement of financial position as debt and should the preference share covenants described above be breached, Sasol will be required to raise the necessary funding in order to either exercise the call option or, alternatively, honour the call under the guarantee.

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Accounting for transaction

At 30 June 2010, the transaction has been accounted for as follows:

All special purpose entities created to facilitate the transaction have been consolidated into the Sasol group results from the applicable effective dates of the transaction.

An amount of R824 million (2009 R3 202 million) has been recognised in the income statement and in the share-based payment reserve in the statement of changes in equity in respect of the share-based payment expense related to the Employee and Management Trusts. This represents the current year's expense taking into account the vesting conditions of the rights granted over the tenure of the transaction. The unrecognised share-based payment expense in respect of the share rights granted, expected to be recognised over the vesting period of the transaction amounted to R2 285 million at 30 June 2010 (2009 R2 889 million; 2008 R4 872 million).

No additional share-based payment expense has been recognised in 2010 (2009 R2 435 million) in respect of the remainder of the shares to be issued to the black public as they are still being held by the facilitation trust. An estimated amount of R8 million will be recognised as share-based payment expense when the remainder of the shares are issued to the black public.

No additional share-based payment expense has been recognised in 2010 (2009 Nil; 2008 R1 357 million) in respect of the remainder of the shares to be issued to the selected participants as they are still being held by the facilitation trust. An estimated amount of R108 million will be recognised as share-based payment expense when the remainder of the shares are issued to selected participants.

The total value of the preference shares related to the Sasol Inzalo share transaction, recognised in the statement of financial position at 30 June 2010 amounts to R6 960 million (2009 R6 730 million), including finance charges. Deferred loan costs of R31 million have also been recognised in the statement of financial position.

Based on the weighted average number of shares issued at 30 June 2010, the share-based payment expense for 2010 decreased the earnings per share by R1,37.

The total share-based payment expense relating to the Employee Trusts expected to be recognised in the 2011 financial year is estimated to be R832 million.

Competition from products originating from countries with low production costs

Certain of our chemical production facilities are located in developed countries, including the USA and various European countries. Economic and political conditions in these countries result in relatively high labour costs and, in some regions, inflexible labour markets, compared to others. Increasing competition from regions with lower labour costs and feedstock prices, for example the Middle East and China, exercises pressure on the competitiveness of our chemical products and, therefore, on our profit margins and may result in the withdrawal of particular products or closure of facilities.

Engineering contract costs

During the global pre-economic recession period, the worldwide increase in the demand for large engineering and construction projects resulted in a shortage of engineering resources and put strain on these industries. These have impacted some of our projects and have adversely affected project construction timing schedules and costs.

Even though the global economic recession has led to a marginally downward trend in the demand for large engineering and construction projects, we cannot assure you that our engineering and

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construction resources will not be constrained in the long-term following an economic recovery. In order to mitigate the shortage of the availability of engineering resources, we have entered into long-term relationship agreements with large reputable engineering contractors, both locally in South Africa and internationally. These agreements should provide Sasol with preferential access to the resource pools of these engineering contractors on a global basis in order to sustain our projects and growth plans.

Significant accounting policies and estimates

The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the reported results of its operations. Some of our accounting policies require the application of significant judgements and estimates by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgements are subject to an inherent degree of uncertainty and are based on our historical experience, terms of existing contracts, management's view on trends in the industries in which we operate and information from outside sources and experts. Actual results may differ from those estimates.

Our significant accounting policies are described in more detail in the notes to the consolidated financial statements. Refer "Item 18 Financial statements". This discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included in "Item 18 Financial statements".

Management believes that the more significant judgements and estimates relating to the accounting policies used in the preparation of Sasol's consolidated financial statements could potentially impact the reporting of our financial results and future financial performance.

We evaluate our estimates, including those relating to environmental rehabilitation and decommissioning obligations, long-lived assets, trade receivables, inventories, investments, intangible assets, income taxes, share-based payment expenses, pension and other post-retirement benefits and contingencies and litigation on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making our judgements about carrying values of assets and liabilities that are not readily available from other sources.

Share options and other share-based payments

The Sasol Share Incentive Scheme

In 1988, the shareholders approved the adoption of the Sasol Share Incentive Scheme. The scheme was introduced to provide an incentive for senior employees (including executive directors) of the group who participate in management and also non-executive directors from time to time. Awards are no longer granted to non-executive directors.

The objective of the Sasol Share Incentive Scheme is the retention of key employees. Allocations are linked to the performance of both the group and the individual. Options are granted for a period of nine years and vest as follows:

2 years 1st third

4 years 2nd third

6 years final third

The offer price of these options equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the option. In terms of the scheme, options to a maximum of 60 million ordinary shares may be offered to eligible group employees.

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Each employee is limited to holding a maximum of 1 million options to acquire Sasol Limited shares.

On resignation, share options which have not yet vested will lapse and share options which have vested may be taken up at the employee's election before their last day of service. Payment on shares forfeited will therefore not be required. On death, all options vest immediately and the deceased estate has a period of twelve months to exercise these options. On retrenchment, all options vest immediately and the employee has a period of twelve months to exercise these options. On retirement the options vest immediately and the nine year expiry period remains unchanged.

It is group policy that employees should not deal in Sasol Limited securities for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results as well as at any other time during which they have access to price sensitive information.

We recognised share-based payment expense for the years indicated:

	2010	**2009**	**2008**
Share-based payment expense (Rand in millions)	**56**	91	140

The unrecognised share-based payment expense related to non-vested share options, expected to be recognised over a weighted average period of 0,9 years, amounted to R49 million at 30 June 2010 (2009 R106 million).

Following the introduction of the Sasol Share Appreciation Rights Scheme in 2007, no further options have been granted in terms of the Sasol Share Incentive Scheme. The share-based payment expense recognised in the current year relates to options granted in previous years and is calculated based on the assumptions applicable to the year in which the options were granted.

The Sasol Inzalo share transaction

During May 2008, our shareholders approved our broad-based BEE transaction valued then at approximately R24 billion (at R380 per share), which resulted in the transfer of beneficial ownership of 10% (63,1 million shares) of Sasol Limited's issued share capital, before the implementation of this transaction, to our employees and a wide spread of black South Africans (BEE participants).

The effective date of the transaction as it pertains to the Employee Trusts and The Sasol Inzalo Foundation was 3 June 2008. The effective date of the transaction in respect of the selected participants was 27 June 2008. The effective date for the black public invitations was 8 September 2008, the date the shares were issued to the participants. The grant date for recognising the share-based payment expense relating to the black public invitations was 9 July 2008, the date all participants agreed to the terms of the transaction.

Components of the transaction	**2010**	**Value of shares issued 2010**	**Share-based payment expense recognised 2010**
	% allocated	**(Rand in millions)**	
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[1]	4,0	9 235	824
The Sasol Inzalo Foundation[2]	1,5	3 463	
Selected participants	1,5	3 463	
Black public invitations	3,0	6 927	
	10,0	**23 088**	**824**

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Components of the transaction	2009	Value of shares issued 2009	Share-based payment expense recognised 2009
	% allocated	(Rand in millions)	
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[1]	4,0	9 235	767
The Sasol Inzalo Foundation[2]	1,5	3 463	
Selected participants	1,5	3 463	
Black public invitations	3,0	6 927	2 435
	10,0	23 088	3 202

Components of the transaction	2008	Value of shares issued 2008	Share-based payment expense recognised 2008
	% allocated	(Rand in millions)	
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[1]	4,0	9 235	77
The Sasol Inzalo Foundation[2]	1,5	3 463	
Selected participants	1,5	3 463	1 357
Black public invitations	3,0		
	10,0	16 161	1 434

(1) The unrecognised share-based payment expense related to non-vested Employee and Management Trusts share rights, expected to be recognised over a weighted average period of 2,3 years amounted to R2 285 million at 30 June 2010 (2009 R2 889 million and 2008 R4 872 million).

(2) No share-based payment expense is recognised for The Sasol Inzalo Foundation.

The components of the transaction are detailed below:

at 30 June 2010	Total	(i) Employee and Management Trusts	(ii) Sasol Inzalo Foundation	(iii) Selected participants	(iv) Black public invitations
Shares and share rights granted	61 211 846	24 512 080	9 461 882	8 387 977	18 849 907
Shares and share rights available for allocation	1 867 368	719 606		1 073 905	73 857
	63 079 214	**25 231 686**	**9 461 882**	**9 461 882**	**18 923 764**
Vesting periods of shares and share rights granted					
Already vested	36 699 766		9 461 882	8 387 977	18 849 907
Within three years	7 353 624	7 353 624			
Three to five years	4 902 416	4 902 416			

Five to ten years	12 256 040	12 256 040			
	61 211 846	**24 512 080**	**9 461 882**	**8 387 977**	**18 849 907**

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at 30 June 2009	Total	(i) Employee and Management Trusts	(ii) Sasol Inzalo Foundation	(iii) Selected participants	(iv) Black public invitations
Shares and share rights granted	58 333 322	21 633 050	9 461 882	8 387 977	18 850 413
Shares and share rights available for allocation	4 745 892	3 598 636		1 073 905	73 351
	63 079 214	**25 231 686**	**9 461 882**	**9 461 882**	**18 923 764**
Vesting periods of shares and share rights granted					
Already vested	36 700 272		9 461 882	8 387 977	18 850 413
Within three years	6 489 915	6 489 915			
Three to five years	4 326 610	4 326 610			
Five to ten years	10 816 525	10 816 525			
	58 333 322	**21 633 050**	**9 461 882**	**8 387 977**	**18 850 413**

at 30 June 2008	Total	(i) Employee and Management Trusts	(ii) Sasol Inzalo Foundation	(iii) Selected participants	(iv) Black public invitations
Shares and share rights granted	40 151 859	22 302 000	9 461 882	8 387 977	
Shares and share rights available for allocation	4 003 591	2 929 686		1 073 905	
Shares and share rights unissued at year end	18 923 764				18 923 764
	63 079 214	**25 231 686**	**9 461 882**	**9 461 882**	**18 923 764**
Vesting periods of shares and share rights granted					
Already vested	17 849 859		9 461 882	8 387 977	
Within three years	6 690 600	6 690 600			
Three to five years	4 460 400	4 460 400			
Five to ten years	11 151 000	11 151 000			
	40 151 859	**22 302 000**	**9 461 882**	**8 387 977**	

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The share-based payment expense was calculated using an option pricing model reflective of the underlying characteristics of each part of the transaction. It is calculated using the following assumptions at grant date.

		Employee Trusts 2010	Selected participants 2010	Black Public Invitation Funded 2010	Black Public Invitation Cash 2010
Valuation model		Monte Carlo model	Black-Scholes model	Black-Scholes model	*
Exercise price	Rand	366,00	*	*	
Risk free interest rate	(%)	11,8	*	*	
Expected volatility	(%)	33,5	*	*	
Expected dividend yield	(%)	2,67 4,5	*	*	
Vesting period		7 to 8 years**	*	*	

*

There were no further grants made during the year.

**

Rights granted during the current year vest over the remaining period until tenure of the transaction until 2018.

		Employee Trusts 2009	Selected participants 2009	Black Public Invitation Funded 2009	Black Public Invitation Cash 2009
Valuation model		Monte Carlo model	Black-Scholes model	Black-Scholes model	***
Exercise price	Rand	366,00	*	366,00	
Risk free interest rate	(%)	11,8	*	10,3	
Expected volatility	(%)	56,0	*	34,0	
Expected dividend yield	(%)	2,67 4,5	*	3,0	
Vesting period		10 years	*	10 years	

***

The share-based payment expense was calculated as the difference between the market value of R437,99 per share and the issue price of R366 per share on grant date.

		Employee Trusts 2008	Selected participants 2008
Valuation model		Monte Carlo model	Black-Scholes model
Exercise price	Rand	366,00	366,00
Risk free interest rate	(%)	11,8	10,7
Expected volatility	(%)	34,0	34,0
Expected dividend yield	(%)	2,67 4,5	3,0
Vesting period		10 years	10 years

The risk-free rate for periods within the contractual term of the share rights is based on the South African government bonds in effect at the time of the grant. The expected volatility in the value of the share rights granted is determined using the historical volatility of the Sasol share price and the expected dividend yield of the share rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of share-based payment expenses requires a significant degree of judgement to be applied by management.

The Sasol Share Appreciation Rights Scheme

During March 2007, the group introduced the Sasol Share Appreciation Rights Scheme. This scheme replaces the Sasol Share Incentive Scheme. The objectives of the scheme remain similar to that of the Sasol Share Incentive Scheme. The Sasol Share Appreciation Rights Scheme allows certain

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senior employees to earn a long-term incentive amount calculated with reference to the increase in the Sasol Limited share price between the offer date of share appreciation rights to vesting and exercise of such rights.

With effect from September 2009, certain qualifying senior management, who participate in the Sasol Medium-term Incentive Scheme, receive only share appreciation rights that contain corporate performance targets. The corporate performance targets determine how many shares will vest. These qualifying employees will retain the share appreciation rights with no corporate performance targets that have been previously granted to them.

In terms of the Sasol Share Appreciation Rights Scheme and the Sasol Medium-term Incentive Scheme, the number of rights available through these schemes shall not at any time exceed 20 million rights and together with the number of share options available under the previous Sasol Share Incentive Scheme shall not at any time exceed 80 million shares/rights in total.

Share Appreciation Rights with no corporate performance targets

The Share Appreciation Rights Scheme with no corporate performance targets allows certain senior employees to earn a long-term incentive amount calculated with reference to the increase in the Sasol Limited share price between the offer date of share appreciation rights to vesting and exercise of such rights.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Share Appreciation Rights Scheme will be settled in cash.

Rights are granted for a period of nine years and vest as follows:

2 years	1st third
4 years	2nd third
6 years	final third

The offer price of these appreciation rights equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the right. The fair value of the cash settled expense is calculated at each reporting date.

On resignation, share appreciation rights which have not yet vested will lapse and share appreciation rights which have vested may be taken up at the employee's election before their last day of service. Payment on appreciation rights forfeited will therefore not be required. On death, all appreciation rights vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retrenchment, all appreciation rights vest immediately and the employee has a period of twelve months to exercise these rights. On retirement the appreciation rights vest immediately and the nine year expiry period remains unchanged.

It is group policy that employees should not deal in Sasol Limited securities for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results as well as at any other time during which they have access to price sensitive information.

We recognised share-based payment expense for the years indicated:

	2010	**2009**	**2008**
Share-based payment expense (Rand in millions)	**51**	32	208
Average fair value of rights issued during year (Rand)	**75,20**	110,17	211,56

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The total unrecognised share-based payment expense related to non-vested share options, expected to be recognised over a weighted average period of 1,6 years, amounted to R327 million at 30 June 2010 (2009 R502 million and 2008 R651 million).

These rights are recognised as a liability at fair value in the statement of financial position until the date of settlement.

The fair value of these rights is determined at each reporting date and the unrecognised cost amortised to the income statement over the period that the employees provide services to the company.

The weighted average assumptions at 30 June that were used for right grants in the respective periods are as follows:

		2010	2009	2008
Risk free interest rate at date of valuation	%	**7,87 8,22**	8,79 8,86	11,12 11,26
Expected volatility	%	**28,69**	54,32	35,73
Expected dividend yield	%	**3,35**	3,37	3,44
Expected forfeiture rate	%	**5,00**	5,00	3,30
Vesting period	years	**2, 4 & 6**	2, 4 & 6	2, 4 & 6

The risk free interest rate for periods within the contractual term of the share rights is based on South African government bonds in effect at each reporting date and the expected volatility in the value of the share options granted is determined using the historical volatility of the Sasol share price. The expected dividend yield is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of share-based payment expenses requires a significant degree of judgement to be applied by management.

Share Appreciation Rights with corporate performance targets

During September 2009, the group introduced the Sasol Medium-term Incentive Scheme. Senior management, who participate in the Sasol Medium-term Incentive Scheme receive share appreciation rights with corporate performance targets. The corporate performance targets are share price performance versus the JSE all share index, Sasol earnings growth and Sasol production volumes growth. The corporate performance targets determine how many shares will vest. Qualifying employees will retain the Share appreciation rights with no corporate performance targets that have been previously granted to them.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Share Appreciation Rights Scheme will be settled in cash.

Rights are granted for a period of nine years and vest as follows:

2 years 1st third

4 years 2nd third

6 years final third

The offer price of these appreciation rights equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the right. The fair value of the cash settled expense is calculated at each reporting date.

On resignation, share appreciation rights which have not yet vested will lapse and share appreciation rights which have vested may be taken up at the employee's election before their last day of service. Payment on appreciation rights forfeited will therefore not be required. On death, all

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appreciation rights vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retrenchment, all appreciation rights vest immediately and the employee has a period of twelve months to exercise these rights. On retirement the appreciation rights vest immediately and the nine year expiry period remains unchanged.

It is group policy that employees should not deal in Sasol Limited securities for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results as well as at any other time during which they have access to price sensitive information.

We recognised share-based payment expense for the years indicated:

	2010
Share-based payment expense (Rand in millions)	**6**
Average fair value of rights issued during year (Rand)	**68,47**

The total unrecognised share-based payment expense related to non-vested share options, expected to be recognised over a weighted average period of 2,0 years, amounted to R25 million at 30 June 2010.

These rights are recognised as a liability at fair value in the statement of financial position until the date of settlement.

The fair value of these rights is determined at each reporting date and the unrecognised cost amortised to the income statement over the period that the employees provide services to the company.

The weighted average assumptions at 30 June that were used for right grants in the respective periods are as follows:

		2010
Risk free interest rate at date of valuation	%	**7,87 8,22**
Expected volatility	%	**28,69**
Expected dividend yield	%	**3,35**
Expected forfeiture rate	%	**5,00**
Vesting period	years	**2, 4 & 6**

The risk free interest rate for periods within the contractual term of the share rights is based on South African government bonds in effect at each reporting date and the expected volatility in the value of the share options granted is determined using the historical volatility of the Sasol share price. The expected dividend yield is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of share-based payment expenses requires a significant degree of judgement to be applied by management.

The Sasol Medium-term Incentive Scheme

During September 2009, the group introduced the Sasol Medium-term Incentive Scheme (MTI). The objective of the Sasol Medium-term Incentive Scheme is to provide qualifying employees who participate in the Share Appreciation Rights Scheme the opportunity of receiving incentive payments based on the value of ordinary shares in Sasol Limited. The MTI is also intended to complement existing incentive arrangements, to retain and motivate key employees and to attract new key employees.

The Medium-term Incentive Scheme allows certain senior employees to earn a medium-term incentive amount in addition to the Share Appreciation Rights Scheme, which is linked to certain corporate performance targets. These corporate performance targets are based on the share price

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performance versus the JSE all share index, Sasol earnings growth and Sasol production volumes growth. Allocations of the MTI are linked to the performance of both the group and the individual.

Rights are granted for a period of three years and vest at the end of the third year. The MTIs are automatically encashed at the end of the third year. No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Medium Term Incentive Scheme will be settled in cash. The MTI carries no issue price. The fair value of the cash settled expense is calculated at each reporting date.

On resignation, MTIs which have not yet vested will lapse and MTIs which have vested may be taken up at the employee's election before their last day of service. Payment on MTIs forfeited will therefore not be required. On retrenchment, all appreciation rights vest immediately and the employee has a period of twelve months to exercise these rights. On death, all MTIs vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retirement the MTIs vest immediately.

It is group policy that employees should not deal in Sasol Limited shares (and this is extended to the MTIs) for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results as well as at any other time during which they have access to price sensitive information.

We recognised share-based payment expense for the year indicated:

	2010
Share-based payment expense (Rand in millions)	**6**
Average fair value of rights issued during year (Rand)	**202,57**

The total unrecognised share-based payment expense related to non-vested share options, expected to be recognised over a weighted average period of 1,2 years, amounted to R20 million at 30 June 2010

These rights are recognised as a liability at fair value in the statement of financial position until the date of settlement.

The fair value of these rights is determined at each reporting date and the unrecognised cost amortised to the income statement over the period that the employees provide services to the company.

The weighted average assumptions at 30 June 2010 that were used for right grants are as follows:

		2010
Risk free interest rate at date of valuation	%	**7,87 8,22**
Expected volatility	%	**28,69**
Expected dividend yield	%	**3,35**
Expected forfeiture rate	%	**5,00**
Vesting period	years	**3**

The risk free interest rate for periods within the contractual term of the share rights is based on South African government bonds in effect at each reporting date and the expected volatility in the value of the share options granted is determined using the historical volatility of the Sasol share price. The expected dividend yield is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of share-based payment expenses requires a significant degree of judgement to be applied by management.

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Estimation of oil and gas reserves

The estimation of oil and gas reserves under the United States Securities and Exchange Commission (SEC) rules requires "geological and engineering data (that) demonstrate with reasonable certainty (reserves) to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e. prices and costs as of the date the estimate is made. Refer to Table 4, "Proved reserve quantity information", on page G-5 for the estimates for the year ended 30 June 2010 and to Table 5, "Standardised measure of discounted future net cash flows", on page G-8 for our standardised discounted future net cash flow information in respect of proved reserves for the year ended 30 June 2010, which were based on year end prices at the time.

Estimates of oil and gas reserves are inherently imprecise, require the application of judgement and are subject to future revision. Accordingly, financial and accounting measures (such as the standardised measure of discounted cash flows, depreciation and amortisation charges and environmental and decommissioning obligations) that are based on proved reserves are also subject to change.

Proved reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs, in some cases, subject to definitional limits. Proved reserves estimates are attributed to future development projects only where there is significant commitment to project funding and execution and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured.

Furthermore, estimates of proved reserves only include volumes for which access to markets is assured with reasonable certainty. All proved reserves estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans. See "Item 4.D Information on the company Property, plant and equipment". During 2010, the Gabon reserves were reassessed downwards due primarily because of the Ebouri field performance. At the end of 2009, this field had been in production for less than six months, with dry oil production. Due to limited production history, predictions were made using a largely un-calibrated simulation model. During 2010, the performance of the main Ebouri well (the only well with significant production) has been lower than expected with early water breakthrough and a rapid decline in oil rate. This influenced the prediction of our reserves of the future production of the other two Ebouri wells. Similarly, this data has been applied to the well in the Avouma field which has also been subject to a downward revision. There were no material revisions to our Etame field in Gabon and to our Mozambican fields. During 2009, proved reserves were substantially increased, with a resultant 5 year average proved reserves replacement ratio of 167%, primarily as a result of first time production from the Ebouri oil field and the Pande gas field as well as the execution of a second gas sales agreement. There were no material revisions to our oil and gas reserves during 2008.

Our mineral assets, included under property, plant and equipment, and our exploration assets, included under assets under construction, on the statement of financial position consist of the following:

5% interest in the OML140 (Nsiko) licence in deepwater Nigeria;

0 375% interest in OML140 (Bswap) licence in deepwater Nigeria;

6% interest in the OPL247 licence in deepwater Nigeria;

5% interest in the OPL214 licence in deepwater Nigeria;

5,1% interest in the JDZ1 licence in the Joint Development Zone between Nigeria and Sao Tome/Principe;

51% interest in PPL285, PPL286, PPL287 and PPL288 in Papua New Guinea;

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30% interest in the Oilex operated WA-388 licence in the Carnarvon Basin in Papua New Guinea;

45% participating interest in Block AC/P 52, in the Browse Basin of the NW Shelf in Australia;

50% interest in Blocks 16 and 19 licence offshore Mozambique;

100% interest in the Production Sharing Area (PSA) licence onshore Mozambique;

70% interest in the Petroleum Production Area (PPA) licence onshore Mozambique;

42,5% interest in the M-10 Block in Mozambique;

85% interest in the Sofala Block in Mozambique; and

27,75% interest in the Etame Marin Permit offshore Gabon.

With the exception of the PPA licence in Mozambique and the Etame Marin Permit in Gabon, none of these assets currently hold any reportable reserves and development plans will be filed once exploration work is completed at which time any discovered reserves will be reported separately.

Depreciation of coal mining assets

We calculate depreciation charges on coal mining assets using the units-of-production method, which is based on our proved and probable reserves. Proved and probable reserves used for the depreciation of life-of-mine assets are the total proved and probable reserves assigned to that specific mine (accessible reserves) or complex which benefit from the utilisation of those assets. Inaccessible reserves are excluded from the calculation. A unit is considered to be produced once it has been removed from underground and taken to the surface, passed the bunker and been transported by conveyor over the scale at the shaft head. The lives of the mines are estimated by our geology department using interpretations of mineral reserves, as determined in accordance with Industry Guide 7 under the US Securities Act of 1933, as amended. The estimate of the total reserves of our mines could be materially different from the actual coal mined. The actual usage by the mines may be impacted by changes in the factors used in determining the economic value of our mineral reserves, such as the coal price and foreign currency exchange rates. Any change in management's estimate of the total expected future lives of the mines would impact the depreciation charge recorded in our consolidated financial statements, as well as our estimated environmental rehabilitation and decommissioning obligations. See "Item 4.D Information on the company Property, plants and equipment".

Fair value and useful life of intangible assets

In assessing the recoverability of goodwill (which requires the assessment of fair value of the cash generating unit) and other intangible assets, we must make assumptions (including inflation, exchange rates and oil and chemicals product prices amongst others) regarding estimated future cash flows and other factors to determine the recoverable amount of the respective assets. If these estimates or their recoverable amount assessments change in the future, we may need to record impairment charges for these assets. Identifiable intangible assets with definite useful lives, such as patents, trademarks and licences, are currently amortised on a straight-line basis, over their estimated useful lives.

Useful lives of long-lived assets

Given the significance of long-lived assets to our financial statements, any change in the depreciation period could have a material impact on our results of operations and financial condition.

In assessing the useful life of long-lived assets, we use estimates of future cash flows and expectations regarding the future utilisation pattern of the assets to determine the depreciation to be

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charged on a straight-line basis over the estimated useful lives of the assets or units-of-production method where appropriate. Annually, we review the useful lives and economic capacity of the long-lived assets with reference to any events or circumstances that may indicate that an adjustment to the depreciation period is necessary. The assessment of the useful lives takes the following factors into account:

- The expected usage of the asset by the business. Usage is assessed with reference to the asset's expected capacity or physical output;
- The expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used, the repair and maintenance programme of the business and the care and maintenance of the asset while idle;
- Technological obsolescence arising from changes or improvements in production or from a change in the market demand for the output of the asset;
- Legal or similar limits on the use of the asset, such as expiry dates and related leases; and
- Dependency or co-dependency on supply of raw materials.

There were no significant changes to the useful lives of our long-lived assets (other than oil and gas and coal mining assets as discussed above) during 2010, 2009 and 2008.

Impairment of long-lived assets

Long-lived assets are reviewed using economic valuations to calculate impairment losses whenever events or a change in circumstance indicate that the carrying amount may not be recoverable. In carrying out the economic valuations, an assessment is made of the future cash flows expected to be generated by the assets, taking into account current market conditions, the expected lives of the assets and our latest budgets. The actual outcome can vary significantly from our forecasts, thereby affecting our assessment of future cash flows. Assets whose carrying values exceed their estimated recoverable amount, determined on a discounted basis, are written down to an amount determined using discounted net future cash flows expected to be generated by the asset. The expected future cash flows are discounted based on Sasol's Weighted Average Cost of Capital (WACC) which, at 30 June 2010, was 13,25% (2009 13,25%) for our South African operations and 7,75% (2009 7,75%) for our operations in Europe and the USA. Discount rates for all other countries are based on their specific risk rate. Refer to the discussions included below under the Segment overview for the financial impact of the impairment assessments performed during the current year.

Environmental rehabilitation and decommissioning obligations

We have significant obligations to remove plant and equipment, rehabilitate land in areas in which we conduct operations upon termination of such operations and incur expenditure relating to environmental contamination treatment and cleanup. Environmental rehabilitation and decommissioning obligations are primarily associated with our mining and petrochemical operations around the world.

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Expenditure related to environmental contamination treatment and cleanup incurred during the production of inventory in normal operations is expensed. The estimated fair value of dismantling and removing facilities is accrued for as the obligation arises, if estimable, concurrent with the recognition of an increase in the related asset's carrying value. Estimating the future asset removal expenditure is complex and requires management to make estimates and judgements because most of the removal obligations will be fulfilled in the future and contracts and regulations often have vague descriptions of what constitutes

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removal. Future asset removal costs are also influenced by changing removal technologies, political, environmental, safety, business relations and statutory considerations.

The group's environmental rehabilitation and decommissioning obligations accrued at 30 June 2010 were R6 109 million compared to R4 819 million in 2009.

It is envisaged that, based on the current information available, any additional liability in excess of the amounts provided will not have a material adverse effect on the group's financial position, liquidity or cash flow.

The following risk-free rates were used to discount the estimated cash flows based on the underlying currency and time duration of the obligation:

	2010	**2009**	**2008**
	%	**%**	**%**
South Africa	**6,6 to 8,4**	7,4 to 8,9	9,8 to 12,9
Europe	**1,0 to 3,8**	1,2 to 4,2	5,0 to 5,4
United States of America	**0,6 to 4,5**	0,8 to 4,2	3,4 to 5,2

An increase in the discount rate by one percentage point would result in a decrease in the long-term obligations recognised of approximately R739 million and a decrease of one percentage point would result in an increase of approximately R911 million.

Employee benefits

We provide for our obligations and expenses for pension and provident funds as they apply to both defined contribution and defined benefit schemes, as well as post-retirement healthcare benefits. The amount provided is determined based on a number of assumptions and in consultation with an independent actuary. These assumptions are described in Note 21 to "Item 18 Financial statements" and include, among others, the discount rate, the expected long-term rate of return on pension plan assets, healthcare cost inflation and rates of increase in compensation costs. The nature of the assumptions is inherently long-term, and future experience may differ from these estimates. For example, a one percentage point increase in assumed healthcare cost trend rates would increase the accumulated post-retirement benefit obligation by approximately R771 million to R3 306 million.

The group's net obligation in respect of defined benefit pension plans is actuarially calculated separately for each plan by deducting the fair value of plan assets from the gross obligation for post-retirement benefits. The gross obligation is determined by estimating the future benefit attributable to employees in return for services rendered to date.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in the income statement over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised. Where the plan assets exceed the gross obligation, the asset recognised is limited to the total of unrecognised net actuarial losses, unrecognised past service costs related to improvements to the defined benefit pension plan and the present value of any future refunds from the plan or reductions in future contributions to the plan.

The group provides post-retirement healthcare benefits to certain of its retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued on a systematic basis over the expected remaining period of employment, using the accounting methodology described in respect of defined benefit pension plans above.

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While management believes that the assumptions used are appropriate, significant changes in the assumptions may materially affect our pension and other post-retirement obligations and future expense.

In terms of the Pension Funds Second Amendment Act 2001, the Sasol Pension Fund in South Africa undertook a surplus apportionment exercise as at December 2002. The surplus apportionment exercise, and the 31 December 2002 statutory valuation of the fund, was approved by the Financial Services Board on 26 September 2006. Payments of benefits to former members in terms of the surplus apportionment scheme have been substantially completed and an amount of R108 million has been set aside for members that have not claimed their benefits. Based on the rules of the fund, the latest actuarial valuation of the fund and the approval of the trustees of the surplus allocation, the company has an unconditional entitlement to only the funds in the employer surplus account and the contribution reserve. The estimated surplus due to the company amounted to approximately R178 million as at 31 March 2010 and has been included in the pension asset recognised in the current year.

Fair value estimations of financial instruments

We base fair values of financial instruments on listed market prices, where available. If listed market prices are not available, fair value is determined based on other relevant factors, including dealers' price quotations and price quotations for similar instruments traded in different markets. Fair value for certain derivatives is based on pricing models that consider current market and contractual prices for the underlying financial instruments or commodities, as well as the time value and yield curve or fluctuation factors underlying the positions. Pricing models and their underlying assumptions impact the amount and timing of unrealised gains and losses recognised, and the use of different pricing models or assumptions could produce different financial results. See "Item 11 Quantitative and qualitative disclosures about market risk".

Deferred tax

We apply significant judgement in determining our provision for income taxes and our deferred tax assets and liabilities. Temporary differences arise between the carrying values of assets and liabilities for accounting purposes and the amounts used for tax purposes. These temporary differences result in tax liabilities being recognised and deferred tax assets being considered based on the probability of our deferred tax assets being recoverable from future taxable income. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be realised. We provide deferred tax using enacted or substantively enacted tax rates at the reporting date on all temporary differences arising between the carrying values of assets and liabilities for accounting purposes and the amounts used for tax purposes unless there is a temporary difference that is specifically excluded in accordance with IFRS. The carrying value of our net deferred tax assets assumes that we will be able to generate sufficient future taxable income in applicable tax jurisdictions, based on estimates and assumptions.

Secondary Taxation on Companies

In South Africa, we pay both income tax and Secondary Taxation on Companies (STC). STC is levied on companies currently at a rate of 10% (2009 10%) of dividends distributed. The Minister of Finance in his budget speech delivered during February 2008 announced that STC would be replaced by a dividend withholding tax at the same rate of 10%, to be imposed on individual and non-resident corporate shareholders. The effective date for the introduction of the new dividend tax is expected to be during the first half of the 2011 calendar year, in order to afford the Minister of Finance time to finalise the renegotiation of appropriate double taxation conventions to permit the imposition of such a tax on foreign shareholders. In the case of liquidations, STC is only payable on undistributed earnings

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earned after 1 April 1993. The tax becomes due and payable on declaration of a dividend. When dividends are received in the current year that can be offset against future dividend payments to reduce the STC liability, a deferred tax asset is recognised to the extent of the future reduction in STC payable.

We do not provide for deferred tax on undistributed earnings at the tax rate applicable to distributed earnings. We believe that this is consistent with the accounting principle that does not allow the accrual of dividend payments if a dividend is declared after year end.

If we were to provide for deferred taxes on the potential STC arising on our undistributed earnings, should these be declared as dividends, there would be the following effects on our reported results:

Statement of financial position	**2010**	**2009**
	(Rand in millions)	
Net deferred tax liability as reported	**9 307**	7 984
Increase in the deferred tax liability	**10 089**	9 205
Net deferred tax liability based on the tax rate applicable to distributed earnings	**19 396**	17 189
Shareholders' equity as reported	**94 730**	83 835
Decrease in shareholders' equity	**(10 089)**	(9 205)
Shareholders' equity after the effect of providing for deferred tax using the tax rate applicable to distributed earnings	**84 641**	74 630

Income statement	**2010**	**2009**	**2008**
		(Rand in millions)	
Income tax as reported	**(6 985)**	(10 480)	(10 129)
Increase in income tax	**(884)**	(533)	(2 148)
Income tax after providing for deferred tax at the rate applicable to distributed earnings	**(7 869)**	(11 013)	(12 277)
Earnings attributable to shareholders as reported	**15 941**	13 648	22 417
Decrease in earnings attributable to shareholders	**(884)**	(533)	(2 148)
Earnings attributable to shareholders after providing for deferred tax at the rate applicable to distributed earnings	**15 057**	13 115	20 269

We expect that R1 885 million of undistributed earnings earned before 1 April 1993 of two dormant companies will be distributed without attracting STC of R189 million.

Commitments and contingencies

Management's current estimated range of liabilities relating to certain pending liabilities for claims, litigation, competition matters, tax matters and environmental remediation is based on management's judgement and estimates of the amount of loss. The actual costs may vary significantly from estimates for a variety of reasons. A liability is recognised for these types of contingencies if management determines that the loss is both probable and estimable. We have recorded the estimated liability where such amount can be determined. As additional information becomes available, we will assess the potential liability related to our pending litigation proceedings and revise our estimates. Such revisions in our estimates of the potential liability could materially impact our results of operation and financial position. See "Item 4.B Business overview Legal proceeding and other contingencies" and "Item 5.E Off-balance sheet arrangements".

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OUR RESULTS OF OPERATIONS

The financial results for the years ended 30 June 2010, 2009 and 2008 below are stated in accordance with IFRS as issued by the IASB.

Results of operations

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover	**122 256**	**137 836**	(15 580)	(11)	129 943	7 893	6
Cost of sales and services rendered	**(79 183)**	**(88 508)**	9 325	11	(74 634)	(13 874)	(19)
Gross profit	**43 073**	**49 328**	(6 255)	(13)	55 309	(5 981)	(11)
Other operating income	**854**	**1 021**	(167)	(16)	635	386	61
Other operating expenditure	**(19 990)**	**(25 683)**	5 693	22	(22 128)	(3 555)	(16)
Operating profit	**23 937**	**24 666**	(729)	(3)	33 816	(9 150)	(27)
Net other expenses	**(565)**	**(471)**	(94)	(20)	(159)	(312)	196
Profit before tax	**23 372**	**24 195**	(823)	(3)	33 657	(9 462)	(28)
Taxation	**(6 985)**	**(10 480)**	3 495	33	(10 129)	(351)	(3)
Profit	**16 387**	**13 715**	2 672	19	23 528	(9 813)	(42)
Attributable to							
Shareholders	**15 941**	**13 648**	2 293	17	22 417	(8 769)	(39)
Non-controlling interest	**446**	**67**	379	566	1 111	(1 044)	(94)
	16 387	**13 715**	2 672	19	23 528	(9 813)	(42)

Overview

The effect of higher average international oil prices (dated Brent US$74,37/b for 2010 compared to US$68,14/b for 2009 and US$95,51/b in 2008) and the reduction of cash fixed costs in the group as a result of cost containment initiatives positively impacted operating profit for the year. The benefit of higher oil prices was, however, mostly realised in the energy and fuel-related businesses. The group's chemical businesses was also positively impacted by an increase in chemical product prices and improved volumes. The impact of higher crude oil prices and chemical prices was partially offset by a stronger rand during 2010 (average rate R7,59 per US dollar for 2010 compared to R9,04 per US dollar for 2009 and R7,30 per US dollar for 2008).

In addition, operating profit in 2010 was not affected by large once-off items compared to 2009. The once-off items in 2009 included competition related administrative penalties of R3 947 million and Sasol Inzalo share-based payment expenses of R3 202 million, offset by the positive impact of crude oil hedges of R5,1 billion. Similar hedges were not entered into in 2010 and the current period includes a much lower Sasol Inzalo share-based payment expense of R824 million and no competition related administrative penalities.

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Turnover

Turnover consists of the following categories:

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Sale of products	**120 820**	**136 482**	(15 662)	(11)	128 492	7 990	6
Services rendered	**889**	**777**	112	14	889	(112)	(13)
Commission and marketing income	**547**	**577**	(30)	(5)	562	15	3
Turnover	**122 256**	**137 836**	(15 580)	(11)	129 943	7 893	6

The primary factors contributing to these increases/(decreases) were:

	Change 2010/2009 (Rand in millions)	%	Change 2009/2008 (Rand in millions)	%
Turnover, 2009 and 2008, respectively	**137 836**		129 943	
Exchange rate effects	**(11 493)**	(8)	13 711	11
Product prices	**(8 573)**	(6)	(5 871)	(5)
crude oil	***480***		*(3 203)*	(3)
other products (including chemicals)	***(9 053)***	(6)	*(2 668)*	(2)
Net volume increases	**4 510**	3	75	
Once off impacts	**(24)**		(22)	
Turnover, 2010 and 2009, respectively	**122 256**		137 836	

Cost of sales and services rendered

Cost of sales of products. The cost of sales in 2010 amounted to R78 886 million, a decrease of R9 109 million, or 10%, compared to R87 995 million in 2009 which increased by 19% from R74 160 million in 2008. The decrease in 2010 compared to 2009 was mainly due to the strengthening of the average rand/US dollar exchange rate and the reduction of cash fixed costs which resulted from the group's cost containment initiative to contain cash fixed costs to within inflationary levels. Included in cost of sales in 2010 is an amount of R118 million (2009 R965 million and 2008 R105 million) in respect of the write-down of inventories to net realisable value. The increase in 2009 compared to 2008 is due to the weakening of the average rand/US dollar exchange rate and the inclusion of full year results for Arya Sasol Polymer Company and the Oryx GTL plant. Compared to turnover from the sale of products, cost of sales of products was 65% in 2010, 64% in 2009 and 58% in 2008.

Cost of services rendered. Cost of services rendered amounted to R297 million in 2010, a decrease of R216 million, or 42%, compared to R513 million in 2009 which increased by 8% from R474 million in 2008. The decrease was mainly due to reduced activities as a result of the business improvement programme in Sasol Solvents Germany and the winding down of activities in the Sasol Chevron joint venture. The increase in 2009 compared to 2008 was in line with turnover from services rendered. Compared to turnover from services rendered, the cost of services rendered was 33% in 2010, 66% in 2009 and 53% in 2008.

Other operating income

Other operating income in 2010 amounted to R854 million, which represents a decrease of R167 million, or 16%, compared to R1 021 million in 2009, which increased by R386 million compared

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to R635 million in 2008. Included in operating income for the 2010 year is a gain on hedging activities realised by Sasol Financing on foreign exchange contracts of R218 million (2009 R187 million and 2008 R128 million), insurance proceeds of R25 million (2009 R111 million and 2008 R5 million) and R143 million (2009 R182 million and 2008 R133 million) in respect of deferred income received related to emission rights.

Other operating expenditure

Other operating expenditure consists of the following categories:

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Translation (losses)/gains	**(1 007)**	(166)	(841)	507	300	(466)	155
Marketing and distribution expenditure	**(6 496)**	(7 583)	1 087	(14)	(6 931)	(652)	9
Administrative expenditure	**(9 451)**	(10 063)	612	(6)	(7 691)	(2 372)	31
Other expenses	**(3 036)**	(7 871)	4 835	(61)	(7 806)	(65)	1
Other operating expenditure	**(19 990)**	(25 683)	5 693	(22)	(22 128)	(3 555)	16

The variances in operating costs and expenses are described in detail in each of the various reporting segments, included in the Segment overview below.

Translation (losses)/gains. Translation losses arising primarily from the translation of monetary assets and liabilities amounted to R1 007 million in 2010. The loss recognised is due to the strengthening of the rand/US dollar exchange rate towards the end of the year closing at R7,67 at 30 June 2010 compared to the closing rate at 30 June 2009 of R7,73 per US dollar. The closing rate is used to translate to rand all our monetary assets and liabilities denominated in a currency other than the rand at the reporting date and as a result a net loss was recognised on these translations in 2010. The strengthening of the rand has a positive impact on the translation of our monetary liabilities, whilst the weakening of the rand has a negative impact the translation of our monetary assets. In 2009, foreign exchange losses of R166 million were recognised due to the strengthening of the rand/US dollar exchange rate towards the end of the year closing at R7,73 at 30 June 2009 compared to the closing rate at 30 June 2008 of R7,83 per US dollar. A net foreign exchange gain of R300 million was recognised in 2008.

Marketing and distribution expenditure. These costs comprise marketing and distribution of products as well as advertising, salaries and expenses of marketing personnel, freight, railage and customs and excise duty. Marketing and distribution costs in 2010 amounted to R6 496 million, R7 583 million in 2009 and R6 931 million in 2008. Compared to sales of products, marketing and distribution costs represented 5% in 2010 compared to 6% in 2009 and 5% in 2008. The variation in these costs has been contained to inflationary levels during the years under review.

Administrative expenditure. These costs comprise expenditure of personnel and administrative functions, including accounting, information technology, human resources, legal and administration, pension and post-retirement healthcare benefits. Administrative expenses in 2010 amounted to R9 451 million, a decrease of R612 million, or 6%, compared to R10 063 million in 2009 which increased by 31% from R7 691 million in 2008. The decrease in 2010 is mainly related to the strengthening of the rand against the US dollar and the reduction of costs in line with the group's cost containment initiative to contain costs to within inflationary levels. The increase in 2009 was mainly due to higher corporate costs due to inflation and increased costs associated with the establishing and advancing of various growth initiatives at SPI and SSI, including costs related to the Oryx project, which is now fully established and operational in 2010. In 2010, costs related to this plant are no longer included.

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Other expenses. Other expenses in 2010 amounted to R3 036 million, a decrease of R4 835 million, compared to R7 871 million in 2009 which increased by R65 million from R7 806 million in 2008. This amount includes impairments of R110 million (2009 R458 million and 2008 R821 million), reversal of impairments of R365 million (2009 Nil and 2008 R381 million), scrapping of assets of R156 million (2009 R234 million and 2008 R107 million), the write off of unsuccessful exploration wells of R58 million (2009 R16 million and 2008 Nil) and net profit on the disposal of property, plant and equipment of R3 million (2009 R9 million and 2008 R91 million). Other expenses also includes the effects of our crude oil hedging activities amounting to a net loss of R87 million (2009 a gain of R4 603 million and 2008 a loss of R2 201 million), share-based payment expenses of R943 million (2009 R3 325 million and 2008 R1 782 million) and a profit of R2 million (2009 loss of R770 million and 2008 profit of R349 million) which was realised on the disposal of businesses. Further, impairments of R138 million (2009 R198 million and 2008 R60 million) were raised in respect of trade receivables during the year resulting from the effects of the global economic downturn. In addition, for 2009, other expenses also included R3 947 million in respect of competition related administrative penalties. Details of the impairments, scrapping of assets and the profit / (loss) on disposals are detailed in the "Segment overview".

The effects of remeasurement items[(1)] recognised for the year ended 30 June are set out below:

	2010	2009	2008
	(Rand in millions)		
South African Energy Cluster			
Sasol Mining	**1**	3	*7*
scrapping of assets	***5***	*5*	*8*
profit on disposal of property, plant and equipment	***(4)***	*(2)*	*(1)*
Sasol Gas		4	*104*
impairments			*104*
scrapping of assets		*4*	
Sasol Synfuels	**58**	137	*25*
scrapping of assets	***59***	*138*	*27*
profit on disposal of property, plant and equipment	***(1)***	*(1)*	*(2)*
Sasol Oil	**10**	(3)	*(20)*
impairments			*11*
scrapping of assets	***15***	*3*	
profit on disposal of property, plant and equipment	***(5)***	*(6)*	*(31)*
International Energy Cluster			
Synfuels International	**4**	*777*	*396*
impairments			*362*
scrapping of assets		*5*	
loss on disposal of property, plant and equipment	***4***	*1*	
loss on disposal of business (EGTL)		*771*	
loss on repurchase of participation right in GTL project			*34*
Petroleum International	**108**	17	*(27)*
loss/(profit) on disposal of property, plant and equipment		*1*	*(27)*
impairments	***50***		
write off of unsuccessful exploration wells	***58***	*16*	
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	2010	2009	2008
	(Rand in millions)		
Chemical Cluster			
Sasol Polymers	**14**	(1)	*(12)*
impairments	***5***		
scrapping of assets	***6***	*4*	
loss/(profit) on disposal of property, plant and equipment	***3***	*(5)*	*(12)*
Sasol Solvents	**58**	158	*104*
impairments	***14***	*96*	*269*
reversal of impairment of property, plant and equipment			*(191)*
scrapping of assets	***44***	*62*	*38*
profit on disposal of property, plant and equipment			*(12)*
Sasol Olefins & Surfactants	**(344)**	106	*(27)*
impairments	***8***	*102*	*62*
reversal of impairment of property, plant and equipment	***(365)***		*(96)*
scrapping of assets	***2***	*1*	*3*
loss on disposal of property, plant and equipment	***6***	*3*	*4*
loss on disposal of business	***5***		
Other Chemicals	***21***	247	*229*
impairments	***13***	*237*	*13*
reversal of impairment of property, plant and equipment			*(94)*
scrapping of assets	***17***	*5*	*3*
(profit) loss on disposal of property, plant and equipment	***(3)***	*2*	*(10)*
loss on disposal of intangible assets	***1***	*2*	
(profit)/loss on disposal of business	***(7)***	*1*	*(111)*
profit on disposal of investments			*(129)*
realisation of foreign currency translation reserve			*557*
Other businesses	**24**	24	*(81)*
impairments	***20***	*23*	
scrapping of assets	***8***	*7*	*28*
profit on disposal of business and equipment		*(6)*	*(1)*
profit on disposal of property, plant and equipment	***(4)***		
profit on disposal of investments			*(108)*
Remeasurement items included in other operating expenses	**(46)**	1 469	*698*

(1) Remeasurement items include impairments, reversal of impairments, scrapping of assets and (profits)/losses on disposals of businesses and property, plant and equipment.

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Operating profit

The main factors contributing to the increase in operating profit were:

	Change 2010/2009 (Rand in millions)	%	Change 2009/2008 (Rand in millions)	%
Operating profit, 2009 and 2008, respectively	**24 666**		33 816	
Exchange rate effects[1]	**(10 457)**	(42)	9 187	27
Net product and feedstock price increases/(decreases)[2]	**1 578**	6	(5 010)	(15)
crude oil effects	***2 674***	10	*(6 918)*	(20)
effect of the crude oil zero cost collar	***(5 056)***	(20)	*6 804*	20
other products (including chemicals)	***3 960***	16	*(4 896)*	(15)
Inflation on other operating costs	**(2 304)**	(9)	(2 586)	(8)
Net volume and productivity effects[3]	**1 854**	7	(1 415)	(4)
Effects of remeasurement items[4]	**1 515**	6	(771)	(2)
Other effects[5]	**7 085**	29	(8 555)	(25)
Operating profit, 2010 and 2009, respectively	**23 937**		24 666	

(1) This arises primarily from the effects of the average US dollar exchange rate during the year on both turnover and operating expenses.

(2) This arises primarily from the effects of changes in product and feedstock prices on turnover and cost of sales and services rendered.

(3) This arises primarily from the effects of plant volumes and productivity on costs of sales and services rendered.

(4) This arises primarily from the effects of remeasurement items refer to previous analysis.

(5) These primarily include the effects of the decreased share-based payment expense in 2010 relating to the Sasol Inzalo share transaction and competition related fines payable in 2009. There were no competition related fines in 2010.

Net other (expenses)/income

Net other (expenses)/income consist of the following:

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Dividends received	**31**	**27**	4	15	10	17	170
Share of profit of associates (net of tax)	**217**	**270**	(53)	(20)	254	16	6
Interest received	**1 301**	**1 763**	(462)	(26)	725	1 038	143
Finance costs	**(2 114)**	**(2 531)**	417	16	(1 148)	(1 383)	(120)
interest incurred	**(2 172)**	**(2 565)**	393	15	(2 734)	169	6
interest capitalised	**58**	**34**	24	71	1 586	(1 552)	(98)
Net other expenses	**(565)**	**(471)**	(94)	(20)	(159)	(294)	(185)

The share of profit of associates (net of tax) amounted to R217 million in 2010 compared to R270 million in 2009 and R254 million in 2008. The decrease in 2010 is attributable to the decrease in the share of associates profit earned during the year.

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Interest received amounted to R1 301 million in 2010 compared to R1 763 million in 2009 and R725 million in 2008. The decrease in the interest received during 2010 is attributable to the decrease in cash and cash equivalents available to the group during 2010 as well as the decrease in interest rates. The group reflected a net decrease in cash and cash equivalents for the year of R4 billion. The increase in the interest received during 2009 is attributable to the increase in cash and cash equivalents available to the group during 2009. In 2008, the decrease in interest received is attributable to the decrease in cash and cash equivalents available to the group during 2008.

Interest incurred in 2010 amounted to R2 172 million, a decrease of 15% from 2009, of which R58 million was capitalised, compared to interest incurred of R2 565 million in 2009 and R2 734 million in 2008, of which R34 million and R1 586 million was capitalised for the respective years. The decrease in 2010 is mainly due to decreasing interest rates from 2009 to 2010 of approximately 100 basis points and the 15% decrease in net debt from 2009. Interest capitalised in 2010 and 2009 relates to interest on specific borrowings only, whereas 2008 also includes interest capitalised on general borrowings. The effect of higher interest received in 2009 has resulted in lower interest capitalised for that year. Included in interest incurred is an amount of R373 million in 2010, R374 million in 2009 and R307 million in 2008 related to notional interest primarily in respect of environmental rehabilitation and decommissioning obligations.

Income tax

Income tax expense in 2010 amounted to R6 985 million, an decrease of 33%, compared to R10 480 million in 2009 which increased by 3% from R10 129 million in 2008.

The income statement charge consists of the following:

	2010	2009	2008
	(Rand in millions)		
Current tax			
South African normal tax	**4 270**	8 067	8 497
Secondary tax on companies (STC)	**606**	831	637
Foreign tax	**726**	515	387
Total current tax	**5 602**	9 413	9 521
Deferred tax			
South African	**1 105**	826	345
Foreign	**278**	241	263
Total deferred tax expense	**1 383**	1 067	608
Income tax expense for the year	**6 985**	10 480	10 129

The effective tax rate was 29,9% in 2010, 43,3% in 2009 and 30,1% in 2008. The difference in 2010 between the South African statutory tax rate of 28% and the effective tax rate results mainly from STC which is levied at a rate of 10% on dividends paid, differences in foreign tax rates, the recognition in 2010 of deferred tax assets previously not recognised and disallowed expenditure which mainly related to the share-based payment expenses and preference share dividends.

The decrease in the effective tax rate from 43,3% in 2009 to 29,9% in 2010 is primarily as a result of the absence of competition related administrative penalties (5,3%), lower share-based payment expenses (2,7)% and the recognition in 2010 of deferred tax assets previously not recognised (1,1)% compared with the prior year. The competition related administrative penalties and share-based payment expenses are not deductible for tax. The increase in the effective tax rate from 30,1% in 2008 to 43,3% in 2009 is as a result of competition related administrative penalties and higher share-based

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payment expenses, both of which are not deductible for tax. Refer to Item 18 "Financial Statements Note 41 Taxation".

Non-controlling interests

Non-controlling interests in 2010 amounted to R446 million compared to R67 million in 2009 and R1 111 million in 2008. The significant increase in 2010 is mainly attributable to the increase in profits earned from Sasol Oil, in which outside shareholders have a 25% interest. In 2009, the non-controlling interest decreased due to a decrease in profits earned from Sasol Oil, in which outside shareholders have a 25% interest.

Segment overview

The following is a discussion of our segment results. Segmental financial performance is measured on a management basis. This approach is based on the way in which the GEC organises segments within our group for making operating decisions and assessing performance. The Segment overview included below is based on our segment results.

Inter-segment turnover was entered into under terms and conditions substantially similar to terms and conditions which would have been negotiated with an independent third party.

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Turnover per segment

	South African energy cluster				International energy cluster		Chemical cluster					
	Sasol Mining	Sasol Gas	Sasol Synfuels	Sasol Oil	Other	Sasol Synfuels International	Sasol Petroleum International	Sasol Polymers	Sasol Solvents	Sasol Olefins & Surfactants	Other Chemicals	Other businesses	Total
	(Rand in millions)												
2010													
External turnover	1 696	2 986	879	47 932	2 282	916	14 236	14 425	24 774	11 951	179	122 256
% of external turnover	1%	2%	1%	39%	2%	1%	12%	12%	20%	10%		100%
Inter-segment turnover	6 167	2 385	33 014	479		769	85	1 340	509	4 257	5 241	54 246
% of inter-segment turnover	11%	4%	61%	1%		1%		3%	1%	8%	10%	100%
Total turnover	**7 863**	**5 371**	**33 893**	**48 411**	**2 282**	**1 685**	**14 321**	**15 765**	**25 283**	**16 208**	**5 420**	**176 502**
2009												
External turnover	2 885	2 829	1 367	51 086	3 027	1 156	15 326	16 317	28 867	14 805	171	137 836
% of external turnover	2%	2%	1%	37%	2%	1%	11%	12%	21%	11%		100%
Inter-segment turnover	5 412	2 837	36 334	608		983	199	1 798	667	3 934	5 038	57 810
% of inter-segment turnover	9%	5%	63%	1%		2%	0%	3%	1%	7%	9%	100%
Total turnover	**8 297**	**5 666**	**37 701**	**51 694**	**3 027**	**2 139**	**15 525**	**18 115**	**29 534**	**18 739**	**5 209**	**195 646**
2008												
External turnover	2 470	2 563	982	52 500	1 788	1 228	11 162	15 585	28 125	13 315	225	129 943
% of external turnover	2%	2%	1%	40%	1%	1%	9%	12%	22%	10%		100%
Inter-segment turnover	5 009	2 134	38 634	498	5	743	142	1 597	655	3 115	4 048	56 580
% of inter-segment turnover	9%	4%	68%	1%		1%		3%	1%	6%	7%	100%
Total turnover	**7 479**	**4 697**	**39 616**	**52 998**	**1 793**	**1 971**	**11 304**	**17 182**	**28 780**	**16 430**	**4 273**	**186 523**

Operating profit/(loss) per segment

	South African energy cluster				International energy cluster			Chemical cluster					
	Sasol Mining	Sasol Gas	Sasol Synfuels	Sasol Oil	Other	Sasol Synfuels International	Sasol Petroleum International	Sasol Polymers	Sasol Solvents	Sasol Olefins & Surfactants	Other Chemicals	Other businesses	Total
Operating profit/(loss) 2010 (Rm)	815	2 479	13 175	1 364	(25)	131	337	958	1 154	2 492	892	165	23 937
% of total	3%	10%	55%	6%		1%	1%	4%	5%	10%	4%	1%	100%
Operating profit/(loss) 2009 (Rm)	1 593	2 424	25 188	(351)	(170)	(235)	1 115	946	495	(160)	(3 525)	(2 654)	24 666
% of total	6%	10%	102%	(1%)	(1%)	(1%)	5%	4%	2%	(1%)	(14%)	(11%)	100%
Operating profit/(loss) 2008 (Rm)	1 393	1 785	19 416	5 507	(53)	(621)	1 004	1 511	2 382	1 512	1 200	(1 220)	33 816
% of total	4%	5%	57%	16%		(2%)	3%	5%	7%	5%	4%	(4%)	100%

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Segment review

South African energy cluster

Sasol Mining results of operations

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	1 696	2 885	(1 189)	(41)	2 470	415	17
Inter-segment	6 167	5 412	755	14	5 009	403	8
Total turnover	**7 863**	**8 297**	**(434)**	**(5)**	**7 479**	**818**	**11**
Operating costs and expenses[(1)]	(7 048)	(6 704)	(344)	5	(6 086)	(618)	10
Operating profit	**815**	**1 593**	**(778)**	**(49)**	**1 393**	**200**	**14**
Operating margin %	10	19			19		

(1) Operating costs and expenses net of other income.

Results of operations 2010 compared to 2009

Total turnover decreased by 5% from R8 297 million to R7 863 million mainly due to the lower average US dollar export coal price per ton compared to the prior year and the negative impact of a stronger rand/US dollar exchange rate (average rate R7,59 per US dollar for 2010 year compared to R9,04 per US dollar for 2009). The effect of this decrease was partially offset by greater sales volumes at higher prices to Sasol Synfuels and Sasol Infrachem and improved coal quality.

Production volumes were 8,9% higher at 42,6 million tons (Mt) for 2010 compared to 39,1 Mt in 2009. The increase in production is mainly due to the implementation of the Operations Excellence programme and the revision of the production bonus structure.

Operating costs and expenses include the effects of the increased Project Mafutha pre-feasibility and bulk sample costs as well as labour costs and maintenance which was contained to 5%.

The main factors contributing to the decrease in operating profit were:

	Change 2010/2009 (Rand in millions)	%
Operating profit 2009	1 593	
Exchange rate effects	(275)	(17)
Net product price increases	(165)	(10)
Inflation on other operating costs	(229)	(15)
Net volume and productivity effects	64	4
Effects of remeasurement items	2	
Other effects[(1)]	(175)	(11)
Operating profit 2010	815	

(1) This arises primarily from the effects of the increased Project Mafutha pre-feasibility and bulk sample costs.

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Results of operations 2009 compared to 2008

Total turnover increased by 11% from R7 479 million to R8 297 million mainly due to the higher average US dollar export coal price per ton compared to the prior year and the positive impact of a weaker rand/US dollar exchange rate (average rate R9,04 per US dollar for 2009 year compared to R7,30 per US dollar for 2008). In addition, Sasol Mining benefited from higher beneficiated coal sales to the local market despite lower sales volumes to Sasol Synfuels and the export market.

Against the backdrop of a decrease in production volumes (total production for 2009 decreased from 42,8 Mt in 2008 to 39,1 Mt), operating cost increases were contained to 10% which was mainly due to increased labour costs, maintenance and inflation.

The main factors contributing to the increase in operating profit were:

	Change 2009/2008 (Rand in millions)	**%**
Operating profit 2008	1 393	
Exchange rate effects	411	29
Net product price increases	219	16
Inflation on other operating costs	50	4
Net volume and productivity effects	(484)	(35)
Effects of remeasurement items	4	
Operating profit 2009	1 593	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2010	**2009**	**2008**
	(Rand in millions)		
Scrapping of property, plant and equipment	**5**	5	8
Profit on disposal of property, plant and equipment	**(4)**	(2)	(1)
Total loss	**1**	3	7

During 2010, 2009 and 2008 numerous assets with small carrying values were retired from use and the remaining carrying values attributable to these assets were written off. Other smaller assets were disposed of realising a profit of R4 million in 2010 (2009 R2 million and 2008 R1 million).

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Sasol Gas results of operations

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	2 986	2 829	157	6	2 563	266	10
Inter-segment	2 385	2 837	(452)	(16)	2 134	703	33
Total turnover	**5 371**	**5 666**	**(295)**	**(5)**	**4 697**	**969**	**21**
Operating costs and expenses[(1)]	(2 892)	(3 242)	350	(11)	(2 912)	(330)	11
Operating profit	**2 479**	**2 424**	**55**	**2**	**1 785**	**639**	**36**
Operating margin %	46	43			38		

(1) Operating costs and expenses net of other income.

Results of operations 2010 compared to 2009

Total turnover decreased by 5% from R5 666 million in 2009 to R5 371 million in 2010 mainly due to lower gas prices. This was negated by the impact of higher sales volumes due to a stronger demand from Sasol's operations in Sasolburg and Secunda and to South African customers, most notably from the metals, retail, mining and metallic sectors resulting in higher margins being obtained.

Operating costs and expenses decreased by 11% mainly due to a reduction of cash fixed costs through continued cost containment.

The main factors contributing to the increase in operating profit were:

	Change 2010/2009 (Rand in millions)	%
Operating profit 2009	2 424	
Exchange rate effects	15	
Net product price increases	(32)	(1)
Inflation on other operating costs	20	1
Net volume and productivity effects	48	2
Effects of remeasurement items	4	
Operating profit 2010	2 479	

Results of operations 2009 compared to 2008

Sasol Gas experienced an increase of 21% in total turnover from R4 697 million in 2008 to R5 666 million in 2009. The increase was attributable to higher gas prices despite slightly lower sales volumes due to the decrease in demand from large industrial customers as a result of the economic downturn. During the year, 11 new customers were commissioned and three meter stations were upgraded. Once fully ramped up, these new customers will contribute an additional 1,9 million gigajoules per year to sales volumes.

Operating costs and expenses were limited to an increase of 11%. The increase was mainly due to higher cash fixed costs related to increased safety and compliance initiatives and preparing for the operation of the new compressor station at Komatipoort, close to the South African and Mozambican border, which is scheduled for completion in the last quarter of the 2009 calendar year.

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The main factors contributing to the increase in operating profit were:

	Change 2009/2008 (Rand in millions)	%
Operating profit 2008	1 785	
Exchange rate effects	(59)	(3)
Net product price increases	146	8
Inflation on other operating costs	18	1
Net volume and productivity effects	434	24
Effects of remeasurement items	100	6
Operating profit 2009	2 424	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2010	2009	2008
	(Rand in millions)		
Impairment of property, plant and equipment			104
Scrapping of property, plant and equipment		4	
Total loss		4	104

In 2009, smaller assets were retired from use and the remaining carrying values attributable to these assets were written off.

The impairment in 2008 is as a result of the fact that Sasol Gas was required to supply both hydrogen-rich (HRG) and natural gas during a period of converting customers to natural gas. A dedicated pipeline was built from Sasolburg to continue the supply of HRG. Upon completion of the natural gas conversion project, the pipeline was intended to be utilised in a number of applications. In 2008, most of the alternative applications have been proven to be unsuccessful or not technically viable, resulting in the remaining portion of the pipeline being impaired for an amount of R104 million.

Sasol Synfuels results of operations

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	879	1 367	(488)	(36)	982	385	39
Inter-segment	33 014	36 334	(3 320)	(9)	38 634	(2 300)	(6)
Total turnover	**33 893**	**37 701**	**(3 808)**	**(10)**	**39 616**	**(1 915)**	**(5)**
Operating costs and expenses[(1)]	(20 718)	(12 513)	(8 205)	66	(20 200)	7 687	(38)
Operating profit	**13 175**	**25 188**	**(12 013)**	**(48)**	**19 416**	**5 772**	**30**
Operating margin %	39	67			49		

(1) Operating costs and expenses net of other income.

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Results of operations 2010 compared to 2009

Total turnover decreased by 10% from R37 701 million in 2009 to R33 893 million in 2010 mainly due to the strengthening of the rand against the US dollar (average rate R7,59 per US dollar for 2010 year compared to R9,04 per US dollar for 2009) which was partially negated by higher average crude oil prices.

Production volumes increased by 4% from 7,1 Mt in 2009 to 7,4 Mt in 2010 mainly as a result of improved plant stability.

Operating costs and expenses increased by 19% excluding the effects of the gain of R4 904 million relating to the oil hedge recognised in 2009. The remaining increase in operating costs is mainly due to increased depreciation resulting from the capitalisation of shutdown and major inspection costs in 2010 as well as higher coal and feedstock prices resulting from higher average oil prices.

The main factors contributing to the decrease in operating profit were:

	Change 2010/2009 (Rand in millions)	**%**
Operating profit 2009	25 188	
Exchange rate effects	(5 764)	(23)
Net product and feedstock price	(7 352)	(29)
crude oil effects	673	3
effect of crude oil hedge	(4 904)	(20)
other products	(3 121)	(12)
Inflation on other operating costs	(989)	(4)
Net volume and productivity effects	2 013	8
Effects of remeasurement items	79	
Operating profit 2010	13 175	

Results of operations 2009 compared to 2008

Total turnover decreased by 5% from R39 616 million to R37 701 million mainly due to lower crude oil prices and lower production volumes. The effect of this decrease was partially offset by a weaker rand/US dollar exchange rate.

Production volumes were 4,1% lower at 7,1 Mt for 2009 compared to 7,4 Mt in 2008. This was primarily due to the instability of the gasifier and reformer plants. Ongoing programmes are being followed to improve plant reliability, availability and efficiency of operations.

Operating costs and expenses includes the effects of our crude oil hedging activities amounting to a gain of R4 904 million due to the average crude oil price being lower than the zero cost collar floor of US$90/b. The remaining increase in operating costs is mainly due to higher coal and feedstock prices as well as an increase in our environmental obligations.

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The main factors contributing to the increase in operating profit were:

	Change 2009/2008 (Rand in millions)	%
Operating profit 2008	19 416	
Exchange rate effects	6 591	34
Net product and feedstock price	6 414	33
crude oil effects	(4 573)	(24)
effect of crude oil hedge	7 115	37
other products	3 872	20
Inflation on other operating costs	(1 189)	(6)
Net volume and productivity effects	(5 932)	(30)
Effects of remeasurement items	(112)	(1)
Operating profit 2009	25 188	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2010	2009	2008
	(Rand in millions)		
Scrapping of property, plant and equipment	**35**	40	27
Scrapping of assets under construction	**24**	98	
Profit on disposal of property, plant and equipment	**(1)**	(1)	(2)
Total loss	**58**	137	25

The remeasurement items in 2010 include the scrapping of sections of projects which are no longer economically viable and whose technologies can no longer be used (R24 million), critical spares (R11,9 million), term operating assets (R14,4 million) and other smaller items (R9 million).

The remeasurement items in 2009 include the scrapping of sections of projects which are no longer economically viable and whose technologies can no longer be used (R98 million), critical spares (R8 million), catalyst losses (R24 million) and other smaller items (R7 million).

The remeasurement items in 2008 include the scrapping of the basic engineering package amounting to R11 million for the Benzene Alkylation Badger and Pre-heating of Reformer Feed Gas projects, as these projects did not meet the appropriate specifications for which they were originally intended. The remainder of the balance relates primarily to the scrapping of other smaller items of R16 million.

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Sasol Oil results of operations

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	47 932	51 086	(3 154)	(6)	52 500	(1 414)	(3)
Inter-segment	479	608	(129)	(21)	498	110	22
Total turnover	**48 411**	**51 694**	**(3 283)**	**(6)**	**52 998**	**(1 304)**	**(2)**
Operating costs and expenses[(1)]	(47 047)	(52 045)	4 998	(10)	(47 491)	(4 554)	10
Operating profit/(loss)	**1 364**	**(351)**	**1 715**	**489**	**5 507**	**(5 858)**	**(106)**
Operating margin%	3	(1)			10		

(1) Operating costs and expenses net of other income.

Results of operations 2010 compared to 2009

Total turnover decreased by 6% from R51 694 million in 2009 to R48 411 million in 2010 mainly due to lower product prices. Total liquid fuel sales were 7% higher at 10,55 million cubic metres (Mm^3) in 2010 compared to 9,85 Mm^3 in 2009 specifically to wholesales and overland exporters into Southern Africa. This was as a result of a knock on effect from improved production despite a decrease in crude oil throughput at our Natref refinery which decreased by 6% from 3,5 Mm^3 in 2009 to 3,3 Mm^3 in 2010.

Operating costs and expenses decreased by 10% from R52 045 million in 2009 to R47 047 million in 2010 as a result of reduced cash fixed costs and tighter inventory management. These positive effects were offset to some extent by the stronger rand/US dollar exchange rate.

Sasol Oil reported an operating profit of R1 364 million in 2010 compared with an operating loss of R351 million in 2009 mainly due to improved marketing margins during a period of less volatile crude oil prices despite weaker refining margins.

The main factors contributing to the decrease in operating loss to a profit were:

	Change 2010/2009 (Rand in millions)	%
Operating loss 2009	(351)	
Exchange rate effects	(824)	(235)
Net product and feedstock price decreases	2 343	668
Inflation on other operating costs	(97)	(28)
Net volume and productivity effects	306	87
Effects of remeasurement items	(13)	(3)
Operating profit 2010	1 364	

Results of operations 2009 compared to 2008

Total turnover decreased by 2% from R52 998 million to R51 694 million mainly due to lower product prices. Total liquid fuel sales were 1% lower at 9,85 million cubic metres (Mm^3) as the South African economy slowed compared to 9,98 Mm^3 in 2008. Retail sales were 3% higher than 2008, partly as a result of the expansion of our retail convenience centres from 406 in the prior year to 411 in 2009.

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Sasol Oil reported an operating loss of R351 million in 2009 compared to an operating profit of R5 507 million in 2008 primarily due to the steep decline in crude oil and product prices experienced during the first half of 2009, which led to significant stock losses when stocks were sold at progressively lower prices during the period from August 2008 to January 2009. Despite prices levelling off during the latter part of the year, the full extent of the earlier losses did not reverse. Refining margins were also significantly tighter than the previous year. The crude oil throughput at our Natref refinery decreased by 1,4% to 3,49 Mm^3.

Operating costs and expenses increased by 10% mainly as a result of higher raw material input and component prices as well as the weaker rand/US dollar exchange rate.

The main factors contributing to the decrease in operating profit were:

	Change 2009/2008 (Rand in millions)	**%**
Operating profit 2008	5 507	
Exchange rate effects	298	5
Net product and feedstock price increases	(5 804)	(105)
Inflation on other operating costs	(136)	(2)
Net volume and productivity effects	(199)	(4)
Effects of remeasurement items	(17)	
Operating loss 2009	(351)	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2010	**2009**	**2008**
	(Rand in millions)		
Impairment of property, plant and equipment			11
Scrapping of property, plant and equipment	**15**	3	
Profit on disposal of property, plant and equipment	**(5)**	(6)	(31)
Total loss/(gain)	**10**	(3)	(20)

The remeasurement items in 2010 include the scrapping of a number of assets with small carrying values that were retired from use and the remaining carrying values attributable to these assets were written off. The profit on the disposal of property, plant and equipment relates to various small items.

The remeasurement items in 2009 include the scrapping of a number of assets with small carrying values that were retired from use and the remaining carrying values attributable to these assets were written off. The profit on the disposal of property, plant and equipment relates to various small items.

A truckstop was opened in Sasolburg in November 2004 at a cost of R44 million. Due to the withdrawal of a key customer and other transporters, resulting in declining volumes in the wash bay, an impairment of R11 million was recognised in 2008.

The South African government expropriated a retail convenience centre owned by Sasol Oil as part of the Gautrain Rapid Link Project for the construction of a railway transportation system in 2008. The company was compensated for the assets acquired as well as the loss of future income and realised a profit of R24 million. The remaining R7 million relates to the profit on disposal of various smaller other items.

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International energy cluster

Sasol Synfuels International (SSI) results of operations

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	2 282	3 027	(745)	(25)	1 788	1 239	69
Inter-segment					5	(5)	(100)
Total turnover	**2 282**	**3 027**	**(745)**	**(25)**	**1 793**	**1 234**	**69**
Operating costs and expenses[(1)]	(2 151)	(3 262)	1 111	(34)	(2 414)	(848)	35
Operating profit/(loss)	**131**	**(235)**	**366**	**156**	**(621)**	**386**	**62**
Operating margin%	6	(8)			(35)		

(1) Operating costs and expenses net of other income.

Results of operations 2010 compared to 2009

Total turnover decreased by 25% from R3 027 million in 2009 to R2 282 million in 2010 mainly due to the strengthening of the rand against the US dollar and lower volumes. The Oryx GTL facility had an unplanned shutdown in the second quarter of 2010 as a result of a failure in a vendor supplied air compressor unit and a planned statutory shutdown in the fourth quarter of 2010, resulting in lower production for the year.

Operating costs and expenses decreased by 34% from R3 262 million in 2009 to R2 151 million in 2010 primarily due to the additional provision raised in respect of the Escravos gas-to-liquids (EGTL) project amounting to R1 280 million in 2009 as well as cost containment initiatives.

SSI reported an operating profit of R131 million compared with R536 million in 2009 before the effect of the loss of R771 million relating to reduction of our economic interest in the EGTL project. The impact of lower production volumes and the strengthening of the rand against the US dollar on operating profit were partially negated by higher crude oil prices during the year.

The Oryx GTL facility operated at 90% capacity, excluding the impact of the planned shutdown, in the second half of 2010.

The main factors contributing to the decrease in operating loss to a profit were:

	Change 2010/2009 (Rand in millions)	%
Operating loss 2009	(235)	
Exchange rate effects	(113)	(48)
Net volume and productivity effects	(294)	(125)
Effects of remeasurement items	773	329
Operating profit 2010	131	

Results of operations 2009 compared to 2008

SSI hosts the growth ambitions of the group relating to GTL and CTL ventures. Total turnover increased significantly by 69% from R1 788 million in 2008 to R3 027 million in 2009. This is mainly due to an increase in the contribution from the Oryx GTL facility in Qatar, a

49:51 joint venture with Qatar Petroleum, as the plant has continued to ramp up to expected capacity during the year.

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SSI reported an operating loss of R235 million compared to an operating loss of R621 million in 2008. This improved performance was primarily related to increased production at Oryx GTL but was negated by provisions raised in respect of catalyst and performance guarantees related to the Oryx and Escravos GTL (EGTL) operations increased by R297 million (including the effects of translation) in 2009, as well as the additional provision raised in respect of EGTL amounting to R1 280 million discussed below.

During 2008, Sasol decided in principle that it would not continue with its 37,5% participation in the EGTL project. Following negotiations with Chevron Nigeria Limited, Sasol reduced its economic interest from 37,5% to 10% for which a consideration of R3 486 million (US$360 million) was received. Due to uncertainties that recently arose from the fiscal arrangements for the project, management reassessed this impact on its commitments relating to the project. This resulted in a provision of R1 280 million being recognised against the net result of the disposal. Our retained 10% economic interest in EGTL is now recognised as an investment in an associate.

The main factors contributing to the decrease in operating loss were:

	Change 2009/2008 (Rand in millions)	**%**
Operating loss 2008	(621)	
Exchange rate effects	161	26
Net volume and productivity effects	606	97
Effects of remeasurement items	(381)	(61)
Operating loss 2009	(235)	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2010	**2009**	**2008**
	(Rand in millions)		
Impairment of property, plant and equipment			362
Scrapping of property, plant and equipment		5	
Loss on disposal of property, plant and equipment	**4**	1	
Disposal of business		771	
Loss on repurchase of participation right in GTL project			34
Total loss	**4**	777	396

The remeasurement items in 2010 include the loss on the disposal of property, plant and equipment that relates to various small items.

The remeasurement items in 2009 include the loss of R771 million on the disposal of our interest in the EGTL plant in Nigeria. The scrapping of property, plant and equipment relates to a number of assets with small carrying values that were retired from use and the remaining carrying values attributable to these assets were written off. The loss on the disposal of property, plant and equipment relates to various small items.

In 2008, it was determined that a material increase in capital expenditure is expected in respect of the construction of the EGTL plant in Nigeria, with the project completion date also being postponed. Sasol entered into negotiations to reduce its interest in the project to 10% with an impairment of R362 million being recognised in 2008 based on the EGTL plant's fair value less costs to sell.

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Sasol Petroleum International (SPI) results of operations

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	916	1 156	(240)	(21)	1 228	(72)	(6)
Inter-segment	769	983	(214)	(22)	743	240	32
Total turnover	**1 685**	**2 139**	**(454)**	**(21)**	**1 971**	**168**	**9**
Operating costs and expenses[(1)]	(1 348)	(1 024)	(324)	32	(967)	(57)	6
Operating profit	**337**	**1 115**	**(778)**	**(70)**	**1 004**	**111**	**11**
Operating margin %	20	52			51		

(1) Operating costs and expenses net of other income and including exploration costs.

Results of operations 2010 compared to 2009

Total turnover decreased by 21% from R2 139 million in 2010 to R1 685 million in 2009 mainly due to the negative impact of the stronger rand US dollar exchange rate as well as lower sales volumes from the Etame oil field cluster in Gabon. This was partly negated by the impact of higher average crude oil and gas prices.

Total gas sales volumes from Mozambique increased marginally from 74,7 million gigajoules (MGJ) in 2009 to 75,1 MGJ in 2010, while condensate sales decreased by 62% from 0,5 million barrels (bbl) in 2009 to 0,2 million bbl in 2010. Total oil sales from Gabon decreased by 5% from 2,0 million bbl in 2009 to 1,9 million bbl in 2010.

Operating costs and expenses increased mainly due to the additional costs incurred on the US$300 million expansion project of the onshore gas production facilities in Pande and Temane, Mozambique, to increase the current annual capacity of 120 MGJ to 183 MGJ. This was partially negated by a decrease in total exploration costs amounting to R177 million in 2010 compared to R311 million in 2009 due to reduced exploration activity in Block 16 and 19 in Mozambique.

The main factors contributing to the decrease in operating profit were:

	Change 2010/2009 (Rand in millions)	%
Operating profit 2009	1 115	
Exchange rate effects	(415)	(38)
Net product and feedstock price decreases	(23)	(2)
crude oil effects	74	7
effect of crude oil hedge	(152)	(14)
other products	55	5
Net volume and productivity effects	(249)	(22)
Effects of remeasurement items	(91)	(8)
Operating profit 2010	337	

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Results of operations 2009 compared to 2008

The increase in Sasol Petroleum International's (SPI) total turnover of 9% from R1 971 million in 2008 to R2 139 in 2009 is mainly attributable to the impact of the weaker rand US dollar exchange rate as well as higher sales volumes as a result of the Ebouri offshore oilfield being successfully commissioned during 2009. This was partially negated by the impact of lower crude oil prices.

Gas production levels in Mozambique were maintained from 2008 to 2009, while oil production levels increased in 2009 compared to 2008. Condensate production levels decreased in 2009 compared to 2008.

Operating costs and expenses increased mainly due to an increase in exploration costs amounting to R311 million for 2009 compared to R221 million in 2008.

The main factors contributing to the increase in operating profit were:

	Change 2009/2008 (Rand in millions)	**%**
Operating profit 2008	1 004	
Exchange rate effects	535	53
Net product and feedstock price decreases	(215)	(22)
crude oil effects	(322)	(32)
other products	107	10
Net volume and productivity effects	(165)	(16)
Effects of remeasurement items	(44)	(4)
Operating profit 2009	1 115	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2010	**2009**	**2008**
	(Rand in millions)		
Loss/(profit) on disposal of property, plant and equipment		1	(27)
Write off of unsuccessful exploration wells	**58**	16	
Impairment of assets under construction	**50**		
Total loss/(gain)	**108**	17	(27)

In 2010, an amount of R58 million was written off in respect of capitalised exploration wells subsequently appraised to be unsuccessful. Further, certain upstream exploration assets in Nigeria were evaluated for impairment due to recent market transactions of similar assets and the Nigerian governments proposed new bill, which introduces changes to the fiscal regime of existing and new oil and gas licences. This evaluation resulted in an impairment of R50 million in 2010.

In 2009, an amount of R16 million was written off in respect of capitalised exploration wells subsequently appraised to be unsuccessful. Various other assets were retired from use and disposed of realising a loss of R1 million in 2009.

In 2008, SPI disposed of its 50% interest in the Dussafu Marine Permit realising a net profit of R33 million on the disposal thereof. Various other assets were retired from use and disposed of realising a loss of R6 million in 2008.

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Chemical Cluster

Sasol Polymers results of operations

Our polymer-related activities are housed in two separate entities, Sasol Polymers, a division of Sasol Chemical Industries Limited, and Sasol Polymers International Investments (Pty) Limited, a subsidiary of the Sasol Investment Company (Pty) Limited.

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	14 236	15 326	(1 090)	(7)	11 162	4 164	37
Inter-segment	85	199	(114)	(57)	142	57	40
Total turnover	**14 321**	**15 525**	**(1 204)**	**(8)**	**11 304**	**4 221**	**37**
Operating costs and expenses[(1)]	(13 363)	(14 579)	1 216	(8)	(9 793)	(4 786)	49
Operating profit	**958**	**946**	**12**	**1**	**1 511**	**(565)**	**(37)**
Operating margin %	7	6			13		

(1) Operating costs and expenses net of other income.

Results of operations 2010 compared to 2009

Total turnover decreased by 8% from R15 525 million in 2009 to R14 321 million in 2010 mainly due to the strengthening of the rand against the US dollar which offset the increase in sales volumes.

In 2010, Sasol Polymers reorganised its South African structure, with a focus on cutting costs and improving productivity. Benefits from these turnaround plans have already started to bear fruit, with an increase in sales margins and reductions in costs during the latter part of the 2010 financial year.

Operating costs and expenses decreased by 8% from R14 579 million in 2009 to R13 363 million in 2010 primarily due to reductions in cash fixed costs resulting form the reorganisation of the Polymers business in South Africa. This positive impact was partially offset by foreign exchange translation differences.

The main factors contributing to the increase in operating profit were:

	Change 2010/2009 (Rand in millions)	%
Operating profit 2009	946	
Exchange rate effects	(1 703)	(180)
Net product and feedstock price	1 738	184
crude oil	61	7
other products	1 677	177
Inflation on other operating costs	(216)	(23)
Net volume and productivity effects	208	22
Effects of remeasurement items	(15)	(2)
Operating profit 2010	958	

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Results of operations 2009 compared to 2008

Sasol Polymers commissioned the Arya Sasol Polymers plants leading to the strong growth experienced. It achieved a 37% increase in total revenue from R11 162 million in 2008 to R15 326 million in 2009 despite the sharp decline in polymer sales prices in the latter part of the year.

The operating profit decrease of 37% in 2009 when compared to 2008 is primarily attributable to the adverse impact of the current economic downturn, which affected demand, together with plummeting polymer prices, particularly in the second quarter of the year, which negatively impacted profit margins. Also included in 2009 was an amount of R80 million (2008 R9 million and 2007 R3 million) in respect of the write-down of inventories to net realisable value. Prices were further undermined by the industry's high level of inventories.

Production volumes increased 21% during the year mainly due to new capacity both in South Africa (second polypropylene plant in Secunda) and Iran (Arya Sasol Polymers).

The main factors contributing to the decrease in operating profit were:

	Change 2009/2008 (Rand in millions)	**%**
Operating profit 2008	1 511	
Exchange rate effects	1 026	68
Net product and feedstock price	(1 572)	(104)
crude oil	816	54
other products	(2 388)	(158)
Inflation on other operating costs	(126)	(8)
Net volume and productivity effects	118	8
Effects of remeasurement items	(11)	(1)
Operating profit 2009	946	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2010	**2009**	**2008**
	(Rand in millions)		
Impairment of property, plant and equipment	**5**		
Scrapping of property, plant and equipment	**6**	1	
Scrapping of assets under construction		3	
Loss/(profit) on disposal of property, plant and equipment	**3**	(5)	(12)
Total loss/(gain)	**14**	(1)	(12)

Remeasurement items in 2010 include the impairment of property, plant and equipment of R5 million relating to the closure of the Peroxide business. In addition, various projects and assets were retired from use and disposed of realising a loss of R3 million and numerous assets with small carrying values were retired from use and the remaining carrying values attributable to these assets were written off to the value of R6 million.

In 2009, various projects and assets were retired from use and disposed of realising a profit of R5 million. In addition, numerous assets with small carrying values were retired from use and the remaining carrying values attributable to these assets were written off to the value of R1 million. Other

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smaller projects which are no longer considered economically viable were also written off to the value of R3 million in 2009.

In 2008, various projects and assets were retired from use and disposed of realising a profit of R12 million.

Sasol Solvents results of operations

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	14 425	16 317	(1 892)	(12)	15 585	732	5
Inter-segment	1 340	1 798	(458)	(25)	1 597	201	13
Total turnover	**15 765**	**18 115**	**(2 350)**	**(13)**	**17 182**	**933**	**5**
Operating costs and expenses[1]	(14 611)	(17 620)	3 009	(17)	(14 800)	(2 820)	19
Operating profit	**1 154**	**495**	**659**	**133**	**2 382**	**(1 887)**	**(79)**
Operating margin %	7	3			14		

(1) Operating costs and expenses net of other income.

Results of operations 2010 compared to 2009

Total turnover decreased by 13% from R18 115 million in 2009 to R15 765 million in 2010. The decrease was primarily due to the strengthening of the rand against the US dollar, although sales volumes were higher in 2010 compared to 2009 due to increased production levels. The higher crude oil prices in 2010 also led to increases in sales prices and margins for chemical products during the latter half of the year.

Total production volumes for Sasol Solvents increased by 2,4% from 1,67 Mt in 2009 to 1,71 Mt in 2010. Total sales volumes increased from 1,63 Mt in 2009 to 1,71 Mt in 2010.

Operating costs and expenses decreased by 17% from R17 620 million in 2009 to R14 611 million in 2010 due to reduced cash fixed costs as a result of cost containment initiatives through the business improvement plans.

In addition, stronger margins further contributed to the increase in operating profit from R495 million in 2009 to R1 154 million in 2010.

The main factors contributing to the increase in operating profit were:

	Change 2010/2009 (Rand in millions)	%
Operating profit 2009	495	
Exchange rate effects	(710)	(143)
Net product and feedstock price	1 173	237
crude oil	223	45
other products	950	192
Inflation on other operating costs	(245)	(50)
Net volume and productivity effects	341	69

Effects of remeasurement items	100	20
Operating profit 2010	1 154	

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Results of operations 2009 compared to 2008

Total revenue in 2009 increased by 5% from R17 182 million in 2008 to R18 115 in 2009. The increase was primarily due to the positive impact of the weakening of the rand against foreign currencies, although sales volumes were reduced following market-related cutbacks in production. In addition, sales prices were significantly lower in the second half of the year than in the first half of the year.

Lower demand for our products in South Africa and Germany and, to a lesser extent, lower margins necessitated that production be curtailed during 2009. Total production volumes for Sasol Solvents in 2009 decreased by 6,7% to 1,67 Mt from 1,79 Mt in 2008. Total sales volumes decreased from 1,72 Mt to 1,63 Mt in 2009.

Operating costs in 2009 were negatively impacted by the write-down of inventories to net realisable value, the increased cost of feedstock, impairments recognised of R69 million and restructuring provisions raised of R118 million.

The main factors contributing to the decrease in operating profit were:

	Change 2009/2008 (Rand in millions)	**%**
Operating profit 2008	2 382	
Exchange rate effects	707	30
Net product and feedstock price	(1 421)	(60)
crude oil	891	37
other products	(2 312)	(97)
Inflation on other operating costs	(259)	(11)
Net volume and productivity effects	(860)	(36)
Effects of remeasurement items	(54)	(2)
Operating profit 2009	495	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2010	**2009**	**2008**
	(Rand in millions)		
Impairment of property, plant and equipment	**12**	69	269
Impairment of assets under construction	**2**		
Impairment of intangible assets		27	
Reversal of impairment of property, plant and equipment			(191)
Scrapping of property, plant and equipment	**44**	62	38
Profit on disposal of property, plant and equipment			(12)
Total loss	**58**	158	104

During 2010, further impairments amounting to R14 million were recognised in respect of the Herne site in Germany. This cash generating unit was fully impaired in 2008. Further, expenditure relating to compliance with legal and safety obligations was capitalised to the asset during the year and subsequently impaired.

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The scrapping of property, plant and equipment relates to in process consumption of Rhodium catalyst amounting to R27 million. A further R10 million relates to in process consumption associated with other catalysts. The remaining scrapping of R7 million relates to other smaller assets.

During 2009, the Secunda Acid Recovery plant was impaired for an amount of R63 million. Due to corrosion related maintenance and mechanical problems, the availability of the plant has been erratic from the start of its operations. The plant was partially impaired in 2001 and has now been fully impaired.

The Glacial Acrylic Acid plant in Sasolburg has not operated due to local demand being below the minimum plant capacity. As a result, an impairment of R6 million was recognised in 2009. Emission rights were impaired for an amount of R27 million due to a decline in market price.

Following a fire at the Germiston production site in January 2009, certain assets with carrying values of R26 million were scrapped. Further, losses of R19 million relate to in process consumption of Rhodium and other catalysts. The DithioPhosphate assets were disposed of in 2009, resulting in a scrapping loss of R9 million being recognised. The remainder of the balance of R8 million relates to other smaller items which were scrapped.

During 2005, the Sasol Solvents n-Butanol plant in South Africa was impaired due to a decline in the economics of the business caused by a decrease in n-Butanol sales prices and poor asset utilisation. During 2008, the economics of the business had improved due to an increase in n-Butanol prices and significantly improved asset utilisation. The previous impairment was reassessed, with management concluding that the increase in the selling price was sustainable to the extent that a reversal of R191 million of the previous impairment was recognised during 2008.

Also during 2008, feedstock prices into the ethanol business at the Herne site in Germany increased substantially while sales prices decreased due to an oversupply of ethanol in the European market. Due to a decline in the economics of the business and the impact on the site as a whole, an impairment of the Herne site amounting to R261 million was recognised.

In addition, the DithioPhosphate plant in Sasolburg was shut down during 2008 and an impairment of R8 million was recognised.

The scrapping of property, plant and equipment relates to in process consumption of Rhodium catalyst amounting to R29 million. A further R5 million relates to in process consumption associated with other catalysts. The remaining scrapping of R4 million relates to other smaller assets.

Sasol Olefins & Surfactants (O&S) results of operations

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	24 774	28 867	(4 093)	14	28 125	742	3
Inter-segment	509	667	(158)	(24)	655	12	2
Total turnover	**25 283**	**29 534**	**(4 251)**	**(14)**	**28 780**	**754**	**3**
Operating costs and expenses[(1)]	(22 791)	(29 694)	6 903	(23)	(27 268)	(2 426)	9
Operating (loss)/profit	**2 492**	**(160)**	**2 652**	**1 658**	**1 512**	**(1 672)**	**(111)**
Operating margin %	10	(1)			5		

(1) Operating costs and expenses net of other income.

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Results of operations 2010 compared to 2009

Total turnover decreased by 14% from R29 534 million in 2009 to R25 283 million in 2010 mainly due to the strengthening of the rand against the US dollar. Sales volumes increased by 2% from 1,89 Mt in 2009 to 1,92 Mt in 2010 as demand in the market recovered.

Operating costs and expenses decreased by 23% from R29 694 million in 2009 to R22 791 million in 2010. This decrease is largely attributable to the turnaround programme announced by Sasol O&S in 2008. The positive effect of the turnaround programme has also enabled the business to better respond to the economic downturn through margin maintenance, improved asset utilisation, a reduction in headcount and a focused reduction on cash fixed costs, which was partially offset by the negative impacts of foreign exchange movements in 2010. In addition, included in operating costs and expenses is the partial reversal of the impairment of the Sasol Italy assets of R348 million.

The main factors contributing to the decrease in operating loss to a profit were:

	Change 2010/2009 (Rand in millions)	**%**
Operating loss 2009	(160)	
Exchange rate effects	(422)	(264)
Net product and feedstock price	3 077	1 923
Net volume and productivity effects	(453)	(283)
Effects of remeasurement items	450	282
Operating profit 2010	2 492	

Results of operations 2009 compared to 2008

Total turnover decreased by 10% in euro terms, although it increased by 3% from R28 780 million in 2008 to R29 534 million in 2009 in rand terms. This deterioration was mainly due to a 10% reduction in sales volumes and decreased product prices due to the economic downturn, especially in the global automotive and construction sectors.

Operating costs and expenses include the negative effects of the write-down of inventories to net realisable value, resulting from a sharp decline in crude oil prices. In addition, a provision of R23 million has been recognised for the expected divestiture of the inorganic business in Italy as well as an impairment of R16 million in this respect. Sasol O&S's turnaround and restructuring announced in 2008 is well on track and has already positioned the business to better respond to the economic downturn through margin maintenance and cost reduction.

The main factors contributing to the decrease in operating profit were:

	Change 2009/2008 (Rand in millions)	**%**
Operating profit 2008	1 512	
Exchange rate effects	42	3
Net product and feedstock price	(1 594)	(105)
Net volume and productivity effects	13	1
Effects of remeasurement items	(133)	(9)
Operating loss 2009	(160)	

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Remeasurement items for the years ended 30 June

During the year under review operating costs and expenses include the effect of the following remeasurement items:

	2010	2009	2008
	(Rand in millions)		
Impairment of property, plant and equipment	**8**	18	62
Impairment of intangible assets		84	
Reversal of impairment of property, plant and equipment	**(348)**		(96)
Reversal of impairment of intangible assets	**(15)**		
Reversal of impairment of assets under construction	**(2)**		
Scrapping of property, plant and equipment	**2**	1	3
Loss on disposal of property, plant and equipment	**6**	3	4
Loss on disposal of business	**5**		
Total (gain)/loss	**(344)**	106	(27)

The remeasurement items in 2010 include:

Impairment of property, plant and equipment the closure of the Paraffin Sulfonate plant in Germany resulted in an impairment for an amount of R8 million;

Reversal of impairment of property, plant and equipment and assets under construction during 2007, the Sasol Italy Organics business was fully impaired due to a decline in the economics of the business. Following the termination of the Sasol O&S divestiture process in 2007, Sasol O&S has implemented a turnaround programme. The Sasol O&S turnaround programme included, among others, the closure of the Porto Torres and Augusta plants in Italy, the sale of unprofitable assets such as Crotone as well as various cost reduction initiatives. As a result, these initiatives as well as improvements in overall market conditions have provided indications that part of the previously recognised impairments should be reversed. Management concluded that a partial reversal of the previously recognised impairment of approximately R900 million (€96 million) was appropriate. Accordingly, an amount of R350 million (€37 million) was recognised in 2010 as a reversal of the impairment;

Reversal of impairment of intangible assets amounting to R15 million due to the increase in the market price of emission rights during the year;

Numerous assets with small carrying values were retired from use and the remaining carrying values attributable to these assets were written off to the value of R2 million;

Various projects and assets were retired from use and disposed of realising a loss of R6 million in 2010;

Loss on disposal of business during 2009, as part of the Sasol O&S turnaround programme announced in 2007, Sasol decided to dispose of its investment in the inorganic business situated at the Crotone, Italy site and realised a loss on disposal business amounting to R5 million.

The remeasurement items in 2009 include:

Impairment of property, plant and equipment includes further impairments recognised in the Sasol Italy's inorganics business unit of R16 million related to the sale of these assets, which are disclosed as held for sale at 30 June 2009. Further, impairments were recognised in the Sasol North America Alkylates business unit of R2 million;

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Impairment of intangible assets due to the decrease in the market price of emission rights during the year. The carrying value of intangible asset at 30 June 2009 was impaired by R84 million;

Additionally, numerous assets with small carrying values were retired from use and the remaining carrying values attributable to these assets were written off to the value of R1 million.

Various projects and assets were retired from use and disposed of realising a loss of R3 million in 2009.

The remeasurement items in 2008 include:

Impairment of property, plant and equipment includes further impairments recognised in the Sasol Italy's Inorganics business unit of R10 million and Sasol North America's Alkylates business unit of R44 million due to continued losses at these operations. In addition, impairments of R8 million related to other smaller assets were recognised.

Reversal of impairment of property, plant and equipment at 30 June 2007, the total assets of Sasol North America's Alcohols cash generating unit had been fully impaired due to the economics of the business. During the current year, management has commenced with the implementation of a turnaround strategy, resulting in a reversal of R96 million of the previously recognised impairment.

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Other Chemicals results of operations

Other chemical business includes Sasol Nitro, Sasol Wax, Merisol, Infrachem and various smaller chemical businesses.

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	11 951	14 805	(2 854)	(19)	13 315	1 490	11
Inter-segment	4 257	3 934	323	8	3 115	819	26
Total turnover	**16 208**	**18 739**	**(2 531)**	**(14)**	**16 430**	**2 309**	**14**
Operating costs and expenses[1]	(15 316)	(22 264)	6 948	31	(15 230)	(7 034)	46
Operating profit/(loss)	**892**	**(3 525)**	**4 417**	**125**	**1 200**	**(4 725)**	**(394)**
Operating margin %	6	(19)			7		
Sasol Nitro							
Total turnover	4 709	6 829	(2 120)	(31)	5 964	865	15
Operating profit/(loss)	306	(370)	676	183	1 267	(1 637)	(129)
Sasol Wax							
Total turnover	6 636	7 397	(761)	(10)	6 570	827	13
Operating (loss)/profit	659	(2 994)	3 653	122	381	(3 375)	(886)
Merisol							
Total turnover	759	766	(7)	(1)	844	(78)	(9)
Operating profit	22	92	(70)	(76)	143	(51)	(36)
Sasol Infrachem							
Total turnover	4 102	3 746	356	10	2 908	838	29
Operating loss	(56)	(192)	136	71	(510)	318	62

(1) Operating costs and expenses net of other income.

Results of operations 2010 compared to 2009

Sasol Nitro, which comprises our South African ammonia, fertilisers, phosphates and explosives portfolios, increased operating profit by 15%, excluding the effect of the administrative penalty of R251 million imposed by the South African Competition Commission, impairments related to our Phalaborwa plant and the negative effects of the write-down of inventories to net realisable value of R385 million in 2009. The positive results were mainly due to improved product margins in the fertiliser business and reduction of cash fixed costs. These results were partially offset by the effect of the stronger rand/US dollar exchange rate and lower commodity selling prices.

Sasol Wax produces and markets wax and wax related products to commodity and specialty wax markets globally. Total turnover has decreased by 10%, primarily as a result of the strengthening of the rand against the US dollar and the slower than expected recovery in the US wax market. This impact was partially negated by improved sales volumes in the European wax market. Operating profit decreased by 4%, excluding the effect of the administrative penalty of R3 678 million (€318,2 million) imposed by the European Commission in 2009. Cash fixed costs were contained within inflationary levels, in line with business recovery plans.

Merisol, our 50:50 cresylic acids joint venture with Merichem Company, produces about a third of the world's phenolics. Total turnover decreased by 1% from R766 million to R759 million in 2010

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mainly due to reduced sales volumes emanating from the global economic downturn during the second half of the year.

Sasol Infrachem's total turnover increased by 10% from R3 746 million in 2009 to R4 102 million in 2010 due to higher selling prices as a result of the new inter segment gas pricing structure implemented in 2009. This resulted in a lower operating loss of R56 million compared to R192 million in 2009. Gas production increased by 4% from 35,7 MGJ in 2009 to 37,2 MGJ in 2010.

Results of operations 2009 compared to 2008

Sasol Nitro, which comprises our South African ammonia, fertilisers, phosphates and explosives portfolios, reported an operating loss of R370 million in 2009 compared to an operating profit of R1 267 million in 2008 primarily as a result of a decrease of 27% sales volumes coupled with lower margins as well as higher operating costs and expenses. This has been partially offset by the positive effects of a weaker average rand/US dollar exchange rate during 2009 when compared to 2008. Included in operating loss is the administrative penalty imposed by the South African Competition authorities of R251 million, the negative effects of the write-down of inventories to net realisable value of R385 million, impairments of R216 million and provisions of R39 million relating primarily to the closure of the Phalaborwa and Polyfos operations.

Sasol Wax produces and markets wax and wax related products to commodity and specialty wax markets globally. Total turnover has increased by 13%, primarily as a result of higher selling prices during the first half of the year. The extreme market conditions due to the economic downturn during the second half of the year had a negative impact on the overall operating profit for the year. Included in operating loss is the fine of R3 678 million (€318,2 million) imposed by the European Commission.

Merisol, our 50:50 cresylic acids joint venture with Merichem Company, produces about a third of the world's phenolics. Total turnover decreased by 9% from R844 million to R766 million in 2009 mainly due to reduced sales volume emanating from the global downturn.

Sasol Infrachem's total turnover increased by 29% from R2 908 million in 2008 to R3 746 million in 2009 due to higher selling prices as a result of the implementation of a new inter segment gas pricing structure. This resulted in a lower operating loss of R192 million compared to R510 million in 2008. Gas production decreased by 6% from 38,0 MGJ in 2008 to 35,7 MGJ in 2009.

Remeasurement items for the years ended 30 June

Operating costs and expenses includes the effect of the following remeasurement items:

	2010	2009	2008
	(Rand in millions)		
Impairment of property, plant and equipment	**5**	211	13
Impairment of assets under construction	**7**	13	
Impairment of intangible and other assets		5	
Impairment of investments	**1**	8	
Reversal of impairment of property, plant and equipment			(94)
Scrapping of property, plant and equipment	**9**	5	3
Scrapping of assets under construction	**8**		
(Profit)/loss on disposal of property, plant and equipment	**(3)**	2	(10)
Loss on disposal of intangible assets	**1**	2	
Loss/(profit) on disposal of business		1	(111)
Profit on disposal of associate	**(7)**		
Profit on disposal of investments			(129)
Realisation of foreign currency translation reserve			557
Total loss	**21**	247	229

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The remeasurement items in 2010 include:

Impairment of property, plant and equipment R4,5 million related to the Sasol Nitro Powergel plant which is planned to be shut down and R0,5 million in respect of the shut down the Sasol Nitro Polyfos plant;

Impairment of assets under construction R7 million is in respect of the costs of roller crushers relating to Sasol Nitro's Granulation plant in Secunda which was impaired in 2009;

Impairment of investment R1 million relates to Merisol's investment in a joint venture that is currently being wound up;

Scrapping of property, plant and equipment and assets under construction numerous assets with small carrying values were retired from use and the remaining carrying values attributable to these assets were written off to the value of R9 million. Further, other smaller projects which are no longer considered economically viable were also written off to the value of R8 million;

Profit on disposal of property, plant and equipment various projects and assets were retired from use and disposed of realising a profit of R3 million;

Loss on disposal of intangible assets relates to emission rights donated by Sasol Nitro realising a loss of R1 million; and

Profit on disposal of associate on 10 July 2007, Sasol Wax disposed of its 31% investment in Paramelt RMC BV, operating in the Netherlands, for a consideration of R251 million, realising a profit of R129 million. During 2010, the additional conditions precedent were met resulting in the receipt of additional consideration of R7 million.

The remeasurement items in 2009 include:

Impairment of property, plant and equipment related to Sasol Wax relates to the calcium strearate production unit (R8 million) which is being shut down. Impairment of property, plant and equipment related to the Sasol Nitro Phalaborwa operations which are planned to be shut down is R174 million. A further impairment of R29 million in Sasol Nitro relates to the shutting down of the Polyfos plant;

The impairment of assets under construction of R13 million relates to basic engineering costs on Sasol Nitro's new Granulation Plant in Secunda which was impaired during the current year;

Impairment of intangible assets in Sasol Wax due to the decrease in the market price of emission rights during the year. The carrying value of intangible asset at 30 June 2009 was impaired by R5 million;

The impairment of investment of R8 million relates to Sasol Wax's investment in Sasol Wax Danmark APS, which it subsequently disposed of;

Additionally, numerous assets with small carrying values were retired from use and the remaining carrying values attributable to these assets were written off to the value of R5 million;

Various projects and assets were retired from use and disposed of realising a loss of R2 million in 2009;

Loss on disposal of intangible assets of R2 million relates to a patent that was sold by Sasol Wax; and

During the year Sasol Wax disposed of its interest in Sasol Wax Danmark APS realising a loss of R1 million.

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The remeasurement items in 2008 include:

Impairment of property, plant and equipment relating mainly to Asphacell GmbH, a joint venture of Sasol Wax. The company has reported operating losses since its inception due to the continued lack of market penetration and increases in the cost of raw materials and plant maintenance. In November 2007, the Sasol Wax Supervisory Board authorised management to start exploratory discussions for the divestment in Asphacell. It was determined at that point to recognise an impairment of R11 million on the assets of Asphacell.

Impairment of property, plant and equipment related to the Sasol Nitro magnesium nitrate plant of R2 million. During the year, the tolling arrangement with Foskor at the Phalaborwa site was terminated and Sasol Nitro began manufacturing for its own account. This resulted in a reversal of a previously recognised impairment of R94 million related to this site.

Profit on disposal of business Sasol Nitro disposed of 50% of its investment in Sasol Dyno Nobel (Pty) Limited in September 2007 to form a joint venture, realising a profit of R114 million. During the year, Sasol Chemical Industries Limited disposed of its investment in African Amines (Pty) Limited, realising a loss of R3 million.

Profit on disposal of investments In July 2007, Sasol Wax disposed of its 31% investment in Paramelt RMC BV, operating in the Netherlands, realising a profit of R129 million.

Realisation of foreign currency translation reserve In June 2008, Sasol Wax realised an exchange loss of R557 million on the re-denomination of a loan, from rand to euro, that was accounted for as part of the net investment in a foreign operation.

Other businesses results of operations

Other businesses include Sasol Financing, Sasol Technology and the group's corporate head office function.

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	179	171	8	5	225	(54)	(24)
Inter-segment	5 241	5 038	203	4	4 048	990	24
Total turnover	**5 420**	**5 209**	**211**	**4**	**4 273**	**936**	**22**
Operating costs and expenses[(1)]	(5 255)	(7 863)	2 608	33	(5 493)	(2 370)	43
Operating profit/(loss)	**165**	**(2 654)**	**2 819**	**106**	**(1 220)**	**1 434**	**118**

(1) Operating costs and expenses net of other income.

Results of operations 2010 compared to 2009

Operating profit for 2010 was positively impacted by the lower share-based payment expense relating to the Sasol Inzalo share transaction of R2 million in 2010 compared with R2 435 million in 2009, as a result of the shares issued to the black public in 2009, and the effect of the strengthening of the rand against the US dollar.

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Results of operations 2009 compared to 2008

Operating loss for 2009 was adversely impacted by the share-based payment expense relating to the black public invitations of the Sasol Inzalo share transaction of R2 435 million and the effect of the weakening of the rand against the US dollar.

Remeasurement items for the years ended 30 June

Operating costs and expenses includes the effect of the following remeasurement items:

	2010	2009	2008
	(Rand in millions)		
Impairment of property, plant and equipment	**17**		
Impairment of intangible and other assets	**1**	23	
Impairment of assets under construction	**2**		
Scrapping of property, plant and equipment	**8**	7	28
Profit on disposal of property, plant and equipment	**(4)**	(4)	(1)
Profit on disposal of business		(2)	
Profit on disposal of investments			(108)
Total loss/(gain)	**24**	24	(81)

During 2010, due to the increasing cash fixed costs to maintain the hotel owned by Sasol in Secunda and the relatively low occupation levels, the carrying value of the hotel was impaired by R17 million. Also, due to the decrease in the market price of emission rights during the year, the carrying value of intangible assets was impaired by R1 million at 30 June 2010. The impairment of assets under construction relates to the impairment of generators amounting to R2 million.

Additionally in 2010, numerous assets with small carrying values were retired from use and the remaining carrying values attributable to these assets were written off to the value of R8 million. Various projects and assets were retired from use and disposed of realising a profit of R4 million in 2010.

During 2009, Sasol acquired a hotel in Secunda, South Africa for a purchase consideration of R17 million as part of a cost savings initiative to accommodate staff members and other personnel working on the Sasol Synfuels growth initiative.

Due to the decrease in the market price of emission rights during the year, the carrying value of intangible assets was impaired by R23 million at 30 June 2009.

Additionally, numerous assets with small carrying values were retired from use and the remaining carrying values attributable to these assets were written off to the value of R7 million. Various projects and assets were retired from use and disposed of realising a profit of R4 million in 2009.

Sasol Technology (Pty) Limited disposed of its 50% interest in Sasol-Lurgi Technology Co (Pty) Limited, realising a profit of R2 million.

During 2008, the Sasol Investment Company (Pty) Limited disposed of its investment in FFS Refiners (Pty) Limited realising a profit of R108 million.

An extensive asset verification exercise was performed at Sasol Technology during 2008 and items identified as assets which should be scrapped amounted to R27 million.

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RECENT ACCOUNTING PRONOUNCEMENTS

The following IFRS accounting standards, interpretations and amendments to published accounting standards which are applicable to the group have been issued by the IASB, but not yet effective, have not been adopted in the current year:

IFRS 9, Financial Instruments

The effective date for adoption of this standard is for periods commencing on or after 1 January 2013. The standard will have not have a significant impact on the financial statements of the group as the measurement and recognition of financial assets under the current IAS 39, Financial Instruments: Recognition and Measurement currently complies with the measurement criteria specified in IFRS 9, Financial Instruments.

IFRS 2 (Amendment), Share-based Payment Group Cash-settled Share-based Payment Transactions

The effective date for adoption of this standard is for periods commencing on or after 1 January 2010. This standard will be adopted by the group for the year ending 30 June 2011. The standard will not have a significant impact on the financial statements of the group as this standard affects cash settled inter-group share-based payment transactions.

Various improvements to IFRSs

A number of standards have been amended as part of the IASB's improvement project. Management is in the process of considering the relevant amendments to the standards and determining the financial implications and impact on the group.

5.B Liquidity and capital resources

Liquidity

Management believes that cash on hand and funds from operations, together with our existing borrowing facilities, will be sufficient to cover our reasonably foreseeable working capital and debt requirements. We finance our capital expenditure from funds generated out of our business operations, existing borrowing facilities and, in some cases, additional borrowings to fund specific projects.

In 2009, we entered into a cash conservation approach, which included our cost containment strategy and the suspension of our share repurchase programme. This resulted in the group's strong cash position. In addition, our cash conservation approach also included the prioritisation of our capital expenditure programme, which was necessitated by the lack of liquidity in the debt markets. In 2010, we have continued with this strategy. In the short-term our capital expenditure was prioritised to that which can be funded through cash generated from operating activities. Further in 2009, significant cash resources were made available due to the unlocking of working capital which was previously tied up in inventory and trade receivables, strongly assisted by the reduction in crude oil prices and the resultant decrease in product prices. Inventory also benefited from lower volumes.

The following table provides a summary of our cash flows for each of the three years ended 30 June 2010, 2009 and 2008:

	2010	**2009**	**2008**
		(Rand in millions)	
Net cash retained from operating activities	**15 529**	30 838	17 954
Net cash utilised in investing activities	**(16 704)**	(12 518)	(10 844)
Net cash utilised by financing activities	**(2 701)**	(1 193)	(8 415)
		192	

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The cash generated by our operating activities is applied first to pay our debt and tax commitments and then to provide a return in the form of a dividend to our shareholders. The net cash retained is applied primarily to invest in our capital investment programme.

Refer to "Item 18 Financial Statements Note 17 Cash and cash equivalents" of the consolidated financial statements for additional information on the currency analysis of the group's cash and cash equivalents.

Operating activities

Net cash retained from operating activities has fluctuated over the past three years to R15 529 million in 2010 from R30 838 million in 2009 and R17 954 million in 2008 as a result of the volatility experienced in the markets due to the global economic recession. Cash flows retained from operating activities include the following significant cash flows:

	2010	**2009**	**Change 2010/2009**	**Change 2010/2009**	**2008**	**Change 2009/2008**	**Change 2009/2008**
	(Rand in millions)			**(%)**	**(Rand in millions)**		**(%)**
Cash generated by operating activities	**27 338**	48 187	(20 849)	(43)	34 740	13 447	39
Income tax paid	**(6 040)**	(10 252)	4 212	41	(9 572)	680	7
Dividend paid	**(5 360)**	(7 193)	1 833	25	(5 766)	1 427	25

In 2010, the average dated Brent crude oil price increased to US$74,37/b from the average of US$68,14/b in 2009 and decreased from US$95,51/b in 2008. This decrease in the crude oil price in the prior year had a negative impact on our operating profit, however, the unlocking of working capital assisted by these lower crude oil prices and the resultant product prices had a positive impact on our cash generated by operating activities. In the current year, the improved crude oil price and the resultant improved product prices, together with improved volumes, has had a positive impact on our operations. However, we have seen an increase in our working capital which has offset this improvement. Cash generated by operating activities has decreased by 43% to R27 338 million in 2010 and increased by 39% to R48 187 million in 2009. In line with operating profit generated by our businesses, the most significant contributor to our cash generated by operations is Sasol Synfuels. The decrease in tax paid during the year is due to the decrease in taxable profit.

Dividends paid amounted to R5 360 million in 2010 compared to R7 193 million in 2009 and R5 766 million in 2008. Our dividend distribution policy is a progressive dividend policy to distribute dividends on a regular basis, to maintain and/or grow dividends in line with the anticipated sustainable growth in earnings, barring significant economic variables such as fluctuations in the oil price and exchange rates. The prevailing circumstances of the company, future investment plans, financial performance and the trading and macro economic environments are considered when we make decisions on dividends. The average rate of earnings to dividend distributions in the past five years was approximately 2,7 times. Our dividend cover for 2010 is 2,6 times.

Investing activities

Net cash utilised in investing activities has increased from R10 844 million in 2008 to R12 518 million in 2009 and to R16 704 million in 2010.

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Cash flows utilised in investing activities include the following significant cash flows:

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Additions to non-current assets[1]	**(16 108)**	(15 672)	(436)	(3)	(10 855)	(4 817)	(44)
Acquisition of businesses		(30)	30	100	(431)	401	93
Disposal of businesses		3 486	(3 486)	(100)	693	2 793	403

(1) Includes additions to property, plant and equipment, assets under construction and intangible assets.

The increase in additions to non-current assets is primarily due to an increase in capital expenditure on projects to expand our operations which includes the following key projects:

Projects[1]	Business categories	30 June 2010	30 June 2009	30 June 2008
			(Rand millions)	
Pipeline expansion 1st compressor	Sasol Gas	186	532	
Power generation with open cycle turbines	Sasol Synfuels	842	1 077	186
16th Oxygen train	Sasol Synfuels	970	507	304
10th SAS reactor	Sasol Synfuels	463	316	69
Gas heated exchange reformers	Sasol Synfuels	354	189	23
Oryx GTL and Escravos GTL[2]	Sasol Synfuels International			865
3rd Catalyst plant, South Africa	Sasol Synfuels International	465	221	10
2nd Catalyst plant, The Netherlands	Sasol Synfuels International			366
Mozambique expansion	Sasol Petroleum International	484	1 203	454
Petroleum West Africa development	Sasol Petroleum International	83	429	235
Project Turbo	Sasol Polymers		86	362
Arya Sasol Polymers (Iran)	Sasol Polymers		166	457
2nd and 3rd Octene trains	Sasol Solvents		298	323
Fischer-Tropsch Wax expansion project	Other chemical businesses	564	227	
Other smaller projects	Various	2 189	2 732	1 598
		6 600	**7 983**	**5 252**

(1) The amounts include business development costs and our group's share of capital expenditure of joint ventures. The amounts exclude finance expenses capitalised. These amounts were approved by our board of directors. We hedge all our major South African capital expenditure in foreign currency immediately upon commitment of the expenditure or upon approval of the project.

(2) The engineering procurement and construction contract was converted from a fixed-price to a cost-reimbursable contract. In 2009, Sasol reduced its economic interest in the EGTL project in Nigeria from 37,5% to 10%. Upon conclusion of the definitive agreements, the funding of the capital expenditure on the EGTL project was reduced proportionately to our 10% economic interest.

In addition, we invested R9 508 million, R7 689 million and R5 603 million on non-current assets in 2010, 2009 and 2008, respectively, to sustain existing operations.

During 2010, no acquisitions of businesses occurred (2009 R30 million and 2008 R431 million). The 2009 acquisitions comprised the acquisition of 50,1% of Exelem Aviation (Pty) Limited for a purchase consideration of R13 million and a hotel in Secunda, South Africa for a purchase consideration of R17 million.

During 2010, we disposed of businesses for a net amount of nil consideration (2009 R3 486 million and 2008 R693 million). The 2010 disposals comprised Sasol's receipt of an additional consideration of R7 million following the fulfilment of the remaining conditions precedent relating to the disposal of the investment in Paramelt RMC BV in 2007. This consideration was offset by the

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additional payment required in respect of creditors related to the disposal of Sasol Italy's Crotone assets during the current year.

Financing activities

The group's operations are financed primarily by means of its operating cash flows. Cash shortfalls are usually short-term in nature and are met primarily from short-term banking facilities. Long-term capital expansion projects and acquisitions of businesses are financed by a combination of internally generated cash flow and variable and fixed rate debt. This debt is usually in the measurement currency of the project or acquisition being financed and we aim to negotiate repayment terms that match the expected cash flow to be generated by the asset or the business acquired. Net cash utilised by financing activities was R2 701 million, R1 193 million and R8 415 million in 2010, 2009 and 2008, respectively. The following significant cash flows are included in financing activities:

	2010	2009	Change 2010/2009	Change 2010/2009	2008	Change 2009/2008	Change 2009/2008
	(Rand in millions)			(%)	(Rand in millions)		(%)
Share repurchase programme		(1 114)	1 114	100	(7 300)	6 186	85
Repayment of short-term debt	**(199)**	(2 091)	1 892	90	(2 292)	201	9
Repayment of long-term debt	**(4 647)**	(4 820)	173	4	(4 588)	(232)	(5)
Proceeds from short-term debt	**170**	280	(110)	(39)	1 942	(1 662)	(86)
Proceeds from long-term debt	**2 080**	5 575	(3 495)	(63)	3 806	1 769	46

At the general meeting of 23 November 2006, shareholders approved that the directors be granted the authority to acquire up to 10% of Sasol Limited ordinary shares by way of a general repurchase. This authority was renewed by shareholders at our general meeting held on 30 November 2007.

Through our subsidiary, Sasol Investment Company (Pty) Limited, we had purchased 40 309 886 ordinary shares representing 6,39% of the issued share capital of the company, excluding the Sasol Inzalo share transaction, for R12,1 billion at a cumulative average price of R299,77 per share since the inception of the programme in 2007. 31 500 000 ordinary shares of the repurchased shares were cancelled on 4 December 2008 for a total value of R7,9 billion. At the annual general meetings held on 28 November 2008 and 27 November 2009, the shareholders renewed the authority to repurchase up to 4% of the issued ordinary shares of the company. This authority is valid until the company's next annual general meeting. To date, no further purchases have been made under this authority. As at 30 June 2010, through our subsidiary, Sasol Investment Company (Pty) Limited, we held 8 809 886 ordinary shares, representing 1,46% of the issued share capital of the company, excluding the Sasol Inzalo share transaction, for an amount of R2 641 million at a cumulative average price of R299,77 per share.

During 2010, no additional preference share debt related to the Sasol Inzalo share transaction was raised. During 2009, preference share debt of R4,2 billion was raised related to the Sasol Inzalo share transaction. In 2008, preference share debt of R2,2 billion was raised related to the Sasol Inzalo share transaction. Refer to "Item 5A Operating results". In 2010, the repayment of long-term debt related primarily to the settlement of our Eurobond facility, while the proceeds from long-term debt relates to various facilities raised across the group.

Capital resources

Sasol Financing and Sasol Financing International act as our group's financing vehicles. All our group treasury, cash management and borrowing activities are facilitated through Sasol Financing and Sasol Financing International. The group executive committee (GEC) and senior management meet regularly, to review and, if appropriate, approve the implementation of optimal strategies for the effective management of the group's financial risk. Our cash requirements for working capital, share

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repurchases, capital expenditures and acquisitions, over the past three years have been primarily financed through a combination of funds generated from operations and borrowings. In our opinion, our working capital is sufficient for present requirements. Our long-term capital expansion projects are financed by means of a combination of internally generated cash flow and variable and fixed-rate long-term debt. This debt is normally financed in the same currency as the underlying project and repayment terms are designed to match the expected cash flows to be generated by that project.

Our debt comprises the following:

	2010	**2009**
	(Rand in millions)	
Long-term debt, including current portion	**15 197**	17 887
Short-term debt	**456**	490
Bank overdraft	**119**	80
Total debt	**15 772**	18 457
Less cash (excluding restricted cash)	**(14 870)**	(19 425)
Net debt/(cash)	**902**	(968)

Our debt profile has a longer-term bias which is a reflection of both our capital investment programme and the favourable results generated by operating activities over the last three years.

The group has borrowing facilities with major financial institutions of R35 478 million (2009 R37 790 million). Of these facilities, R15 772 million (2009 R18 457 million) has been utilised at year end.

There were no events of default for the years ended 30 June 2010 and 30 June 2009.

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Banking facilities and debt arrangements at 30 June 2010

	Expiry date	Currency	Rand equivalent	Utilisation
			Rm	Rm
Sasol Financing				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Rand	**4 681**	**32**
Commercial paper programme	None	Rand	**6 000**	
Committed facility				
Revolving credit facility (bilateral)	June 2013	US dollar	**1 151**	
Commercial banking facilities	Various (short-term)	Rand	**3 800**	
Sasol Financing International				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Euro	**161**	
Committed facility				
Revolving credit facility (bilateral)	June 2013	US dollar	**1 151**	
Other Sasol businesses				
Asset based finance				
Republic of Mozambique Pipeline Investments Company (Pty) Limited	December 2017	Rand	**2 471**	**2 271**
Sasol Petroleum Temane Limitada	June 2015	Euro and Rand	**671**	**671**
Debt arrangements				
Arya Sasol Polymer Company	March 2016	Euro	**2 634**	**2 575**
National Petroleum Refiners of South Africa (Pty) Limited	Various	Rand	**1 957**	**1 489**
Sasol Inzalo Groups Funding (Pty) Limited (preference shares)	October 2011 to October 2018	Rand	**2 422**	**2 422**
Sasol Inzalo Public Funding (Pty) Limited (preference shares)	October 2011 to October 2018	Rand	**4 538**	**4 538**
Property finance leases				
Sasol Oil (Pty) Limited and subsidiaries	Various	Rand	**733**	**733**
Other banking facilities and debt arrangements	Various	Various	**3 108**	**1 041**
			35 478	**15 772**
Comprising				
Long-term debt				**15 197**
Short-term debt				**456**
Bank overdraft				**119**
				15 772

Besides our normal commercial banking facilities, the majority of which is in South Africa, another facility to fund short-term funding requirements in South Africa is our commercial paper programme of R6 billion, normally at fixed interest rates. We had no exposure on the programme at 30 June 2010.

We manage our short-term debt interest rate exposure by making use of a combination of commercial banking facilities with variable interest rates and commercial paper issues at fixed interest rates. Refer to "Item 11 Quantitative and qualitative disclosures about market risk" for a breakdown of our liabilities summarised by fixed and floating interest rates.

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Debt profile

We actively monitor and manage our cash flow requirements and to the extent that core long-term financing requirements are identified, we will finance these with longer-term debt issues.

	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
			(Rand in millions)		
Maturity profile long-term debt	1 086	1 751	3 740	8 620	15 197

We endeavour to match the tenure of our debt with the nature of the asset or project being financed.

Covenants

The group is subject to certain covenants on its debt facilities relating to earnings, debt cover, net asset value, amongst others. There were no events of default in the year ended 30 June 2010.

The covenant terms above are defined contractually in each of the agreements for the above facilities using definitions agreed to between the parties derived from amounts published in the consolidated annual financial statements of Sasol prepared in accordance with IFRS for any year and adjusted in terms of the agreed definitions.

Credit rating

Our foreign currency credit rating according to Moody's is Baa1/stable/P-2/stable and our national scale issuer rating is Aa3.za/P-1.za. The latest credit opinion on the group was published on 12 January 2010, and no subsequent revisions have been made.

Our foreign currency credit rating according to Standard and Poors (S&P) is BBB+/Negative/A-2 and our local currency rating is A+/Negative/A-1. The ratings outlook has been revised to negative (previously stable) in the 2008 calendar year to reflect the negative outlook of South Africa's sovereign rating. The latest S&P corporate ratings analysis on Sasol was published on 8 February 2010.

For information regarding our material commitments for capital expenditure see "Item 4.A History and development of the company".

5.C Research and development, patents and licenses

Research and development

Our research and development function consists of a central research and development division in South Africa, which focuses on fundamental research while our decentralised divisions focus on applications. The central research function has a full suite of state-of-the-art pilot plants to support both current and future technology being developed.

Our application research and development capabilities are focused around four areas:

- technical service;
- analytical service;
- plant support; and
- new applications, products and processes.

Total expenditure on research in years 2010, 2009 and 2008 was R908 million, R922 million and R761 million, respectively. Development costs capitalised in 2010, 2009 and 2008 amounted to

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R198 million, R403 million and R57 million, respectively. For further information regarding our research and development activities, see "Item 4.B Business overview Sasol Technology".

5.D Trend information

Our financial results since the end of 2010 have been principally affected by fluctuations in dated Brent crude oil prices and a strengthening of the rand to US dollar.

In recent months, the derived European Brent crude oil spot price has marginally decreased from the year end level as at 30 June 2010 of US$74,94/b to US$73,52/b on 21 September 2010 with a high of US$83,76/b and a low of US$70,61/b during that period. Given the current global economic conditions and the uncertain political environment in certain major oil producing countries, the oil price has been volatile and this volatility is expected to continue in the foreseeable future. As discussed above, a high oil price generally results in increased profitability for our group.

The rand to US dollar exchange rate was R7,67 at 30 June 2010. The rand strengthened subsequent to 30 June 2010 reaching R7,07 per US dollar at 23 September 2010 with a high of R7,78 per US dollar and a low of R6,98 per US dollar during the period 1 July 2010 to 23 September 2010. Whilst the exchange rate during the current year has been relatively more volatile than in previous years due to the current global economic conditions, we are unable to accurately forecast whether this will continue in the foreseeable future.

5.E Off-balance sheet arrangements

We do not engage in off-balance sheet financing activities and do not have any off-balance sheet debt obligations, off-balance sheet special purpose entities or unconsolidated affiliates.

Guarantees

As at 30 June 2010, the group has issued the following guarantees for which the liabilities have not been included in the statement of financial position.

	Note	Maximum potential amount 2010 (Rand in millions)
In respect of GTL ventures	i	1 444
To RWE-DEA AG	ii	283
Other guarantees and claims	iii	1 267
In respect of letters of credit	iv	2 184

i.

Sasol Limited has issued the following significant guarantees for the obligations of various of its subsidiaries in respect of the GTL Ventures. These guarantees relate to the construction and funding of Oryx GTL Limited in Qatar, including inter alia:

A guarantee for the take-or-pay obligations of a wholly owned subsidiary has been issued under the gas sale and purchase agreement (GSPA) entered into between Oryx GTL Limited, Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited, by virtue of this subsidiary's 49% shareholding in Oryx GTL Limited. Sasol's exposure is limited to the amount of US$123 million (R944 million). In terms of the GSPA, Oryx GTL Limited is contractually committed to purchase minimum volumes of gas from Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited on a take-or-pay basis. Should Oryx GTL terminate the GSPA prematurely, Sasol Limited's wholly owned subsidiary will be obliged to take or pay for its 49% share of the contracted gas requirements. The term of the GSPA is 25 years from the date of commencement of

operations. The project was commissioned in April 2007.

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Sasol Limited issued a performance guarantee for the obligations of its subsidiaries in respect of and for the duration of the investment in Sasol Chevron Holdings Limited, limited to an amount of US$60 million (R460million). Sasol Chevron Holdings Limited is a joint venture between a wholly owned subsidiary of Sasol Limited and Chevron Corporation.

All guarantees listed above are issued in the normal course of business.

ii.

Various performance guarantees issued in favour of RWE-DEA AG.

iii.

Included in other guarantees are customs and excise guarantees of R133 million, R188 million in respect of feedstock purchases, R322 million relating to guarantees in respect of product shipments and environmental guarantees of R127 million.

iv.

Various guarantees issued in respect of letters of credit issued by subsidiaries.

Product warranties

The group provides product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products sold will conform to specifications. The group generally does not establish a liability for product warranty based on a percentage of turnover or other formula. The group accrues a warranty liability on a transaction-specific basis depending on the individual facts and circumstances related to each sale. Both the liability and the annual expense related to product warranties are immaterial to the consolidated financial statements.

5.F Tabular disclosure of contractual obligations

Contractual obligations/commitments. The following significant contractual obligations existed at 30 June 2010:

Contractual obligations (excluding capital expenditure)	**Total amount**	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**
			(Rand in millions)				
Operating leases	7 159	783	616	523	493	469	4 275
External long-term debt	15 197	1 086	1 751	1 418	1 375	947	8 620
External short-term debt	456	456					
Purchase commitments	25 478	5 217	5 085	3 927	3 093	2 651	5 505
Bank overdraft	119	119					
Finance leases*	1 566	161	203	149	136	110	807
Total	**49 975**	**7 822**	**7 655**	**6 017**	**5 097**	**4 177**	**19 207**

*

R908 million related to these finance lease obligations is included in the external long-term debt contractual obligations.

Purchase commitments have increased from R24 894 million in 2009 to R25 478 million in 2010 due to the increased prices of certain of our major chemical raw materials as well as increased commitments resulting from increased demand for our products.

Capital commitments. Commitments are budgeted, approved and reported in accordance with our management policy for segmental reporting.

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The following table sets forth our authorised capital expenditure as of 30 June:

Capital expenditure	2010 (Rand in millions)
Authorised and contracted for	31 553
Authorised but not yet contracted for	35 769
Authorised capital expenditure	67 322
Less expenditure to date	(20 825)
Unspent capital commitments	**46 497**

For more information regarding our planned capital expenditure see "4.A History and development of the company Capital expenditure".

It is estimated that the expenditure will be incurred as follows:

Contractual commitments	Total amount	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
		(Rand in millions)			
Capital commitments	46 497	17 503	12 045	14 912	2 037

The above amounts are as reported to our Board. They exclude capitalised finance expenses but include business development costs and our group's share of capital expenditure of proportionately consolidated investees. In 2010, an amount of R1 266 million (2009 R2 468 million) has been committed by the group for further development of the Escravos GTL project.

We make use of forward exchange contracts and cross currency swaps to hedge all our major capital expenditure in foreign currency (i.e. contracts in South Africa contracted in a currency other than the rand) immediately upon commitment of expenditure or upon approval of the project. See "Item 11 Quantitative and qualitative disclosure about market risk".

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ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A Directors and senior management

The board of directors

Our Board currently comprises the following:

Name	Position	Age[1]	Member since	Current term expires[2]
Thembalihle Hixonia Nyasulu	Non-executive chairman	56	1 June 2006	26 November 2010
Lawrence Patrick Adrian Davies	Chief executive	59	28 August 1997	26 November 2010
Colin Beggs	Independent non-executive director	62	8 July 2009	25 November 2011
Brian Patrick Connellan[3]	Independent non-executive director	70	1 November 1997	31 December 2010
Hendrik George Dijkgraaf	Independent non-executive director	63	16 October 2006	25 November 2011
Victoria Nolitha Fakude	Executive director	45	1 October 2005	26 November 2010
Mandla Sizwe Vulindlela Gantsho	Independent non-executive director	48	1 June 2003	26 November 2010
Anshuman Jain	Non-executive director	47	1 July 2003	26 November 2010
Gregory Arthur Lewin	Independent non-executive director	57	18 March 2010	26 November 2010
Imogen Nonhlanhla Mkhize	Independent non-executive director	47	1 January 2005	26 November 2010
Mfundiso Johnson Ntabankulu Njeke	Independent non-executive director	51	4 February 2009	25 November 2011
Kandimathie Christine Ramon	Executive director	43	1 May 2006	26 November 2010
Jürgen Erich Schrempp	Lead independent non-executive director	66	21 November 1997	25 November 2011
Thomas Alexander Wixley[3]	Independent non-executive director	70	8 March 2007	31 December 2010

(1) As at 28 September 2010.

(2) Under our Articles of Association, one-third of the serving directors shall retire at the annual general meeting of the company or, if the total number of serving directors who shall retire does not constitute a multiple of three, the number of directors who shall retire shall be the number, adjusted upwards, that is the closest to one-third. The number of directors that will retire at the annual general meeting in future years can therefore not be determined accurately in advance. In addition, directors who are appointed by the Board during the year shall retire at the annual general meeting. Directors appointed for the first time after 27 October 1997, will retire (in spite of re-election in the interim) and are eligible for re-election on the date on which five years from his or her initial appointment or re-appointment expires.

(3) Under our Articles of Association, a director shall retire at the end of the calendar year in which he reaches the age of 70, unless directors vote unanimously otherwise.

Colin Beggs became our director on 8 July 2009. Mr. Beggs was the chief executive officer of PricewaterhouseCoopers until the end of June 2009. He joined Price Waterhouse in 1970 and qualified as a chartered accountant in 1971. He became a partner in 1979 and was elected senior partner in 1992. He was the appointed joint chief executive officer of PricewaterhouseCoopers, Southern Africa after the merger between Price Waterhouse and Coopers & Lybrand in 1998. In January 2001, he became chief executive officer of PricewaterhouseCoopers. He is also a former chairman of the board of the South African Institute of Chartered Accountants (SAICA). He served as chairman of the Accounting Practices Committee and is currently a member of the Accounting Practices Board of SAICA and a director of the Ethics Institute of South Africa. He is also a director of Absa Bank Limited and Absa Group Limited, and a director of a number of subsidiaries in the Discovery Group.

Pat Davies became our chief executive on 1 July 2005 and has been our director since 1997. He is also a director of several other companies in the group. He joined the group in 1975 and has been responsible for various portfolios, the most recent of which was the oil, gas and liquid fuels businesses,

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including Sasol Synfuels, Sasol Petroleum International, Sasol Synfuels International, Sasol Oil, Sasol Gas and Sasol Technology. He was also responsible for the globalisation of Sasol's GTL technology. He received a Bachelor of Science Engineering (Mechanical) from the University of Natal, South Africa in 1975 and attended the Management Programme at Harvard Business School in the United States in 1986.

Brian Connellan has been our director since 1997. From 1990 to 2000, he served as executive chairman of Nampak Limited and from 2000 to 2001 as non-executive chairman of Nampak. He was a director of Nampak until September 2005. He is also a director of Absa Group Limited and Reunert Limited . He is past councillor of the South African Foundation, The Corporate Forum and The Institute of Directors and a contributor to King I and II Reports on Corporate Governance in South Africa. He received his Certificate in Theory of Accountancy from Witwatersrand University, South Africa in 1961 and became a chartered accountant in 1963.

Henk Dijkgraaf became our director in 2006. He is the former chief executive officer of the Dutch natural gas companies, GasTerra, Gasunie and Nederlandse Aardolie Maatschappij and held various positions in the Royal Dutch Shell group between 1972 and 2003 in the Netherlands, Malaysia, Gabon, Syria and the United Kingdom including the positions of president, Shell Nederland BV, director, Shell Exploration and Production and chief executive, Gas, Power and Coal. He is a member of the board and of the audit committee of Eneco Holding NV and a member of the board of the Royal Tropical Institute and deputy chairman and treasurer of the Netherlands Institute for the Near East. He obtained a Master of Science (Mining Engineering) from Delft University in 1972 and attended the Senior Executive Programme at the Massachusetts Institute of Technology in the United States in 1987.

Nolitha Fakude became our director in 2005. On 1 July 2010, she became the Executive Director, Business Sustainability and Transformation for Sasol. She was responsible for world-wide Human Resources, corporate affairs, government affairs and group transformation and with effect from 1 July 2010, also became responsible for information management, supply chain, shared services, operations excellence, functional excellence and safety, health and the environment. She is also a director of several other companies in the group. Before joining Sasol, she was a member of the group executive committee at Nedbank Group Limited. She was also a director of Harmony Gold Mining Company Limited, BMF Investment Limited and Woolworths Holdings Limited. She holds Bachelor of Arts and Honours degrees in Psychology from the University of Fort Hare and attended the Senior Executive Programme at Harvard Business School in the United States in 1999.

Mandla Gantsho has been our director since 2003. He is the Chief Executive Officer of Nova Capital Africa. Prior to that, he was the Vice President Operations: Infrastructure, Private Sector & Regional Integration of the African Development Bank from 2006 to 2009, before that the chief executive officer and managing director of the Development Bank of Southern Africa. His past directorships include Group Five Limited and AfroCentric Investment Corporation Limited. He obtained a Bachelor of Commerce from the University of Transkei in 1983 and a Certificate in Accountancy Theory and a Bachelor of Commerce (Honours) in Financial Management from the University of Cape Town, South Africa in 1985 and 1986, respectively. He became a chartered accountant in 1987. He also obtained a Masters in Science from The George Washington University in 2002 and a Doctorate in Philosophy from the University of Pretoria, South Africa in 2006.

Anshu Jain has been our director since 2003. He has been head of Deutsche bank's Corporate and Investment Bank since July 2010, a member of the Deutsche Bank management board since 2009 and a member of the group executive committee of Deutsche Bank AG since 2002. Mr Jain joined Deutsche Bank in 1995 and is currently a managing director and a past head of the global markets division at Deutsche Bank. Prior to this appointment he was a managing director of Merrill Lynch in New York. He obtained a Bachelor of Arts (Honours) in economics from Delhi University in 1983 and a Master of Business Administration in Finance from the University of Massachusetts in 1985.

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Greg Lewin became our director on 18 March 2010. Between 2003 and 2009, Mr Lewin held the position of President, Shell Global Solutions and served as an Executive Vice President on Shell's Downstream Leadership team with activities in more than 100 countries. He previously served in various countries as, amongst other positions, Vice President: Strategy, Portfolio Execution and Environment for Shell International Petroleum Company, Vice President: Manufacturing, Supply and Distribution for Shell Europe Oil Products and Vice President Shell Global Solutions for Shell International Oil Products BV. Mr Lewin served as President of the Institution of Chemical Engineers, which is the Royal Society for professional Chemical Engineers with a membership of 30 000, primarily located in the United Kingdom, Australia and Malaysia from 2006 to 2007. Mr Lewin obtained BE (Chem) and MBA degrees from the University of Melbourne. He also holds FIChemE, CEng and CSci qualifications.

Imogen Mkhize has been our director since 2005. She is the chairman of The Richards Bay Coal Terminal Company (Pty) Limited and a director of several companies including Mondi plc and Mondi Limited and MTN South Africa Limited. She is also a member of the Financial Markets Advisory Board and up until June 2010, a member of the Harvard Business School Alumni Board. Previously, she was the executive chairman of the Zitek Group and the managing director of Lucent Technologies South Africa. She also held the position of Chief Executive Officer of the World Petroleum Congress between June 2003 and July 2006. In 2001, the World Economic Forum recognised her as a Global Leader for Tomorrow. She obtained a Bachelor of Science in Information Systems from Rhodes University in 1984 and a Masters in Business Administration from Harvard Business School in 1995.

JJ Njeke became our director in 2009. Mr Njeke is a past chairman of the South African Institute of Chartered Accountants. He was the managing director of Kagiso Trust Investments from 1 June 1994 to 30 June 2010. He serves on the boards of Adcorp Holdings Limited, ArcelorMittal (SA), Barloworld, Metropolitan Holdings, Resilient Property Income Fund, MTN Group Limited and the Council of the University of Johannesburg. He previously served as a member of the Katz Commission of Inquiry into Taxation in South Africa, the General Committee of the JSE Securities Exchange, the Audit Commission Supervisory Body of the Office of Auditor General and the Audit Committee of National Treasury. Mr Njeke obtained a Bachelor of Commerce degree from the University of Fort Hare and a Bachelor Computationis (Honours) from Unisa. He qualified as a chartered accountant in 1986. He also holds a Higher Diploma in Tax from the University of Johannesburg, South Africa.

Hixonia Nyasulu became our director in 2006 and our chairman in 2009. She is a director of Ayavuna Women's Investments (Pty) Limited. She indirectly owns 5,1% of the shares in Tshwarisano LFB Investment (Pty) Limited, which acquired 25% of our subsidiary, Sasol Oil (Pty) Limited, on 1 July 2006. Ms. Nyasulu is also a director of Tshwarisano and Sasol Oil. She is also a director of Barloworld Limited, Unilever plc and Unilever NV and a member of the JP Morgan SA advisory board. She is a former director of Anglo Platinum Limited and the Tongaat Hulett Group Limited. She has a Bachelor of Arts in Social Work and a Bachelor of Arts (Honours) degree in Psychology. She also holds an Executive Leadership Development Programme certificate from the Arthur D Little Management Education Institute (Cambridge, Massachusetts) and attended the International Programme for Board Members at the Institute of Management Development in Lausanne, Switzerland in 1997.

Christine Ramon became our director in 2006. She is the chief financial officer and a director of several other companies in the group. Before joining Sasol, she was the chief executive officer of Johnnic Holdings Limited, prior to which she held several senior positions including acting chief operating officer and financial director. She started her career with Coopers & Lybrand and progressed to audit manager at their offices in South Africa and Italy. During this time she was, amongst other things, seconded to the Independent Electoral Commission as deputy finance director. She is also a non-executive director of Transnet Limited. In 2006, the World Economic Forum recognised her as a Young Global Leader. She previously served as a member of the Standing Advisory Committee to the

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International Accounting Standards Board. She obtained a Bachelor of Accounting Science and Honours degrees from the University of South Africa in 1988 and 1989, respectively and became a chartered accountant in 1990. She attended the Senior Executive Programme at Harvard Business School in the United States in 1999.

Jürgen Schrempp has been our director since 1997 and became the lead independent director on 28 November 2008. He is the former chairman of the board of management of Daimler AG. He is the chairman of Mercedes-Benz South Africa (Pty) Limited and a director of Compagnie Financière Richemont SA, Iron Mineral Beneficiation Services (Pty) Limited and Jonah Capital (Pty) Limited. He is founding chairman of the Southern Africa Initiative of German Business (SAFRI), and a member of the South African President's International Investment Council. He is chairman emeritus of the Global Business Coalition on HIV/AIDS and honorary Consul-General in Germany of the Republic of South Africa. He has received numerous national and international awards, including the Order of Good Hope, South Africa's highest civilian award. He holds a Professorship of the Federal State of Baden-Württemberg, Germany and Honorary Doctorates from the University of Graz, Austria and the University of Stellenbosch, South Africa.

Tom Wixley became our director in 2007. He was the chairman of Ernst & Young (South Africa) from 1991 until his retirement in 2001. He joined Ernst & Young in 1960 and became a partner in 1970. He is a member of the Actuarial Governance Board of the Actuarial Society of South Africa and the chairman of the ad hoc Committee on Corporate Law Reform of the South African Institute of Chartered Accountants. He is also a director of a number of companies, including Anglo Platinum Limited, New Corpcapital Limited, Sanlam Developing Markets Limited, Clover Industries Limited and Avusa Limited, amongst others. He obtained a Bachelor of Commerce degree from the University of Cape Town in 1959 and qualified as a chartered accountant in 1963.

Senior management

The following is a list of our senior executive officers, constituting the Group Executive Committee, whose age and current areas of responsibility we set out below:

Name	Age	Position and areas of responsibility
Lawrence Patrick Adrian Davies	59	Chief executive.
Kandimathie Christine Ramon	43	Chief financial officer.
Abraham de Klerk	59	Group general manager, operations excellence, including health, safety and the environment, integration across business units and new energy.
André Marinus de Ruyter	42	Senior group executive, operations.
Victoria Nolitha Fakude	45	Executive director, business sustainability and transformation.
Nereus Louis Joubert	53	Group executive, legal and assurance.
Bernard Ekhard Klingenberg	48	Group executive, human resources.
Christiaan Francois Rademan	52	Group executive, information management, supply chain, shared services, operations excellence, functional excellence and SH&E.
Giullean Johann Strauss	52	Senior group executive, new business development and technology.

Bram de Klerk became a group general manager in 2003. He has been responsible for operations excellence, including health, safety and the environment, integration and skills development since August 2006. Prior to that he was responsible for Sasol Technology and safety, health and the environment. He was the managing director of Sasol Synfuels from 1998 until 2003 and was appointed a director of Sasol Technology in September 2003. He joined Sasol in 1973 as an assistant design engineer and became managing director of National Petroleum Refiners of SA (Pty) Limited in 1993. He is a director of several companies in the Sasol group. He received a Bachelor of Science (Mechanical Engineering) from the University of Pretoria, South Africa in 1973 and a Master of Business Administration from the University of Potchefstroom, South Africa in 1978. He will go on retirement in 2011.

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André de Ruyter was promoted to senior group executive, operations, responsible globally for the operation of all Sasol's existing businesses, except Mining, with effect from 1 July 2010. He became a group general manager on 1 September 2009 and was responsible for Sasol's chemical business between December 2009 and June 2010. Prior to this he was the managing director of Sasol Olefins and Surfactants and led the turnaround project to restore Sasol Olefins and Surfactants to profitability. He has held various positions in Sasol Mining, Sasol Oil, Sasol Gas and Sasol Synfuels International, including leading the China CTL project and Sasol Group Strategy. He is a director of several companies in the Sasol group. He obtained a Bachelor of Arts and a Bachelor of Civil Law from the University of Pretoria in 1988 and 1991, a post-graduate Bachelor of Laws degree from the University of South Africa in 1996, and a Master in Business Administration from Nyenrode University in the Netherlands, in 1998.

Nereus Joubert is our group executive legal and assurance. He has been the company secretary since joining Sasol in 1994 and a group general manager since 2003. Currently he is responsible for the group company secretarial, legal, insurance, risk management and internal audit functions. He obtained a Bachelor of Law degree, a post-graduate Bachelor of Law degree and a Doctor of Law degree from Rand Afrikaans University, South Africa (now the University of Johannesburg) in 1978, 1980 and 1985, respectively, and attended the Advanced Management Programme at Harvard Business School in the United States in 2000. He also conducted post doctoral research at the University of Saarland, Germany as an Alexander Von Humboldt scholar during 1989 and 1993. Prior to joining the company, he was a professor of law and vice dean of the faculty of law of the Rand Afrikaans University, South Africa (now the University of Johannesburg).

Bernard Klingenberg became our group executive responsible for group human resources on 1 April 2009. Since joining the Sasol group in 1986, he has held various positions in maintenance, technical and general management fields in some of the South African Energy and the global Chemicals businesses of the group. He was the managing director of Sasol Polymers from April 2007 to March 2009 and before that the managing director of Sasol Nitro. He is a director of several companies in the Sasol group. He obtained a Master of Science (Mechanical Engineering) from the University of Cape Town in 1986.

Riaan Rademan is our group executive responsible for information management, supply chain, shared services, operations excellence, functional excellence, and safety, health and the environment. He became the group general manager responsible for shared services, group information management and procurement and supply chain on 1 May 2009. He was the managing director of Sasol Nitro from February 2007 to March 2009 and before that the managing director of Sasol Mining. He is a director of several companies in the Sasol group. He obtained a Bachelor of Mechanical Engineering degree from the University of Pretoria, South Africa in 1980 and a Master of Business Leadership from Unisa South Africa in 1987. He attended the Advanced Management Programme at the University of Pennsylvania in Wharton, United States of America in 1995.

Lean Strauss was promoted to senior group executive, new business development and technology, responsible for delivering on our growth aspirations with effect from 1 July 2010. He was the group general manager responsible for Sasol Synfuels International and Sasol Petroleum International from August 2005. He joined Sasol in 1982 as an investment officer of the Sasol Pension Fund. He spent most of his career with Sasol Oil and held the positions of general manager, manufacturing and supply as well as general manager, marketing. He was appointed general manager of Sasol Gas in 1997 and managing director of Sasol Nitro in 2002. He is a director of several companies in the Sasol group. He obtained Bachelor of Commerce and Honours degrees from the University of Stellenbosch prior to joining Sasol and a Masters of Commerce degree in Business Management from the Rand Afrikaans University (now the University of Johannesburg) in 1986.

See above for biographies of our executive directors.

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Refer to "Item 6.C Board practices" for information on the composition of the board, the appointment, retirement and re-election of directors, and board powers and procedures.

6.B Compensation

Group remuneration philosophy and policy

Recognising that the Sasol group operates internationally and that the delivery of sustainable growth depends on the commitment and contribution of our people, the Sasol remuneration philosophy:

- plays an integral part in supporting and achieving the business and people strategies, the employee value proposition (EVP) and the Sasol values, by ensuring that strategic alignment is obtained between the business and human resources objectives;
- creates the framework for design principles for motivating and reinforcing individual, team and business performance through the target setting processes for short-term, medium-term and long-term incentives. Business objectives are incorporated as targets into all incentive plans. The extent to which employees demonstrate the Sasol values play a critical part in the final performance appraisal process that influences the annual remuneration increase for employees falling outside the recognised bargaining forums;
- embraces defensible differentiation as a concept within the ambit of internal and external equity; and
- views rewards holistically through the integration of all relevant components.

The remuneration policy is aimed at encouraging sustainable performance based on a values-driven organisational culture and at providing stimuli for employee motivation and retention. The design and implementation of executive reward policies are guided by the principle to include a strong link between pay and performance, placing a significant portion of the remuneration 'at risk' measured at group, business unit and individual performance level whilst not encouraging behaviour contrary to the company's approach to risk management. In order to remain competitive in the markets in which we operate, all elements of remuneration are subject to regular benchmarking exercises. The policy aims at positioning Sasol as a preferred employer in the markets in which it operates.

The components of the total remuneration mix are designed to address specific elements of our business strategy. They take account of market realities and talent requirements in different geographic locations. The remuneration mix consists of base salary and benefits (referred to as total guaranteed package in the South African context), short-term incentives, medium-term incentives and long-term incentives. The ratios within the remuneration mix differ depending on different levels within the organisation and on geographic location.

There is strong alignment between the types of benefits that are offered to all permanent employees. Defensible differentiation is applied in terms of market practice, the size and complexity of the position, the need to attract and retain certain skills and individual performance.

The remuneration policy aligns top management's interests with shareholders by promoting and measuring performance that drives long-term sustained shareholder value growth.

Policy on directors' fees and remuneration

The directors are appointed to the Sasol Limited board (the board) based on their ability to contribute expertise and experience appropriate to achieving the group's objectives as a growing global business.

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Executive directors

Executive directors are not employed on fixed-term contracts and have standard employment service agreements with current notice periods varying from one to twelve months. Executive directors are required to retire from the group and the board at the age of 60, unless requested by the board to extend his or her term.

Executive directors and members of the group executive committee (GEC), where required, render services in terms of dual employment agreements between the executive or director and, respectively, Sasol Limited (or Sasol Group Services (Pty) Limited) and Sasol Holdings (The Netherlands) BV. The cash portion of the total guaranteed package and the short-term incentive is split between the two agreements and the cash remuneration paid by Sasol Holdings (The Netherlands) BV is calculated with reference to the time spent by these employees on services performed offshore for Sasol Holdings (The Netherlands) BV.

Remuneration structure and benchmarking

The group's remuneration practices have been structured to be competitive in a globally, complex and rapidly evolving industry. They ensure that the group can attract, motivate and retain the right calibre of people to achieve the group's strategic business objectives. Executive remuneration is benchmarked to data provided in national executive remuneration surveys as well as to information disclosed in the remuneration reports of comparator organisations. Due to the size and complexity of the group, its business model, multiple value chains and extensive international footprint, total guaranteed package values for senior specialist and executive positions within the South African market are compared to upper quartile values available from South African remuneration surveys. The rationale for this benchmark is that participating organisations that are included in the South African surveys are mostly smaller, with a less complex business model and value chain with more limited geographic spread; and consequently the median values disclosed do not accurately reflect the remuneration levels that would typically be required to be paid to executives and high level specialists of large multi-national organisations.

Actual total guaranteed package levels of staff outside the South African bargaining councils, currently average 87 percent of the upper quartile external benchmarks. In international jurisdictions, salary benchmarks are mostly set at the median, or where there is a shortage of specialist skills, slightly higher than the median. The rationale for different benchmarks can be explained by the availability of skills in different international jurisdictions. More than half of Sasol employees worldwide have their remuneration governed by external agreements through collective agreements such as bargaining councils and works councils or government regulations.

During the year under review, survey reports from LMO Executive Services (Watson Wyatt), Remchannel, Global Remuneration Solutions (GRS), Deloitte, 21st Century Pay and Business Solutions were used in addition to published remuneration information of comparator organisations, such as Anglo American, BHP Billiton, SABMiller, Old Mutual and Investec in the benchmarking of executive remuneration. Comparator companies were selected as being primarily South African companies with significant off-shore listings. In calculating the internal reference salaries, a regression analysis is done on the data points extracted. For members of the GEC, international data points are adjusted for cost of living differences and foreign exchange rates and carry a 30% weighting of the reference salary used.

Survey data from the Hay Group, ECA, Mercer and Watson Wyatt are used to determine benchmarks and salary increases for employees in international operations. International employees are remunerated on a structure of basic salary plus benefits. Most international employees are members of approved retirement funds in their home country, where the monthly contributions are calculated as a percentage of the pensionable income.

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Total guaranteed package

With effect from 1 August 2008, the group adopted a total cost of employment approach (defined as total guaranteed package). South African employees that are excluded from the respective collective bargaining units receive a total guaranteed package which is based on the complexity of the role, the market value thereof and the individual's personal performance, level of competence and values driven behaviour. Employer contributions towards retirement, risk, life and medical benefits are included in the total guaranteed package. All members of the Sasol Pension Fund have the option to change their pensionable income and monthly contributions made to the Sasol Pension Fund and the risk benefit funds, subject to the rules of those funds. Eligible South African based employees may allocate a car allowance from the total guaranteed package in accordance with the group's vehicle benefit scheme and may participate in the group vehicle insurance scheme. The balance of the total guaranteed package, after all deductions, is paid as a cash salary. Incentives and salary increases are therefore based on the total guaranteed package value. Executive directors may participate in the group vehicle insurance scheme and elect to be provided with security services, which accumulate as a fringe benefit.

Employees falling within the collective bargaining councils receive similar benefits namely medical aid, life assurance, disability insurance and a retirement fund. Collective bargaining agreements typically exclude performance based increases and therefore across-the-board increases are mostly awarded to these employees.

Annual increases in the total guaranteed package are determined with reference to the scope and nature of an employee's role, market benchmarks, personal performance and competence, affordability, company performance, projected consumer price index (CPI) figures and projected movements in remuneration in the external market. Annual increases for all employees outside of the collective bargaining councils take effect from 1 October and in the case of executive directors, are approved on an individual basis by the board. The annual increases of other members of the GEC are approved on an individual basis by the remuneration committee (the committee). GEC members may be provided with security services, the determined value of which is subject to tax as a fringe benefit.

Short-term incentive plans applicable to executive directors

Executive directors participate in the annual group short-term incentive plan reviewed annually by the committee. The short term incentive plan is designed to recognise the achievement of a combination of group and business unit performance objectives.

At its meeting held on 5 June 2009, the remuneration committee reviewed and approved the principles and target bonus percentages applicable for the year 1 July 2009 to 30 June 2010. The chief executive may earn an annual short-term incentive of up to 115% of his total guaranteed package, and the executive directors up to 90% of their total guaranteed package. Members of the GEC may earn an incentive of up to 60% of their total guaranteed package and executives may earn an incentive up to 50% of their total guaranteed package. The principal financial driver of the plan that applies to top management is the achievement of a pre-determined group attributable earnings target. In addition to this driver, the following compulsory measures were included in the short-term incentive plan design:

Safety to emphasise the importance of safety, targets at business/function and group level are included in all short-term incentive plans;

Competition law compliance included as a compulsory metric applicable to all employees in the group, measured at business and functional level, locally and internationally. The full portion of the incentive is forfeited by any business unit that is fined in the 2010 financial year by the authorities for non-compliance to antitrust/competition laws. In addition, very specific competition compliance related targets had to be achieved such as the implementation of risk mitigation actions identified and agreed in the business units, compulsory individual compliance

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certification and acceptable internal audit findings in respect of the competition compliance process;

Diversity applicable to South African operations only and progress against group broad-based black economic empowerment (BBBEE) targets and group or business unit/functional employment equity (EE) targets is measured; and

Business unit/functional drivers the performance criteria and measures of the various Sasol businesses and functions as approved for the year by the relevant subsidiary or divisional boards. Financial targets relate mainly to operating profit improvements, cash fixed cost savings and the achievement of targets relating to operational and functional efficiency improvement programmes.

The extent to which the financial driver and other strategic drivers had been satisfied in respect of 2010 was considered by the committee on 9 September 2010. The following table indicates the actual percentages achieved on the group objectives as stated in the short-term incentive scheme for members of the GEC, the executive director and the chief executive (excluding personal/business unit/function targets and achievements):

Percentage achievement against group targets:

Measure	Actual achievement	Comments
Group Attributable earnings	100%	100% achievement of target
Safety	50%	Penalty of 50% in respect of work related fatalities
BBBEE & EE	65,3%	Achievement of 48% against EE targets (66,7% weighting) Achievement of 100% against BBBEE targets (33,3% weighting)
Competition law compliance	100%	100% achievement of targets

All short-term incentives are paid out in cash and as the overall total remuneration package is considered to be balanced, no part of the short-term incentive is deferred or converted to equity.

The remuneration committee at its meeting on 3 June 2010 considered the financial and non-financial targets which will apply to short-term incentives in the 2011 financial year. It was agreed that the measures will remain unchanged but with updated targets reflecting the 2011 business targets in the balanced scorecard template including a larger portion linked to personal performance.

For details of the shares held by our directors named in Item 6.A see "Item 6.E Share ownership".

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The following tables summarise the compensation received by our executive and non-executive directors in 2010:

Compensation

Remuneration and benefits paid and short-term incentives approved in respect of 2010 for executive directors were as follows:

Executive Directors	Salary	Retirement funding	Other benefits	Annual incentives approved[1]	Total 2010[2][3]	Total 2009[4]
	R'000	R'000	R'000	R'000	R'000	R'000
Pat Davies	7 264	1 777	1 453	10 074	**20 568**	10 280
Nolitha Fakude	3 612	745	548	3 914	**8 819**	5 423
Benny Mokaba[5]	2 026	420	6 871		**9 317**	5 990
Christine Ramon	3 739	773	441	4 099	**9 052**	5 555
Total	**16 641**	**3 715**	**9 313**	**18 087**	**47 756**	**27 248**

(1) Incentives approved on the group results for the 2010 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package. The difference between the total amount approved as at 9 September 2010 and the total amount accrued as at 30 June 2010 represents an over provision of R0,6 million. The over provision for 2009 (R3,4m) was also reversed in 2010.

(2) Total remuneration for the financial year excludes gains derived from the long-term incentive schemes, details of which are disclosed in Item 6E.

(3) Year-on-year increase in total earnings resulted primarily from the increase in the short-term incentive awarded. In 2009, the incentive was significantly lower as a result of the financial performance of the organisation which improved markedly in 2010.

(4) Includes incentives approved on the group results for the 2009 financial year and paid in 2010.

(5) Resigned as a director of Sasol Limited on 14 October 2009.

Benefits and payments made in 2010 disclosed in the table above as "other benefits" include:

Executive directors	Vehicle benefits	Medical benefits	Vehicle insurance fringe benefits	Security benefits	Other	Exchange rate fluctuation[2]	Total other benefits 2010	Total other benefits 2009
	R'000	R'000	R'000	R'000		R'000	R'000	R'000
Pat Davies	120	47	6	61	1 276[1]	(57)	**1 453**	522
Nolitha Fakude	303	44	6	197		(2)	**548**	528
Benny Mokaba	152	26	3		6 690[3]		**6 871**	712
Christine Ramon	303	48	6	84			**441**	399
Total	**878**	**165**	**21**	**342**	**7 966**	**(59)**	**9 313**	**2 161**

(1)

Payment made to Mr Davies relates to a payout of accrued leave due to a change in the leave policy. The maximum number of leave days that employees are allowed to hold has been capped and any additional leave days are being paid out in cash.

(2)

Rand equivalent of exchange rate fluctuations on cash salary and incentives of offshore components.

(3)

Payments made to Dr Mokaba include a leave encashment at resignation of R129 000 and an employment settlement.

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Compensation of senior management under the JSE Listings Requirements. We are not required to, and do not otherwise, disclose compensation paid to individual senior managers. We do however, in line with King III, disclose the following information with respect to the top three earners, being the three most highly paid executives that are not directors.

Top three earners

The top three earners were identified by the value of total remuneration awarded for the year including the fair value of the medium-term rights and share appreciation rights granted. Remuneration and benefits paid and short-term incentives approved in respect of 2010 for the top three earners were as follows:

Top three earners	Salary	Retirement funding	Other benefits	Annual incentives[1]	Total 2010[2]
	R'000	R'000	R'000	R'000	R'000
Employee 1	2 098	509	688	2 289	**5 584**
Employee 2	2 406	368	269	2 227	**5 270**
Employee 3	3 321	488	3 029	2 858	**9 696**
Total	**7 825**	**1 365**	**3 986**	**7 374**	**20 550**

(1) Incentives approved on the group results for the 2010 financial year and payable in the following year. The difference between the total amount approved as at 9 September 2010 and the total amount accrued as at 30 June 2010 represents an over provision of R101 782. The over provision for 2009 (R0,9 million) pertaining to these three employees was reversed in 2010.

(2) Total remuneration for the financial year excludes gains derived from share incentives, details of which are disclosed in Item 6E.

Benefits and payments made in 2010 disclosed in the table above as "other benefits" include the following:

Top three earners	Vehicle benefits	Medical benefits	Vehicle insurance fringe benefits	Security benefits	Other benefits	Total other benefits 2010
	R'000	R'000	R'000	R'000	R'000	R'000
Employee 1	626	47	6	9		**688**
Employee 2	212	51	6			**269**
Employee 3[1]	312	35	6		2 676	**3 029**
Total	**1 150**	**133**	**18**	**9**	**2 676**	**3 986**

(1) Payments made to Employee 3 under 'Other Benefits' reflects the rand value of accumulated leave benefits that were paid out at retirement.

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The group executive committee's remuneration (excluding the executive directors disclosed separately above who are members of the group executive committee) for the year was as follows:

Group executive committee (including two top three earners)	Salary	Retirement funding	Other benefits[2]	Annual incentives approved[1]	Total 2010[3]	Total 2009[2][4]
	R'000	R'000	R'000	R'000	R'000	R'000
Total	19 768	3 836	4 305	16 655	**44 564**	49 936
Number of members[3]					**6**	7

(1) Incentives approved on the group results for the 2010 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package. The difference between the total amount approved as at 9 September 2010 and the total amount accrued as at 30 June 2010 represents an over provision of R0,5 million. The over provision for 2009 (R7,3 million) was reversed in 2010.

(2) Other benefits include vehicle benefits, medical benefits, vehicle insurance fringe benefits and, if applicable, exchange rate fluctuations.

(3) Two members resigned as GEC members with effect from 30 June 2009 and 31 December 2009, respectively, and one member was appointed as a GEC member with effect from 1 September 2009.

(4) Includes incentives approved on the group results for the 2009 financial year and paid in 2010.

Non-executive directors' remuneration for the year was as follows:

Non-executive directors	Board meeting fees[9]	Lead director fees	Committee fees	Share incentive trustee fees	Total 2010	Total 2009
	R'000	R'000	R'000	R'000	R'000	R'000
Elisabeth Bradley[1]	n/a	n/a	n/a	n/a	**n/a**	400
Colin Beggs[2]	366		167		**533**	
Brian Connellan	366		539	134	**1 039**	989
Pieter Cox[3]	n/a	n/a	n/a	n/a	**n/a**	1 562
Henk Dijkgraaf[4]	939		412	67	**1 418**	1 494
Mandla Gantsho	366		227		**593**	477
Anshuman Jain[4]	862				**862**	1 038
G Lewin[5]	220				**220**	
Imogen Mkhize	366		103	59	**528**	446
Sam Montsi[6]	n/a	n/a	n/a	n/a	**n/a**	65
Mfundiso Johnson Ntabankulu Njeke[7]	366		167		**533**	214
Hixonia Nyasulu (Chairman)[8]	3 647		103		**3 750**	2 361
Jürgen Schrempp[4]	973	288	167		**1 428**	1 432
Tom Wixley	366		270		**636**	605
Total	**8 837**	**288**	**2 155**	**260**	**11 540**	**11 083**

(1) Retired as director of Sasol Limited on 31 December 2008.

(2)

Appointed as a director of Sasol Limited on 8 July 2009.

(3)
Retired as chairman of Sasol Limited on 28 November 2008.

(4)
Board meeting fees paid in US dollars. Board fee rand equivalent of US$115 500 at actual exchange rates. Lead independent director fee rand equivalent of US$34 700 at actual exchange rates.

(5)
Appointed as director of Sasol Limited on 18 March 2010.

(6)
Resigned as a director of Sasol Limited on 31 July 2008.

(7)
Appointed as a director of Sasol Limited on 4 February 2009.

(8)
Appointed as chairman of Sasol Limited on 28 November 2008.

(9)
Includes fees for ad hoc meetings attended during the year.

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Medium-term incentive plans applicable to executive directors and senior management

For details on our medium-term incentive plans applicable to executive directors named in Item 6.A see "Item 6.E Share ownership".

Long-term incentive plans applicable to executive directors and senior management

For details on our long-term incentive plans applicable to executive directors named in Item 6.A see "Item 6.E Share ownership".

6.C Board practices

Refer to "Item 6.A Directors and senior management" for our board of directors (the board) and information with respect to their terms of office.

Appointment, retirement and re-election of directors

Our directors are elected by our shareholders at the annual general meeting. The board may appoint any person as a director, either to fill a vacancy or as an addition to the board, provided that the total number of directors does not at any time exceed the maximum of 16 directors of which a maximum of five may be executive directors. Directors appointed by the board in this manner are required to retire at the next annual general meeting following their appointment, but are eligible for re-election. There is no requirement in the Articles of Association that directors must hold qualifying shares. If the number of persons nominated as directors does not exceed the number of vacancies available, then the nominated directors may be deemed to have been duly elected.

At the annual general meeting of the company, one-third of the serving directors shall retire or, if the total number of serving directors who shall retire does not constitute a multiple of three, the number of directors who shall retire shall be the number, adjusted upwards, that is the closest to one-third.

A director who was appointed for the first time at an annual general meeting or by the board after 27 October 1997 shall retire five years after the date of his initial appointment or re-appointment. Directors who have retired in this manner are eligible for automatic re-election by the shareholders if they were re-appointed after retirement by either the board or the shareholders.

Executive directors' service contracts do not provide for any benefits upon termination of employment other than retirement benefits in terms of the rules of the applicable pension fund, medical fund and share incentive or share appreciation rights scheme.

Board powers and procedures

The responsibility for strategic direction and control of the company is explicitly assigned to the board in its charter and to some extent in its articles of association. The board exercises this control through the governance framework of the company which includes detailed reporting to the board and its committees, board reserved decision-making matters and a system of assurances on internal controls.

The board has approved and regularly revises the top-level delegation of authority in terms of which matters are delegated to management and certain matters reserved for decision-making by the board.

The board has adopted a board charter, which is a statement of the practices and processes the board has adopted to discharge its responsibilities. The board charter has been revised to align it with the wording and concepts of the recently released third report on corporate governance in South Africa (King III). A copy is posted on the company's website, together with the terms of reference of all

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board committees and the company's memorandum and articles of association. Sasol's website address is *www.sasol.com*. The board charter specifically provides a concise overview of:

- the demarcation of the roles, functions, responsibilities and powers of the board, the shareholders, chairman, lead independent director, individual directors, company secretary, other officials and the executives of the company;
- the terms of reference of the board committees;
- matters reserved for final decision-making or pre-approval by the board; and
- the policies and practices of the board for matters such as corporate governance, dealing by directors in the securities of the company, declarations of conflicts of interest, board meeting documentation, alternative dispute resolution, business rescue proceedings and procedures and the nomination, appointment, induction, training and evaluation of directors and members of board committees.

Within the powers conferred upon the board by the articles, the board has determined its main function and responsibility as adding significant value to the company by:

- retaining full and effective control over the company and providing effective leadership in the best interest of the company;
- determining the strategies and strategic objectives of the company and ensuring that the strategy, risk, performance and sustainability considerations are effectively integrated and appropriately balanced;
- determining and setting the tone of the company's values, including principles of ethical business practice and the requirements of being a responsible corporate citizen;
- bringing independent, informed and effective judgement and leadership to bear on material decisions of the company and group companies, including material company and group policies, the group framework of delegated authorities, appointment and removal of the chief executive, approval of the appointment or removal of group executive committee members, capital expenditure transactions and consolidated group budgets and company budgets;
- satisfying itself that the company and group entities are governed effectively in accordance with corporate governance best practice, including risk management, legal compliance management, appropriate and relevant non-binding industry rules codes and standards, and internal control systems to:
- maximise sustainable returns;
- safeguard the people, assets and reputation of the group;
- ensure compliance with applicable laws and regulations;

monitoring implementation by group entities, board committees and executive management of the board's strategies, decisions, values and policies by a structured approach to governance, reporting, risk management, information management (including information technology) and risk based auditing;

ensuring that the company has an effective and independent audit committee, remuneration committee, risk and safety, health and environment (SH&E) committee and nomination and governance committee;

ensuring that there is an effective risk based internal audit;

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governing the disclosure control processes of the company including ensuring the integrity of the company's integrated report and reporting on the effectiveness of the company's system of internal controls;

ensuring that business rescue proceedings or other turnaround mechanisms are considered by the board as soon as the company is financially distressed as defined in the Companies Act, 2008[(1)];

(1) The Companies Act, 2008, is not yet in effect but is anticipated to be declared effective before the end of the 2010 calendar year.

ensuring that disputes are resolved as effectively, efficiently and expeditiously as possible; and

monitoring of the relationship between management and stakeholders of the company.

The board is satisfied that it discharged its duties and obligations as described in the board charter during the past financial year.

Composition of the board

In terms of the company's articles of association the company's board shall consist of a maximum of 16 directors of whom up to five may be executive directors. Currently, there are 14 directors, with three executive directors namely, Mr LPA Davies (chief executive), Ms KC Ramon (chief financial officer) and Ms VN Fakude, and 11 non-executive directors. Nine of the 11 non-executive directors have been determined by the board to be independent in accordance with the criteria for independence of the NYSE, the JSE and King III.

Non-executive directors are chosen for their business skills and acumen appropriate to the strategic direction of the company. Considerations of gender and racial diversity, as well as diversity in business, geographic and academic backgrounds, are taken into account by the nomination and governance committee and the board when appointments to the board are considered. In the board's assessment all directors have the relevant knowledge, skills and experience to make a meaningful contribution with respect to the business of the company. The directors are entitled to seek independent professional advice at Sasol's expense concerning the company's affairs and have access to any information they may require in discharging their duties as directors.

The board comprises 43% historically disadvantaged South Africans and 29% women. Newly appointed directors are inducted in the company's business, board matters and their fiduciary duties and other governance responsibilities as directors under the guidance of the company secretary, in accordance with their specific needs. Directors receive briefings on new legal developments and changes in risk and the general business environment on an ongoing basis.

The nomination and governance committee annually evaluates the effectiveness and performance of the board, its committees and the individual directors. The chairman, through the nomination and governance committee and assisted by the company secretary, leads the evaluation process. Individual questionnaires are utilised as one of the inputs and responses are consolidated on an anonymous basis by the company secretary. These consolidated responses are considered at the nomination and governance committee, the board and the individual committees. The evaluation process has resulted in the appointment of an additional independent non-executive director with extensive international experience in the oil and gas industry and in making more time available at board meetings for consideration and discussion of strategy. The nomination and governance committee and the board specifically considers the number of other commitments of directors such as other directorships in order to determine whether each director has sufficient time to discharge his or her duties. The lead independent director is responsible for ensuring that the performance of the chairman is evaluated annually and such an evaluation was performed during the year under review.

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In terms of the company's articles of association, one-third of directors must retire at every annual general meeting and are eligible for re-election. As recommended by King III the board will recommend to shareholders at the annual general meeting of 26 November 2010 that the articles of association be amended to authorise the board to terminate the appointment of a director by majority decision.

The board has developed a policy against which it evaluates the independence of its directors. This determination is carried out by the nomination and governance committee and the board annually or at any other time where the circumstances of a director change such as to warrant reconsideration. With effect from the 2011 financial year, this will include a review of the independence of directors whose terms exceed nine years. All the non-executive directors, except Mrs TH Nyasulu and Mr A Jain have been determined by the board to be independent directors in accordance with the more stringent definition of King III and the rules of the NYSE.

Mrs Nyasulu has a 1,275% indirect interest in Sasol Oil (Pty) Limited, a subsidiary of Sasol Limited and is accordingly deemed not independent. Mr Jain heads up Deutsche Bank's Corporate and Investment Bank and has been deemed to be not independent due to Sasol's material business relationship with Deutsche Bank.

The company's directors, executives and senior employees are prohibited from dealing in Sasol securities during certain prescribed restricted periods. The company secretary regularly disseminates written notices to inform them of the insider trading legislation and advise them of closed periods. A report on directors' dealings in the company's shares is tabled at each board meeting and is disclosed in terms of the applicable JSE and NYSE listings requirements.

Directors' declarations of interests are tabled annually and new declarations of interest are circulated at every board meeting and nomination and governance committee meeting for consideration and noting.

The board met seven times during the financial year. Six of these meetings were scheduled in advance and one was an ad hoc meeting. During the year under review attendance was as follows:

Director	11 Sept 2009	17 Nov 2009 (ad hoc)	26 Nov 2009	27 Nov 2009	5 Mar 2010	3 Jun 2010	4 June 2010
C Beggs	ü	ü	ü	ü	ü	ü	ü
BP Connellan	ü	ü	ü	ü	ü	ü	ü
LPA Davies	ü	ü	ü	ü	ü	ü	ü
HG Dijkgraaf	ü	ü	ü	ü	ü	ü	ü
VN Fakude	ü	ü	ü	ü	ü		
MSV Gantsho	ü	ü	ü	ü	ü	ü	ü
A Jain			ü	ü		ü	ü
G A Lewin[1]	n/a	n/a	n/a	n/a	n/a	ü	ü
IN Mkhize	ü	ü	ü	ü	ü		
AMB Mokaba[2]	ü	n/a	n/a	n/a	n/a	n/a	n/a
MJN Njeke	ü	ü	ü			ü	ü
TH Nyasulu	ü	ü	ü	ü	ü	ü	ü
KC Ramon	ü	ü	ü	ü	ü	ü	ü
JE Schrempp	ü	ü	ü	ü	ü	ü	ü
TA Wixley	ü	ü	ü	ü	ü	ü	ü

(1) Appointed with effect from 18 March 2010.

(2) Resigned with effect from 14 October 2009.

ü Indicates attendance Indicates absence with apology n/a Indicates not a member at the time

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The offices of chairman and chief executive are separate and the office of the chairman is occupied by a non-executive director, Mrs T H Nyasulu. Because Mrs Nyasulu is deemed not independent, the board appointed Prof JE Schrempp as lead independent director, in line with international corporate governance best practice. This is also in line with the recommendations of King III. The lead independent director leads discussions when matters relating to Sasol Oil or the succession or performance of the chairman is discussed.

In terms of King III, the appointment of chairman must be made annually after evaluating the chairman's independence and factors that may impair independence. Board processes have been formalised to ensure the appointment and performance of the chairman are reviewed annually. The board and the nomination and governance committee is responsible for the succession plan for the chairman.

The roles of the chairman and the lead independent director have been specified in the board charter.

Whilst it is a principle of King III that the board should elect a chairman of the board who is an independent non-executive director it is also a recommended practice that a lead independent director should be appointed in the case where an executive chairman is appointed or where the chairman is not independent or conflicted.

After an assessment of the performance of the chairman's performance the board continues to be of the view that it is in the company's best interest that she continues to be the chairman of the board and that independent thinking is ensured by the lead independent director and the clear majority of independent directors on the board.

In terms of the company's articles of association, the directors appoint the chief executive. The appointment is made on recommendation of the nomination and governance committee. Such an appointment may not exceed five years at a time. Mr LPA Davies' current five year term ended on 30 June 2010. The board extended Mr Davies' term for approximately a year beyond his retirement date in March 2011, in order to ensure orderly succession. The board is responsible for ensuring that succession plans are in place for the chief executive and other members of the group executive committee.

The role and function of the chief executive has been specified in the board charter.

Dr N L Joubert is the company secretary, duly appointed in accordance with the Companies Act, 1973 (the Act). The role of the company secretary is described in more detail in the board charter. The company secretary has a direct channel of communication to the chairman while maintaining an arms-length relationship with the board and the directors. Director induction and training are part of the company secretary's responsibilities. He is responsible to the board for ensuring the proper administration of board proceedings, including the preparation and circulation of board papers, drafting yearly work plans, ensuring that feedback is provided to the board and board committees and preparing and circulating minutes of board and board committee meetings. He provides practical support and guidance to the board and directors on their responsibilities within the prevailing regulatory and statutory environment and the manner in which such responsibilities (including not dealing in the company's shares during restricted periods) should be discharged. The company secretary also assists with the evaluation of the board, committees and individual directors.

Sasol subsidiaries and divisions

Sasol Limited has more than 200 direct and indirect subsidiaries globally, which conduct their business through one or more divisions. None of these subsidiaries are listed on a stock exchange.

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The business of the various subsidiaries and divisions is conducted on a decentralised basis. Each business unit has its own board of directors and management. The Sasol Limited board considers it in the best interest of the group to respect the decentralised nature of the Sasol businesses and the fact that these businesses are conducted in subsidiaries that are separate legal entities.

A general board charter was developed for subsidiary and divisional boards during 2006 and has recently been aligned with the requirements of King III.

As direct or indirect shareholder of these subsidiaries the company exercises its shareholder rights to ensure that the company approves material decisions of its subsidiaries and divisions and that the group's minimum requirements in respect of matters such as governance, internal controls, financial management, disclosure controls, risk management, legal compliance, safety, health and environmental management, internal audit, ethics management, human resource management, information management, human resource management, stakeholder relationships and sustainability are complied with. Enterprise functions design the systems, policies, processes and functional capacity to ensure adherence by all entities in the Sasol group to essential group requirements.

The company requires decision-making involvement for a defined list of material matters of the businesses of its subsidiaries and divisions. This list includes matters such as the appointment of directors, strategy charters, large capital expenditures and mergers, acquisitions and disposals.

External disclosures and reporting are mostly managed at group level and contained in consolidated group reporting. Sasol also prescribes the standard framework of approval and signing authorities in the group as well as the criteria for composition of the various levels of subsidiary boards.

The Sasol Limited board has delegated the authority to appoint directors of its main subsidiaries to the group executive committee. The boards of the main subsidiaries and divisions of the company are constituted so that a majority of directors of each main subsidiary or divisional board are non-executive directors of the subsidiary or division. Where appropriate, independent directors are appointed from outside the Sasol group to provide expert guidance on technical, strategic and governance matters. The composition of subsidiary and divisional boards is reviewed at least annually by the group executive committee and the performance of the subsidiary and divisional boards and individual directors are assessed as part of the general performance review processes of the group.

Sasol Group Services (Pty) Limited is the company secretary of all South African subsidiaries. The company secretarial services are performed by the company secretarial department, which is staffed by suitably qualified and experienced individuals, who discharge the duties of the company secretary as set out in King III. This includes training and guidance to the directors of subsidiary and divisional boards on their fiduciary and other responsibilities.

Board committees

Several committees have been established to assist the board in discharging its responsibilities. The committees have an important role in enhancing high standards of governance and achieving increased effectiveness within the group. The terms of reference of the board committees form part of the board charter and can be viewed on the company's website. These terms of reference are reviewed annually. In line with King III, all board committees, with the exception of the risk and SH&E committee, comprise only non-executive members of the board. The chief executive is not a member of the audit, nomination and governance, and remuneration committees, but does attend these meetings by invitation, and is requested to leave the meeting, where appropriate, before any decisions relating to the chief executive are finalised. All committees are empowered to obtain such external or other independent professional advice as they consider necessary to carry out their duties.

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The Audit Committee

Members: Messrs BP Connellan (chairman), TA Wixley, Dr MSV Gantsho, Messrs MJN Njeke, C Beggs and HG Dijkgraaf (with effect from 4 June 2010).

The audit committee is an important element of the board's system of monitoring and control. In compliance with applicable SEC and NYSE rules, as well as South African legislation, all members are independent non-executive directors.

All audit committee members are financially literate and with the exception of Mr H G Dijkgraaf, have extensive audit committee experience. In order to ensure a greater integration between the work of the audit committee and the risk and SH&E committee particularly for purposes of integrated sustainability reporting as required by King III, the board has implemented a practice in terms of which the chairmen of the two committees respectively have membership of the other committee. Mr B P Connellan is accordingly a member of the risk and SH&E committee and Mr Dijkgraaf is a member of the audit committee.

Mr BP Connellan has been designated as the audit committee financial expert. The chairman of the board, the chief executive, chief financial officer, internal auditor and external auditors attend audit committee meetings on invitation.

The Sasol Limited audit committee performs the functions prescribed by the South African Companies Act, 1973 for the company and all its South African subsidiaries. The audit committee will in future be elected by shareholders at the annual general meeting.

The audit committee primarily assists the board in overseeing:

- quality and integrity of the company's integrated reporting, incorporating the financial statements (including consolidated annual financial statements) and sustainability reporting, and public announcements in respect of the financial results;
- the qualification and independence of the external auditors for Sasol and all group companies;
- the scope and effectiveness of the external audit function for Sasol and all group companies;
- the effectiveness of the Sasol group's internal controls and internal audit function; and
- compliance with legal and regulatory requirements to the extent that it might have an impact on the integrated report.

The board has delegated extensive powers in accordance with the Act and US corporate governance requirements to the audit committee to perform these functions. In line with these requirements the audit committee has, among other things, implemented a procedure for the pre-approval by the audit committee of all audit services and permissible non-audit services provided by the external auditor. The audit committee meets the group's external and internal auditors and executive management regularly to consider risk assessment and management, review the audit plans of the external and internal auditors and to review accounting, auditing, financial reporting, corporate governance and compliance matters. The audit committee assesses the independence of the external auditors annually and approves the external auditors' engagement letter and the terms, nature and scope of the audit function and the audit fee. The internal audit charter, internal audit plan and internal audit conclusions are similarly reviewed and approved by the audit committee. The audit committee meets biannually in separate sessions with each of management, the external auditors and the internal auditor.

All publications and announcements of a financial nature are reviewed by the audit committee before publication. Both the audit committee and the board are satisfied there is adequate segregation

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between the external and internal audit functions and that the independence of the internal and external auditors is not in any way impaired or compromised.

The audit committee is responsible for ensuring that the combined assurance model introduced by King III is applied to provide a coordinated approach to all assurance activities. A combined assurance model has been developed and will be fully implemented in the 2011 financial year.

In particular, the committee:

- will ensure that the combined assurance received is appropriate to address all the significant risks facing the company; and
- monitors the relationship between the external service providers and the company.

The committee is an integral part of the risk management process. In this regard the committee considers and reviews the findings and recommendations of the risk and SH&E committee insofar as they are relevant to the functions of the audit committee.

The committee considered the appropriateness of the expertise and experience of the chief financial officer and concluded that the chief financial officer has the necessary expertise and experience. The committee is also satisfied that the expertise, resources and experience of the finance function are adequate.

Governance committees are in operation to oversee financial reporting, internal control and some other governance aspects of subsidiaries and divisions. These committees assist the respective subsidiary and divisional boards by examining and reviewing the company's annual financial statements prior to submission and approval by the relevant boards and monitoring the effective functioning of the company's internal and disclosure controls. The proceedings of these subsidiary and divisional governance committees are reported to the relevant subsidiary or divisional board and to the Sasol Limited audit committee.

The audit committee is required to meet at least three times a year. During the year, the committee met four times. Attendance at meetings was as follows:

Member	8 September 2009	9 October 2009	4 March 2010	2 June 2010
C Beggs	ü	ü	ü	ü
BP Connellan	ü	ü	ü	ü
MSV Gantsho	ü	ü	ü	ü
MJN Njeke	ü	ü	ü	ü
TA Wixley	ü	ü	ü	ü

ü Indicates attendance Indicates absence with apology

The remuneration committee

Members: Messrs HG Dijkgraaf (chairman), BP Connellan, Ms IN Mkhize, Mrs TH Nyasulu and Prof JE Schrempp (with effect from 4 June 2010). With the exception of Mrs TH Nyasulu, all the members of the committee, including the chairman, are independent non-executive directors. Prof JE Schrempp, who was appointed as lead independent director, was also appointed a member of the remuneration committee with effect from 4 June 2010. In line with the recommendations of King III, the chief executive and executives responsible for remuneration matters attend the meetings of the committee on invitation, but may not vote and are requested to leave the meeting before any decisions are made.

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The functions of the remuneration committee are to:

- assist the board of directors in exercising its function of ensuring that affordable, competitive and fair and effective reward practices are implemented in the Sasol group;
- approve the total remuneration (total guaranteed package and variable) offered to new and current incumbents in the position of managing directors of tier one and two;
- approve the total cost of annual remuneration adjustments for senior executives;
- determine the remuneration of members of the group executive committee (excluding executive directors);
- make recommendations to the board in respect of directors' fees and the remuneration of the executive directors including the chief executive;
- make recommendations to the board in respect of non-executive directors' fees for approval by shareholders; and
- provide a channel of communication between the board and management on remuneration matters.

The committee is required to meet at least twice a year. During the year under review, it met three times. Attendance at meetings was as follows:

Member	11 September 2009	25 November 2009	5 March 2010	3 June 2010
BP Connellan	ü	ü	ü	ü
HG Dijkgraaf	ü	ü	ü	ü
IN Mkhize[(1)]	n/a	n/a	ü	
TH Nyasulu	ü	ü	ü	ü

(1) Appointed with effect from 27 November 2009.

ü Indicates attendance Indicates absence with apology

Refer to "Item 6.B Compensation" for information on our group remuneration philosophy and policy. The complete terms of reference of the remuneration committee are available on the Sasol website at *www.sasol.com*.

The Nomination and Governance Committee

Members: Mrs TH Nyasulu (chairman), Prof JE Schrempp (lead independent director), Mr TA Wixley and Dr MSV Gantsho (appointed with effect from 27 November 2009).

The committee is comprised of four non-executive directors, of whom three are independent. The chairman of the board is the chairman of the nomination and governance committee. The terms of reference of the nomination and governance committee provide that the committee is chaired by the chairman of the board as is required by the JSE listings requirements. However, King III provides that the nomination committee should consist of a majority of independent directors and should be chaired by an independent non-executive director.

The nomination and governance committee's functions include reviewing and making recommendations to the board on the company's general corporate governance framework, the composition and performance of the board, individual directors and its committees, appointment or

re-appointment of directors and members of the group executive committee, succession planning of the chairman and the chief executive, legal compliance and the company's ethics policy and programmes.

The nomination and governance committee met four times during the financial year.

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Attendance at the meetings was as follows:

Member	10 September 2009	17 November 2009	4 March 2010	3 June 2010
MSV Gantsho[1]	n/a	n/a	ü	ü
TH Nyasulu	ü	ü	ü	ü
JE Schrempp	ü	ü	ü	ü
TA Wixley	ü	ü	ü	ü

(1) Became a member with effect from 27 November 2009.

ü Indicates attendance — Indicates absence with apology — n/a indicates not a member at the time

The Risk and Safety, Health and Environment (SH&E) Committee

Members: Messrs HG Dijkgraaf (chairman), BP Connellan, LPA Davies, GA Lewin (appointed with effect from 4 June 2010) Mss VN Fakude, IN Mkhize, TH Nyasulu and KC Ramon. Dr AMB Mokaba was a member until his resignation as director with effect from 14 October 2009.

The committee's functions include reviewing and assessing the integrity of the company's risk management processes, including the effective management of those covering safety, health, environmental and sustainability matters.

The committee reports its findings and recommendations in respect of material legal and compliance risks as well as the company's policies on risk assessment and risk management which may have an impact on the integrated report. It also reviews and evaluates the disclosure of sustainability matters in the integrated report and reports to the audit committee to enable the audit committee to provide assurance to the board that the disclosure is reliable and does not conflict with the financial information.

The committee met four times during the year. Attendance at meetings was as follows:

Member	9 September 2009	25 November 2009	3 March 2010	2 June 2010
BP Connellan	ü	ü	ü	ü
LPA Davies	ü	ü	ü	ü
HG Dijkgraaf	ü	ü	ü	ü
VN Fakude	ü	ü	ü	
IN Mkhize	ü	ü	ü	
AMB Mokaba	ü	n/a	n/a	n/a
TH Nyasulu	ü	ü	ü	ü
KC Ramon	ü	ü		ü

ü Indicates attendance — Indicates absence with apology — n/a indicates not a member at the time

The Group Executive Committee (GEC)

The GEC is the highest management decision-making body of the Sasol group. The board appoints GEC members upon recommendation of the chief executive and nomination and governance committee.

Members: Messrs LPA Davies (chairman), A de Klerk, AM de Ruyter, BE Klingenberg, Ms VN Fakude, Dr NL Joubert, Mr CF Rademan, Ms KC Ramon and Mr GJ Strauss. Dr AMB Mokaba resigned with effect from 14 October 2009 and Mr J A van der Westhuizen and Dr RK Groh retired as members of the committee with effect from 30 June 2009 and 1 January 2010, respectively.

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The board has delegated a wide range of matters relating to Sasol's management to the GEC, including financial, strategic, operational, governance, risk and functional issues.

The board has approved and regularly revises the top-level delegation of authority in terms of which matters are delegated to management and certain matters reserved for decision-making by the board. Delegation to management is currently directly to the chief executive and the GEC rather than through the chief executive. Sasol believes this provides the same, or more, checks and balances as the delegation framework recommended by King III.

The GEC's focus is on the formulation of group strategy and policy and the alignment of group initiatives and activities. The committee meets at least fortnightly and reports directly to the Sasol Limited board. During the year, the GEC's functioning was supported by the Group Business Committee, which comprises managing directors of significant businesses and selected group functional managers.

6.D Employees

We have developed and implemented six values group-wide in order to support our vision, culture and strategic goals. The six Sasol values *customer focus, winning with people, safety, excellence in all we do, continuous improvement and integrity* have been rolled out to all of our employees. We continue to focus to fully integrate behaviour in accordance with our values in our performance management system.

Our human resources strategy

We refined our group human resources (HR) development and management strategy to ensure its alignment with, and more effective support of, our business strategy. This is part of a wider commitment to make Sasol an employer of choice while pursuing growth opportunities. Because of our strong presence in South Africa, we remain sensitive to national socioeconomic transformation issues and continue to progress our employment equity (EE) and workplace transformation initiatives.

Our workforce composition at 30 June is presented below:

Region	2010	2009	2008
South Africa	27 984	28 102	27 899
Europe	3 306	3 443	3 707
North America	728	746	791
Other	1 321	1 253	1 531
Total	**33 339**	**33 544**	**33 928**

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	2010	2009	2008
Employees by segment			
South African energy cluster			
Mining	7 364	7 139	7 329
Gas	270	263	218
Synfuels	5 347	5 078	4 791
Oil	2 125	2 142	2 187
International energy cluster			
Synfuels International	449	395	458
Petroleum International	295	264	272
Chemicals cluster			
Polymers	2 191	2 221	2 178
Solvents	1 676	1 762	1 839
Olefins & Surfactants	2 824	2 936	3 143
Other chemicals	5 245	5 620	5 682
Other business	5 553	5 724	5 831
Total	**33 339**	**33 544**	**33 928**

Our vision to become a respected global enterprise and our rapid growth over the last decade necessitates the application of accelerated development programmes for our employees. Sasol's people philosophy is to build a sustainable and adaptive organisation of talented, diverse, competent and inspired people and to this purpose we aim constantly for better skills attraction and retention. Substantial resources are devoted to training and mentoring our staff, and we have re-evaluated our development programmes to focus on career development plans, bursary schemes, our accelerated leadership programme and rotation schemes.

In South Africa we have invested more than R421 million in 2010 in employee training and development. This investment includes in-house technical training, and self-learning centres. An additional R45 million was invested in 769 undergraduate and postgraduate bursaries, with emphasis on developing scientific, engineering and technological skills.

Developing a sufficient talent base of artisans remains a significant priority for the South African business community and to this end, as part of a collaborative project, we currently provide dedicated training to 778 artisan learners. Internally, we support a further 417 learner artisans for the oil, gas and chemical manufacturing project of the petrochemical industry. We continue to play an important role in the Technical Skills Business Partnership (TSBP) programme, with 271 TSBP learners. The TSBP learner pool will be increased to deliver 900 artisans over a period of five years, with an investment by Sasol of R123 million. We also run one of the largest bursary schemes in South Africa, with an investment in 2010 totalling R51 million. In addition, internal programmes include our Graduate Development Programme (GDP), which supports further science and technology graduates and our Training Outside Public Practice Programme (TOPP), which trains accountancy professionals.

Internally, we continue to provide leadership programmes that include accelerated development programmes aimed specifically at developing leaders from previously disadvantaged groups within South Africa. We continue to invest in South African universities to promote our research and development activities and to help address the concerns of the shortage of academics, and the quality of equipment and facilities in relevant departments.

Promoting workplace equity and diversity

We continued to increase the percentage of employees drawn from historically disadvantaged groups. People from designated groups Africans, Coloured, Indians, and women comprise 71% of

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our South African workforce, as compared with 70% in 2009. At year end, people from designated groups held 56% of Sasol managerial, professional and supervisory posts. This is constant with the 56% reported on in 2009 and the 51% reported in 2008.

All our South African businesses maintain employment equity forums to ensure we stay focused on achieving targets. We endeavour to nurture workplaces that are open, transparent and free from all forms of discrimination. We also promote employee equity and diversity in all the countries in which we operate in harmony with global best practices.

Encouraging positive labour relations

We enjoy constructive relationships with representative trade unions throughout the group. More than 60% of Sasol employees are members of trade unions and are covered by collective agreements entered with trade unions within the various jurisdictions in which Sasol operates. During the year, 6 987 employee days were lost due to unprotected industrial action.

Joint forums between trade unions and management remain active as part of our willingness to sustain constructive dialogue. These forums discuss wages, conditions of employment, health and safety, training and development, community care, restructuring, transformation and HIV/AIDS, among other important issues. All representative unions and pensioners are represented on our medical scheme board and senior employees serve on the boards of union retirement funds

Promoting employee well-being

Sasol's employee assistance programme (EAP) plays an increasingly important role in developing and maintaining a healthy workforce. Focusing on the psycho-social risks of our employees and their dependants, the EAP provides confidential, professional consultation on any personal problem at no cost to employees. Employee satisfaction is tracked every two years through an independent external attitude survey of employees and management. The results of the survey are benchmarked against similar global companies.

HIV/AIDS challenge in our South African operations

Recognising the significant challenge of managing South Africa's HIV/AIDS pandemic, the Sasol HIV/AIDS Response Programme (SHARP) was launched in September 2002. This initiative is focussed on managing the impact of HIV/AIDS in our workplaces and communities by reducing the rate of infection throughout the group, and extending the quality of life of infected employees through the provision of managed healthcare. In developing SHARP, an intensive group-wide risk assessment was undertaken to understand the impact of HIV/AIDS on our operations and communities.

The programme is tailored for the culture and needs of every business unit. Each Sasol business site has a dedicated SHARP task team responsible for implementing and sustaining a site-specific response team.

Through the SHARP initiative we are:

- implementing measures to eliminate discrimination on the basis of a person's HIV/AIDS status;
- encouraging a behavioural change though our HIV/AIDS education and awareness programmes;
- providing access to free and confidential voluntary counselling and testing (VCT);
- providing treatment of opportunistic illnesses such as tuberculosis, as well as treatment of sexually transmitted infections;
- providing managed healthcare, including antiretroviral treatment (ART) for employees; and

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reducing and managing the total cost to Sasol of the business impact and response to HIV/AIDS.

A principal focus of SHARP is the provision of VCT, an essential first step in facilitating appropriate access to healthcare options and a critical component of promoting behavioural change. As a result of our collaborative approach, we have had one of the highest uptakes for VCT in South Africa. Voluntary counselling and testing has been integrated into the occupational health centres and are offered as part of wellness programmes within the business units.

This is done through awareness programmes and encouraging testing through community and medical aid resources; offering VCT at wellness days; and offering VCT at occupational health clinics.

Through the medical schemes, all employees have access to healthcare and, in particular, anti-retroviral therapy. Anti-retroviral therapy is also available through the public healthcare facilities in the community.

Our testing and treatment initiatives are supported by a comprehensive communications roadmap that encourages an interactive approach relating to the goals of prevention, support and care.

Capacity building for the implementation and integration of the programme within all businesses is offered through accredited training of managers, coordinators and peer educators across the group, ensuring proper representation of SHARP at each level within businesses. Through the intranet, printed media and awareness sessions, access to up to date information, support and referral resources is ensured.

In reviewing the communications approach, SHARP has embarked on a longer-term sustained campaign to ensure a more visible and interactive effort. The following objectives were agreed to for the 2009-2010 period:

drive more testing; treatment and disclosure;

improve knowledge on transmission; tuberculosis; opportunistic infections; treatment support; disclosure;

create a communications toolkit for year long communication at business units; and

use of multi media tools print; electronic; email; sms.

A toolkit has been developed to support business units in providing a simple, standardised, high quality and impactful communication year long. The campaign is aimed at taking messaging around HIV/AIDS to a more personal level and offering practical ideas on how all individuals can become involved in addressing the pandemic. A messaging calendar identifies clear messages, communication tools, activities, and objectives for each month.

Messaging tools include a SHARP exhibition stand with four education exhibitions, as well as posters for each month, to educate prompt action and inform employees around the month's theme. Fliers and emails distributed to employees provide additional information and seek to promote positive behaviour change. The voluntary SMS element of the campaign allows employees to register and enables them to get regular updates on the campaign.

Our partnership with South African Business Coalition on HIV/AIDS (SABCOHA) has seen the launch of the HIV/AIDS Supply Chain Development Programme within Sasol. The programme targets the SME sector and offers workplace programme capacity building, VCT, pre-treatment care and support and treatment. A number of suppliers have benefited from the range of training offered on this programme.

SHARP has also been launched successfully at all sites in Mozambique. Sasol Petroleum International has contracted Careworks Mozambique to implement a three-year work place HIV/AIDS

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programme at its sites in Temane, Maputo and Matola. A risk assessment has already been undertaken in Temane. The programme aims to prevent further infection among staff and contractors, and to ensure that those who are HIV positive remain healthy, productive and emotionally and psychologically well. The programme offerings include a work place peer education program, as well as awareness to action training, counselling and testing, and patient management.

Occupational health and safety

Eight fatalities occurred in the workplace in 2010. This compares with four fatalities in 2009 and three fatalities in 2008. Our fatal accident rate (calculated as the number of fatalities per 100 million working hours) was 4,14 compared with 2,20 in 2009. Our goal remains zero fatalities.

Safety continues to be a core value and priority. The increase in fatal incidents during 2010 prompted a revised safety improvement plan detailing urgent interventions in the context of our safety roadmap. By 30 June 2010, we achieved a recordable case rate (RCR) of 0,51 which compares with 0,54 in 2009 and 0,50 in 2008. Our long-term safety performance target remains 0,30 by June 2013.

6.E Share ownership

Shareholdings of directors and officers

The aggregate beneficial shareholding at 30 June 2010 of the directors of the company and the group executive committee named under "Item 6.B Compensation" and their associates (none of which have a holding greater than 1%) in the issued ordinary share capital of the company are detailed below.

	2010				2009			
	Number of shares		Number of share options[2]	Total beneficial shareholding	Number of shares		Number of share options[2]	Total beneficial shareholding
Beneficial shareholding	**Direct**	**Indirect**			**Direct**	**Indirect**		
Executive directors								
Pat Davies[1]	86 700	228	396 500	483 428	86 700	221	385 400	472 321
Nolitha Fakude	1 500		41 200	42 700	1 500		41 200	42 700
Benny Mokaba[4]	n/a	n/a	n/a	n/a			31 300	31 300
Christine Ramon[3]	21 500	41 556	27 200	90 256	21 500	41 556	27 200	90 256
Non-executive directors								
Brian Connellan	10 500			10 500	10 500			10 500
Imogen Mkhize[3]	1 313	18 626		19 939	1 313	18 626		19 939
Hixonia Nyasulu[3]		1 450		1 450		1 450		1 450
Tom Wixley	2 500			2 500	2 500			2 500
Total	**124 013**	**61 860**	**464 900**	**650 773**	124 013	61 853	485 100	670 966

(1) The indirect number of shares includes units held in the Sasol Share Savings Trust.

(2) Including share options which have vested or which vest within sixty days of 30 June 2010.

(3) The indirect number of shares includes shares held through Sasol Inzalo Public Limited.

(4) Resigned as a director of Sasol Limited on 14 October 2009.

There have been no changes in the direct or indirect beneficial interests of the directors and their associates between 30 June 2010 and 28 September 2010.

Beneficial shareholding for 2010 disclosed in the table above includes shares held by the following black directors and their associates following the implementation of the Sasol Inzalo share transaction

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on 8 September 2008 (the top three earners do not own Sasol BEE ordinary or Sasol Inzalo ordinary shares):

	2010		2009	
	Number of Sasol BEE ordinary shares	Number of Sasol Inzalo ordinary shares	Number of Sasol BEE ordinary shares	Number of Sasol Inzalo ordinary shares
Executive directors				
Christine Ramon		41 556(1)		41 556(1)
Non-executive directors				
Imogen Mkhize	313	18 626	313	18 626
Hixonia Nyasulu		1 450		1 450
Total	**313**	**61 632**	313	61 632

(1) This includes an effective interest in 427 Sasol Inzalo ordinary shares owned by Melanani Investments (Pty) Limited in which Ms KC Ramon has a 15% interest and an effective interest in 655 Sasol Inzalo ordinary shares owned by Melanani Womens Investments (Pty) Limited in which Ms KC Ramon has a 20% interest.

The Sasol BEE ordinary shares rank *pari passu* with Sasol ordinary shares in all respects except that they are not listed and cannot be traded for the first two years and will have limited trading rights for a period of eight years thereafter. Sasol Inzalo Public Limited (Sasol Inzalo) indirectly held 2,4% of the issued capital of Sasol on 30 June 2010 in the form of unlisted Sasol preferred ordinary shares. The Sasol Inzalo ordinary shares cannot be traded for the first three years and will have limited trading rights for a period of seven years thereafter.

Share ownership of senior managers under the JSE Listings Requirements

	2010			2009		
Beneficial shareholding	Number of shares(1)	Number of share options(2)	Total beneficial shareholding	Number of shares(1)	Number of share options	Total beneficial shareholding
Group executive committee(3)	**15 611**	**214 700**	**230 311**	8 985	374 900	383 885

(1) Includes units held in the Sasol Share Savings Trust.

(2) Including share options which have vested or which vest within sixty days of 30 June 2010.

(3) Excluding the executive directors disclosed separately in the table above.

We are not required to, and do not otherwise, disclose share ownership of individual senior managers in the share capital of the company.

Long-term incentive plans applicable to executive directors and senior management

Executive directors and senior employees participate in the Sasol Share Incentive Scheme, which has been replaced by the Share Appreciation Rights Scheme (SAR scheme) with effect from 1 March 2007. Although no new share options are granted in terms of the Sasol Share Incentive Scheme, existing unimplemented share options are unaffected by the introduction of the SAR scheme. Share appreciation rights, including those with and without performance targets, are granted to executive directors and senior management in relation to their respective

positions, their level in the organisation, their individual contribution to the business and the group's performance against a predetermined target. Additional corporate performance targets were introduced in 2010 for recipients in top management. The long-term incentive plans are designed to retain key senior employees over a longer period aligned with the business life cycle and group strategy and to recognise their contribution to the group's performance.

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The SAR scheme committee, consisting of the members of the remuneration committee, approves grants under the following circumstances:

- upon promotion of an employee to the qualifying level for share appreciation rights as well as any subsequent promotion; and
- upon appointment to the group on the qualifying level.

In addition, the scheme committee has the power to approve the award of annual supplementary share appreciation rights to existing participants of the scheme. The formulae in terms of which such awards are made, was reviewed by the scheme committee at their meeting on 5 June 2008. In terms of the current formulae, the number of share appreciation rights for executive directors, are based on the following:

- for promotions and new appointments, a multiple of the total annual guaranteed package as approved for the post level divided by the moving average share price over 24 months, prior to the grant of the share appreciation rights; and
- for supplementary share appreciation rights, the number of share appreciation rights are determined, amongst others, by an individual performance rating factor based on an assessment of the individuals' performance against annually agreed performance targets for the previous financial year and the extent to which the company's growth targets on attributable earnings have been met. The company performance factor is determined when the company's growth in attributable earnings exceeds the current level of inflation, thereby ensuring that executives are rewarded for achieving real growth in earnings as compared to CPI.

The SAR scheme provides eligible employees with the opportunity to receive long-term incentive remuneration payments based on the increase in value of Sasol shares over certain prescribed periods of time. Participants are not entitled to any rights to Sasol shares but are awarded conditional rights to a future cash amount calculated with reference to the increase in the market value of a Sasol Limited ordinary share between the date of the grant of the right (issue price) and the exercise of the right (exercise price).

The trustees of the Sasol Share Trust granted share options in terms of the Sasol Share Incentive Scheme up to 28 February 2007.

Options (in terms of the Sasol Share Incentive Scheme) and share appreciation rights (in terms of the SAR scheme) vest as follows:

- two years first third
- four years second third
- six years final third

Options and share appreciation rights are exercisable up to a maximum of nine years from the date of grant. If not exercised by this date, they will lapse. The last options issued under the Sasol Share Incentive Scheme will, if not exercised, lapse in 2016.

On retirement at normal retirement age the share options or share appreciation rights vest immediately and can be exercised within a twelve month period. On resignation, share options or rights which have not yet vested will lapse unless decided otherwise by the board or the appropriate delegated authority (trustees of the Sasol Share Incentive Scheme or SAR scheme committee). On retrenchment, all options or rights vest immediately and the employee has a period of twelve months to exercise these options. Share options or rights which have vested may be taken up before the last day of service.

Share appreciation rights awarded during the year under review were based on the approved formula being 15% of a ten times multiple of annual total guaranteed package for the chief executive

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adjusted for personal and corporate performance. The executive directors were granted rights on the approved formula being 15% of a seven times multiple of annual total guaranteed package for the executive directors adjusted for personal and corporate performance.

Medium-term incentive plan applicable to executive directors and senior management

The remuneration committee approved the introduction of a medium-term incentive plan to complement the current portfolio of the short-term and long-term incentive schemes and allow qualifying employees an opportunity to participate in the growth of the company. The initial implementation in 2010 will be cost-neutral to the company.

The strategic intent of the medium-term incentive plan includes the retention of key employees, rebalancing the reward mix and the components allocated towards short-term, medium-term and long-term incentives, to provide qualifying employees with an opportunity to participate in the growth of the group and to create alignment with shareholder interests. This plan provides a balance in terms of incentives offered that stretch from 12 months (short-term incentive scheme) to the long-term incentive plan that has staggered vesting periods over six years and a life of nine years. MTI rights are linked to the achievement of pre-determined performance targets that are aligned with the medium-term business goals of the organisation. Some MTI rights can therefore be forfeited if the corporate performance targets are not met or enhanced if performance targets are exceeded. Under the MTI, participating employees are given the opportunity, subject to the vesting conditions, to receive a future cash incentive payment calculated with reference to the market value of an ordinary share in Sasol Limited after a three year vesting period. Under this scheme, the employee has no right to acquire shares in Sasol Limited.

Participation in the Sasol Inzalo Management Scheme

On 16 May 2008, Sasol shareholders approved the Sasol Inzalo black economic empowerment (BEE) transaction. As part of this transaction, senior black management, including black executive directors and members of the group executive committee, participate in the Sasol Inzalo Management Scheme and were awarded rights to Sasol ordinary shares. The rights, which entitle the employees from the inception of the scheme to receive Sasol ordinary shares at the end of the ten years, being the tenure of the transaction, subject to Sasol's right to repurchase some of the shares issued to the Sasol Inzalo Management Trust (Management Trust) in accordance with a pre-determined repurchase formula. The formula takes into account the underlying value of the shares on 18 March 2008, the dividends not received by the Management Trust as a result of the pre-conditions attached to those shares and the price of Sasol ordinary shares at the end of the ten years.

The rights also entitle the holder thereof, from inception of the scheme, to receive, in proportion to their respective rights, ordinary dividends received by the Management Trust on the Sasol ordinary shares during the ten year period. The Management Trust subscribed for the ordinary shares on the pre-condition that it would receive only 50% of the ordinary dividends paid on the Sasol ordinary shares.

On retirement at normal retirement age, early retirement, dismissal due to operational requirements or on leaving the employ of Sasol due to ill health during the tenure of the Sasol Inzalo transaction, the black managers will retain their entire allocation of rights until the end of the ten year period, subject to Sasol's repurchase right referred to above. The nominated beneficiaries or heirs of those black managers, who die at any time during the transaction period, will succeed to their entire allocation of rights. On resignation within the first three years of having been granted these rights, all rights will be forfeited. On resignation after three years or more from being granted the rights, the black managers will forfeit 10% of their rights for each full year or part thereof remaining from the date of resignation until the end of the transaction period. Black managers who leave the employ of

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Sasol during the ten year period by reason of dismissal, for reasons other than operational requirements, will forfeit their rights to Sasol ordinary shares.

Following the introduction of the Share Appreciation Rights Scheme in 2007, no further options have been granted in terms of the Sasol Share Incentive Scheme.

The share options implemented during 2010 are indicated in the following table:

Share options implemented during 2010 directors

	Balance at beginning of year[1] (number)	Granted[2]	Average offer price per share[2] (Rand)	Grant date[2]	Share options implemented (number)	Effect of resignations (number)	Balance at end of year[2] (number)
Executive directors							
Pat Davies	571 300						**571 300**
Nolitha Fakude	81 900						**81 900**
Benny Mokaba[3]	94 000				31 300	37 700	**25 000**
Christine Ramon	81 700						**81 700**
Non-executive director							
Pieter Cox[4]	116 700						**116 700**
Total share options	**945 600**				**31 300**	**37 700**	**876 600**

(1) The balance of options represents the accumulated number of options granted (less implemented) over the preceding years.

(2) No share options were granted during the period under review as a result of the replacement of the Sasol Share Incentive Scheme with the SAR Scheme with effect from 1 March 2007.

(3) Resigned as a director of Sasol Limited on 14 October 2009.

(4) The share options were granted to Mr Cox whilst he was still an executive director.

Sasol share incentive scheme top three earners

	Balance at beginning of year[1] (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Share rights implemented (number)	Effect of retirement (number)	Balance at end of year[2] (number)
Top three earners							
Employee 1	25 100				7 400		**17 700**

Employee 2	40 000	5 600		**34 400**
Employee 3[(3)]	83 500	4 500	79 000	
Total share options	**148 600**	**17 500**	**79 000**	**52 100**

(1) The balance of options represents the accumulated number of options granted (less implemented) over the preceding years.

(2) No share options were granted during the period under review as a result of the replacement of the Sasol Share Incentive Scheme with the SAR Scheme with effect from 1 March 2007.

(3) Share options and rights granted to employee 3 vested at retirement.

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The share appreciation rights granted to our executive directors through our Share Appreciation Rights Scheme are indicated in the following table:

Share appreciation rights with no performance targets granted during 2010 directors

	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Share rights implemented (number)	Effect of resignations (number)	Balance at end of year (number)
Executive directors							
Pat Davies	126 000						**126 000**
Nolitha Fakude	39 500						**39 500**
Benny Mokaba[1]	25 900						**25 900**
Christine Ramon	23 200						**23 200**
Total share appreciation rights	**214 600**						**214 600**

(1) Resigned as a director of Sasol Limited on 14 October 2009.

Share appreciation rights with performance targets granted during 2010 directors

	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Share rights implemented (number)	Effect of resignations (number)	Balance at end of year (number)
Executive directors							
Pat Davies[1]							
Nolitha Fakude		19 900	289,99	4 Dec 2009			**19 900**
Christine Ramon		23 000	289,99	4 Dec 2009			**23 000**
Total share appreciation rights		**42 900**					**42 900**

(1) No SARs were awarded to Mr Davies as a result of a precautionary closed period that applies to a select group of employees. The awards will be made as soon as the closed period is lifted.

Share appreciation rights, without performance targets, granted during 2010 top three earners[1]

	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Effect of retirement (number)	Balance at end of year (number)

Employee 1	14 200	67 500	289,99	4 Dec 2009		**81 700**
Employee 2	13 000	67 400	289,99	4 Dec 2009		**80 400**
Employee 3[(2)]	31 600				31 600	
Total share appreciation rights	**58 800**	**134 900**			**31 600**	**162 100**

(1) Share appreciation rights were approved for two GEC members on their promotion to the GEC in April 2009. The award could however not be made due to the precautionary closed period that applied at the time. These awards were made in December 2009 after the lifting of the precautionary closed period. Corporate performance targets were not yet effective in April 2009 and therefore did not apply to this award.

(2) Share options and rights granted to employee 3 vested at retirement.

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Share appreciation rights, with performance targets, granted during 2010 top three earners

	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Effect of retirements (number)	Balance at end of year (number)
Employee 1		8 300	289,99	4 Dec 2009		**8 300**
Employee 2		8 300	289,99	4 Dec 2009		**8 300**
Employee 3[(1)]		12 400	289,99	4 Dec 2009	12 400	
Total share appreciation rights		**29 000**			**12 400**	**16 600**

(1) Share options and rights granted to employee 3 vested at retirement.

The medium-term incentive rights granted to our executive directors through our Medium-term Incentive Plan are indicated in the following table:

Medium-term incentive rights granted during 2010 directors

	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Share rights implemented (number)	Effect of resignations (number)	Balance at end of year (number)
Executive directors							
Pat Davies[(1)]							
Nolitha Fakude		4 442	0,00	4 Dec 2009			**4 442**
Christine Ramon		5 136	0,00	4 Dec 2009			**5 136**
Total medium-term incentive rights		**9 578**					**9 578**

(1) No MTIs were awarded to Mr Davies as a result of a precautionary closed period that applies to a select group of employees. The awards will be made as soon as the closed period is lifted.

Medium-term incentive rights granted during 2010 top three earners

	Balance at beginning of year	Granted	Average offer price per share	Grant date	Effect of retirements	Balance at end of year

	(number)	(number)	(Rand)		(number)	(number)
Employee 1		1 859	0,00	4 Dec 2009		**1 859**
Employee 2		1 859	0,00	4 Dec 2009		**1 859**
Employee 3[(1)]		2 793	0,00	4 Dec 2009	2 793	
Total medium-term incentive rights		**6 511**			**2 793**	**3 718**

(1) Employee 3 has retired but will receive payment in the 2011 financial year.

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The number of Sasol Inzalo Management Scheme share rights granted to our executive directors in terms of our Sasol Inzalo share transaction is indicated in the following table:

Sasol Inzalo Management Scheme share rights granted during 2010 directors

	Balance at beginning of year (number)	Share rights granted (number)	Value of underlying share[1] (Rand)	Grant date	Effect of resignations (number)	Balance at end of year (number)
Executive directors						
Nolitha Fakude	25 000					**25 000**
Benny Mokaba[2]	25 000				25 000	
Christine Ramon	25 000					**25 000**
Total Sasol Inzalo Management Scheme share rights	**75 000**				**25 000**	**50 000**

(1) At grant date on 3 June 2008, the issue price of the underlying share of R366,00 was the 60 day volume weighted average price of Sasol ordinary shares to 18 March 2008. The shares were issued to the Sasol Inzalo Management Trust at R0,01 per share.

(2) Resigned as a director of Sasol Limited on 14 October 2009.

Share options implemented, share appreciation rights, with and without performance targets, and medium-term incentive rights granted during 2010 group executive committee[1] (including two of the top three earners[5])

	Balance at beginning of year (number)	Effect of change in composition of GEC (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Share options implemented (Rand)	Balance at end of year (number)
Share options[2]	606 000	(266 900)				15 000	**324 100**
Share appreciation rights (without performance targets)[3][4]	274 400	(140 900)	134 900	289,99	4 Dec 2009		**268 400**
Share appreciation rights (with performance targets)[4]			46 500	289,99	4 Dec 2009		**46 500**
Medium-term incentive rights[4]			10 463	0,00	4 Dec 2009		**10 463**

(1) Excluding the executive directors disclosed separately in the table above.

(2) Includes share options issued to individuals during the year before they became members of the group executive committee.

(3)

Share appreciation rights were approved for two GEC members on their promotion to the GEC in April 2009. The award could however not be made due to the precautionary closed period that applied at the time. These awards were made in December 2009 after the lifting of the ad hoc precautionary closed period. Corporate performance targets were not yet effective in April 2009 and therefore did not apply to this award.

(4)

SARs and MTIs were not awarded to four members of the GEC due to the precautionary closed period that applied. These awards will be made as soon as the decision relating to the closed period is revisited.

(5)

Share options and rights granted to employee 3 vested at retirement.

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Share options implemented directors

This table presents information regarding share options implemented during the period 1 July 2009 through 30 June 2010.

	Implementation dates	Share options implemented	Average offer price per share	Market price per share	Gain on implementation of share options	
					2010	2009
		(number)	(Rand)		R'000	R'000
Executive directors						
Pat Davies						19 946
Benny Mokaba[1]	26 November 2009	31 300	249,00	298,41	**1 546**	
Total		**31 300**			**1 546**	**19 946**

(1) Resigned as a director of Sasol Limited on 14 October 2009.

Share options implemented top three earners

This table presents information regarding share options implemented during the period 1 July 2009 through 30 June 2010.

Top three earners	Implementation dates	Share options implemented	Average offer price per share	Market price per share	Gain on implementation of share options
					2010
		(number)	(Rand)		R'000
Employee 1	7 December 2009	7 400	291,98	296,96	**1 362**
Employee 2	10 December 2009	5 600	291,81	294,62	**1 130**
Employee 3[1]	16 March 2010	4 500	284,00	284,00	**875**
Total		**17 500**			**3 367**

(1) Share options and rights granted to employee 3 vested at retirement.

Share options implemented group executive committee[1] (including two of the top three earners)

This table presents information regarding share options implemented during the period 1 July 2009 through 30 June 2010.

		Gain on implementation of share options	
	Share options implemented	2010	2009

	(number)	R'000	R'000
Group executive committee[2]	15 000	**2 910**	4 797

(1) Excluding the executive directors disclosed separately in the table above.

(2) No shares were retained by members on the implementation of the share options.

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Share options outstanding at the end of the year vest during the following periods:

	Already vested	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	(numbers)					
Executive directors						
Pat Davies	396 500	29 000	130 000	15 800		**571 300**
Nolitha Fakude	41 200		40 700			**81 900**
Benny Mokaba[1]		25 000				**25 000**
Christine Ramon	27 200	27 200		27 300		**81 700**
Non-executive directors						
Pieter Cox[2]	116 700					**116 700**
Total	**581 600**	**81 200**	**170 700**	**43 100**		**876 600**

(1) Resigned as a director of Sasol Limited on 14 October 2009.

(2) The share options were granted to Mr P V Cox when he was an executive director.

Share appreciation rights, without performance targets, outstanding at the end of the year vest during the following periods:

	Already vested	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	(numbers)					
Executive directors						
Pat Davies	18 400	23 600	18 400	65 600		**126 000**
Nolitha Fakude	5 700	7 500	5 700	20 600		**39 500**
Benny Mokaba[1]		8 600		17 300		**25 900**
Christine Ramon		7 700		15 500		**23 200**
Total	**24 100**	**47 400**	**24 100**	**119 000**		**214 600**

(1) Resigned as a director of Sasol Limited on 14 October 2009.

Share appreciation rights, with performance targets outstanding at the end of the year vest during the following periods:

	Already vested	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	(number)					
Executive directors						
VN Fakude			6 600	6 600	6 700	**19 900**
KC Ramon			7 700	7 700	7 600	**23 000**
Total			**14 300**	**14 300**	**14 300**	**42 900**

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Medium-term incentive rights outstanding at the end of the year vest during the following periods:

	Already vested	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
			(number)			
Executive directors						
VN Fakude				4 442		**4 442**
KC Ramon				5 136		**5 136**
Total				**9 578**		**9 578**

Share options and share appreciation rights, with and without performance targets, and medium-term incentive rights outstanding at the end of the year vest during the following periods:

	Already vested	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
			(numbers)			
Group executive committee[1]						
Share options	214 700	41 300	52 500	15 600		**324 100**
Share appreciation rights (without performance targets)	17 900	26 500	62 900	116 200	44 900	**268 400**
Share appreciation rights (with performance targets)			15 500	15 500	15 500	**46 500**
Medium-term incentive rights				10 463		**10 463**

(1) Excluding the executive directors disclosed separately in the table above but including the top two earners. Share options and rights granted to employee 3 vested at retirement.

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ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A Major shareholders

Refer to "Item 18 Financial Statements" for the authorised and issued share capital of Sasol Limited.

To the best of our knowledge, Sasol Limited is not directly or indirectly owned or controlled by another corporation or the government of South Africa or any other government. We believe that no single person or entity holds a controlling interest in our share capital.

In accordance with the requirements of the Companies Act of South Africa, the following beneficial shareholdings exceeding 5% in the aggregate during the last three years were disclosed or established from inquiries as of 31 August 2010:

	2010		2009		2008	
	Number of shares	% of shares	Number of shares	% of shares	Number of shares	% of shares
Government Employees Pension Fund (GEPF)[1]	85 434 723	12,8				
Public Investment Corporation Limited (PIC)	63 397 133[2]	9,93	121 876 743[3]	18,3	114 405 311	17,1
Industrial Development Corporation of South Africa (IDC)	53 266 887	8,0	53 266 887	8,0	53 266 887	8,0
Sasol Investment Company (Pty) Limited (SIC)[4]	8 809 886	1,3	8 809 886	1,4	37 093 117	5,9

(1) The shares beneficially owned by the GEPF were disclosed as owned by the PIC until 2009, when it was established that the beneficial owner is the GEPF.

(2) 62,5 million of the shares owned by the GEPF are included in the 63,4 million shares under management of the PIC.

(3) 102,6 million of these shares were beneficially owned by the GEPF.

(4) The shares held by SIC are held as treasury shares on which no dividends are paid outside the Sasol Limited group and no voting rights are exercised.

The GEPF's beneficial shareholding decreased by 17 165 277 shares from 31 August 2009 to 85 434 723 shares at 31 August 2010, representing 12,8% of total issued share capital and 13,4% of total voting securities. On 4 December 2008, Sasol Limited purchased 31 500 000 of its ordinary shares from SIC, a wholly-owned subsidiary of Sasol Limited, whereupon the repurchased shares were cancelled and restored to authorised unissued share capital.

Refer to "Item 16.E. Purchases of equity securities by the issuer and affiliated purchasers" for more information on our share repurchase programme.

The voting rights of major shareholders do not differ from the voting rights of other shareholders.

As of 31 August 2010, 36 146 086 ordinary shares, or approximately 5,4% of our total issued share capital, were held in the form of ADRs. As of 30 June 2010, 326 record holders in the United States held approximately 20,4% of our issued share capital in the form of either ordinary shares or ADRs.

7.B Related party transactions

There have been no material transactions during the most recent three years, other than as described below, nor are there proposed to be any material transactions at present to which we or any of our subsidiaries are or were a party and in which any senior executive or director, or 10%

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shareholder, or any relative or spouse thereof or any relative of such spouse, who shared a home with this person, or who is a director or executive officer of any parent or subsidiary of ours, had or is to have a direct or indirect material interest. Furthermore, during our three most recent years, there has been no, and at 30 June 2010 there was no, outstanding indebtedness to us or any of our subsidiaries owed by any of our executive or independent directors or any associate thereof.

In a transaction aimed at obtaining compliance with the Liquid Fuels Charter's requirements on black economic empowerment, we entered into an agreement with effect from 1 July 2006 with Tshwarisano LFB Investment (Pty) Limited (Tshwarisano), in terms of which Tshwarisano acquired 25% of our subsidiary, Sasol Oil (Pty) Limited (Sasol Oil) for a purchase consideration of R1 450 million. Our non-executive chairman, Mrs T H Nyasulu, is also a director of Sasol Oil and Tshwarisano, and indirectly holds 1,275% of the shares of Sasol Oil through her 5,1% holding in Tshwarisano.

During the year group companies, in the ordinary course of business, entered into various purchases and sale transactions with associates, joint ventures and certain other related parties. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions are determined on an arm's length basis.

Material related party transactions were as follows:

	30 June 2010	30 June 2009	30 June 2008
	(Rand in millions)		
Sales and services rendered to related parties			
Third parties	2 770	3 188	944
Joint Ventures	209	286	1 975
Associates	1 606	1 241	742
Retirement funds			
Total	**4 585**	**4 715**	**3 661**
Purchases from related parties			
Third parties	1 352	1 820	1 056
Joint Ventures	184	306	88
Associates	696	923	795
Retirement funds	432	408	338
Total	**2 664**	**3 457**	**2 277**

Amounts due to and from related parties are disclosed in the respective notes to the financial statements for the respective balance sheet line items. See "Item 18 Financial Statements".

7.C Interests of experts and counsel

Not applicable.

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ITEM 8. FINANCIAL INFORMATION

8.A Consolidated statements and other financial information

See "Item 18. Financial Statements" for our financial statements, related notes and other financial information filed with this annual report on Form 20-F.

Dividend policy

Our dividend distribution policy is a progressive dividend policy to maintain and/or grow dividends in line with the anticipated sustainable growth in earnings, barring significant economic variables such as fluctuations in the oil price and exchange rates. The prevailing circumstances of the company, future investment plans, financial performance and the trading and macro economic environments will be considered when we make decisions on dividends. The average rate of earnings to dividend distributions in the past five years was approximately 2,7 times. Our dividend cover for 2010 of 2,6 times. We distribute dividends twice a year. On the declaration of a dividend, the company includes the 10% in respect of secondary tax on companies on this dividend in its computation of the income tax expense for the corresponding period.

Refer to "Item 10.B Memorandum and articles of association Rights of holders of our securities".

Legal proceedings

For information regarding our legal proceedings refer to "Item 4.B Business overview Legal proceedings".

8.B Significant changes

The following developments have occurred subsequent to 30 June 2010:

On 25 June 2010, Sasol Nitro, a division of Sasol Chemical Industries Limited, concluded a settlement agreement with the Competition Commission of South Africa. This agreement was subsequently confirmed by the Competition Tribunal on 20 July 2010 and includes the divestiture of five regional fertiliser blending operations. For additional information refer to "Item 4.B Business overview Legal proceedings".

On 20 August 2010, the Competition Commission of South Africa announced that it had referred its complaints of collusion and excessive pricing in the polymers market against Sasol Chemical Industries Limited and Safripol (Pty) Limited to the Competition Tribunal for adjudication. For additional information refer to "Item 4.B Business overview Legal proceedings".

On 24 August 2010, Sasol Petroleum International (Pty) Limited (SPI) and Petronas announced the joint assignment of a 15% participating interest in the offshore M-10 Block, in Mozambique to Empresa Naçional de Hidrocarbonetos (ENH), the Mozambique national hydrocarbon exploration company. This results in an equity split in the M-10 Block of a 42,5% participating interest to each of SPI and Petronas with the remaining 15% to be held by ENH.

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ITEM 9. THE OFFER AND LISTING

9.A Offer and listing details

The following table sets forth, for the years indicated, the reported high and low quoted prices for the ordinary shares on the JSE and for our ADRs on the NYSE from 9 April 2003 and for the ADRs on the NASDAQ prior to the delisting of our ADRs on 8 April 2003 from NASDAQ.

	Shares (Price per share in rand)		ADRs (Price per ADR in US$)	
Period	**High**	**Low**	**High**	**Low**
2005	192,12	66,23	28,96	15,61
2006	283,00	180,00	46,31	26,99
2007	281,75	214,00	39,84	28,24
2008	518,00	252,52	67,92	34,27
2009				
First quarter	471,00	312,00	58,91	36,69
Second quarter	363,63	216,56	42,76	19,16
Third quarter	327,81	241,00	35,19	22,75
Fourth quarter	319,50	251,52	39,32	27,99
2010				
First quarter	310,00	255,56	41,74	31,15
Second quarter	316,00	274,26	42,86	35,75
Third quarter	318,00	263,06	43,40	34,19
Fourth quarter	315,60	266,18	43,68	33,36
April	315,60	294,50	43,68	39,07
May	304,85	266,18	41,21	33,36
June	297,15	269,00	39,59	34,30
July	300,00	270,03	40,70	34,89
August	299,88	273,06	41,25	37,16
September (up to 23 September 2010)	311,00	278,80	43,79	38,77

9.B Plan of distribution

Not applicable.

9.C Markets

The principal trading market for our shares is currently the JSE. Our American Depositary Shares (ADS), have been listed on the New York Stock Exchange since 9 April 2003, each representing one common ordinary share of no par value, under the symbol "SSL". The Bank of New York Mellon is acting as the Depositary for our ADSs and issues our ADRs in respect of our ADSs.

9.D Selling shareholders

Not applicable.

9.E Dilution

Not applicable.

9.F Expenses of the issue

Not applicable.

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ITEM 10. ADDITIONAL INFORMATION

10.A Share capital

Not applicable.

10.B Memorandum and articles of association

Sasol Limited is incorporated in South Africa as a public company under the South African Companies Act, No 61 of 1973 (the Companies Act) and is registered with the South African Registrar of Companies under registration number 1979/003231/06. Our corporate seat is in Johannesburg, South Africa. According to our Memorandum of Association (Memorandum), our company's main business includes, among other things, to act as an investment holding company, an investment company and a management company and, whether on its own and/or in collaboration with other agencies:

to prospect for coal, oil, petroleum and related substances;

to acquire mineral and other rights;

to acquire, exploit and mine coal, oil, petroleum and related substances and beneficiate and refine them into gaseous, liquid and solid fuels, petrochemicals and other products;

to convert, process and beneficiate any product with or without the addition of other products in any other way whatsoever; and

to market these products.

Our board of directors

Appointment, retirement and re-election of directors. Our directors are elected by our shareholders at the annual general meeting. The board of directors may appoint any person qualifying as a director in terms of the Companies Act, either to fill a vacancy or as an addition to the board, provided that the total number of directors does not at any time exceed the maximum of 16 directors. Directors appointed by the board in this manner are required to retire at the next annual general meeting following their appointment, but are eligible for re-election. There is no requirement in our Articles of Association (Articles) that directors must hold qualifying shares. If the number of persons nominated as directors does not exceed the number of vacancies available, then the nominated directors may be deemed to have been duly elected.

At the annual general meeting of the company, one-third of the serving directors shall retire or if the total number of serving directors who shall retire does not constitute a multiple of three, the number of directors who shall retire shall be the number, adjusted upwards, that is the closest to one-third.

A director who has been appointed for the first time at an annual general meeting or by the board of directors after 27 October 1997 shall retire five years after the date of his/her initial appointment or reappointment. Directors who have retired in this manner are eligible for automatic re-election by the shareholders, if they have been nominated for reappointment after retirement by either the board or the shareholders.

Any director reaching 70 years of age shall retire at the end of that year, provided that, subject to the Articles, the board may, by unanimous resolution on a year-to-year basis, extend a director's term of office until the end of the year in which the director turns 73.

Remuneration. The board of directors determines the remuneration of the executive directors on recommendation of the Remuneration Committee. In accordance with the South African Code of Corporate Practices and Conduct (King III) the proposed fees of non-executive directors as

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recommended by the board are submitted to the shareholders in annual general meeting for approval prior to implementation and payment. The Companies Act prohibits loans or any form of credit or guarantee to be provided by us to any member of our board. Our Remuneration Committee determines the Group's human resources policy and the remuneration of directors and senior management. See "Item 6.C Board Practices Board committees The remuneration committee".

Interested transactions. A director in his capacity as a member of the board or one of its committees can participate in and vote on all decisions put before a meeting of the board or the respective committee. Nothing contained in our Articles prohibits a director from voting on any decisions put before a meeting of the board or one of its committees, whether or not a director has a personal interest or is in any manner involved in the matter. However, directors are required to declare in the manner prescribed by the Companies Act any interest, whether direct or indirect, material or otherwise, in any other company, partnership or corporate body, of which a director is a director or shareholder, or any contract or transaction in which they have an interest in any manner. In terms of the Board Charter, directors are appointed on the express understanding and agreement that they may be removed by the Board if and when they develop an actual or prospective material, enduring conflict of interest with the company or a group company.

Managing Director. Under our Articles, the directors may appoint one or more of their number to the office of managing director or managing directors, or may appoint employees of the company in any other capacity, and may remove or dismiss them from office and appoint others in their place. Such an appointment is made by an independent quorum of directors and for a period not exceeding five years per appointment.

Disclosure of interests in shares

The Companies Act requires disclosure of beneficial ownership interests in a company's securities. Pursuant to Section 140A of the Companies Act, where the securities of an issuer are registered in the name of a person and that person is not the holder of the beneficial interests in all of the securities held by the registered shareholder, the registered shareholder is obliged, at the end of every three-month period, to disclose to the issuer the identity of each person on whose behalf the registered holder holds securities and the number and class of securities issued by that issuer held on behalf of each such person. Moreover, the issuer of securities may, by notice in writing, require a person who is a registered shareholder and whom the issuer knows, or has reasonable cause to believe, to have a beneficial interest in a security issued by the issuer, to confirm or deny whether it holds that beneficial interest and, if the security is held for another person, to disclose the identity of the person on whose behalf a security is held.

The addressee of the notice will also be required to give particulars of the extent of the beneficial interest held during the three years preceding the date of the notice. All issuers of securities are obliged to establish and maintain a register of disclosures of interests in their securities as described above and to publish in their annual financial statements a list of the persons who hold beneficial interests equal to or in excess of 5% of the total number of securities of that class issued by the issuer, together with the extent of those beneficial interests.

Rights of holders of our securities

Dividend rights. The board may declare a dividend to be paid to the registered holders of shares. The directors may also pay to the shareholders such interim dividend as they consider justified from the profit of the company. No dividends shall be paid except out of the profits or accumulated distributable reserves of the company and no dividends bear interest against the company.

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All shares have equal rights to dividends, with the exception of:

The ordinary shares subscribed for by The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust on the pre-condition that they will receive only 50% of the ordinary dividends paid on the ordinary shares and none of the extra-ordinary dividends for a period of ten years from the effective date;

The ordinary shares subscribed for by The Sasol Inzalo Foundation on the pre-condition that it will receive only 5% of the ordinary dividends paid on the ordinary shares and none of the extra-ordinary dividends, for a period of ten years from the effective date;

The Sasol preferred ordinary shares which carry a cumulative preferred ordinary dividend right, where a dividend has been declared for a period of ten years from the date of issue. This preferred dividend rights ranks ahead of the dividend rights of other ordinary shares, including the Sasol BEE ordinary shares. It will be paid as follows:

( ) R16,00 per annum for each of the first three years until 30 June 2011;

( ) R22,00 per annum for each of the next three years until 30 June 2014; and

( ) R28,00 per annum for each of the last four years until 30 June 2018.

Dividends may be declared, either free of, or subject to, the deduction of any income tax and any other tax or duty which may be chargeable. Dividends are declared payable to shareholders registered at a date subsequent to the date of the declaration of the dividend as determined by the rules of the local stock exchange operated by the JSE Limited (the JSE). The dates applicable to the dividend payment are determined in accordance with the JSE listings requirements.

Dividends which remain unclaimed after a period of 12 years may be declared forfeited by the board and revert to our company. All unclaimed dividends may be invested or otherwise utilised by the directors for the benefit of the company until claimed.

Any dividend may be paid and satisfied, either in whole or in part, by the distribution of specific assets and, in particular, of shares or debentures of any other company, or in cash or in any one or more of such ways as the directors may, at the time of the declaration of the dividend, determine and direct. Any dividend or other sum payable in cash to a shareholder may be paid by cheque, warrant, coupon or otherwise as the directors may decide.

It is our policy to declare dividends in rand and the board may at the time of declaring a dividend make such regulations as they may deem appropriate with regard to the payment in any currency and the rate of exchange, subject to the approval of the South African Reserve Bank (SARB). For further information on our dividend policy, see "Item 8.A Consolidated Statements and Other Financial Information".

Holders of American Depository Receipts (ADRs) on the relevant record date will be entitled to receive any dividends payable in respect of the shares underlying the ADRs, subject to the terms of the Deposit Agreement. Cash dividends will be paid by the Depositary to holders of ADRs in accordance with the Deposit Agreement.

Voting rights. Every shareholder, or representative of a shareholder, who is present at a shareholders' meeting has one vote on a show of hands, regardless of the number of shares he holds or represents, unless a poll is demanded. On a poll, a shareholder is entitled to one vote per ordinary share held.

Shareholders are entitled to appoint a proxy to attend, speak and vote on a poll at any meeting on their behalf. Proxies need not be shareholders. Cumulative voting is not permitted. The Sasol preferred

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ordinary shares and Sasol BEE ordinary shares rank *pari passu* with the Sasol ordinary shares in respect of voting rights.

Rights of non-South African shareholders. There are no limitations imposed by South African law or our Articles on the rights of non-South African shareholders to hold or vote our shares. Acquisitions of shares in South African companies are not generally subject to review by the SARB. However, its approval may be required in certain cases where share acquisition is financed by South African lenders.

Rights of minority shareholders. Majority shareholders of South African companies have no fiduciary duties under South African common law to minority shareholders. However, shareholders may, under the Companies Act, seek court relief upon establishing that they have been unfairly prejudiced by the company.

General meeting of shareholders

In accordance with our Articles, our annual general meeting is required to be held each year within six months from the end of our financial year, and within 15 months after the date of our last preceding annual general meeting.

Notices. We are required by law and our Articles to provide at least 21 days' notice of any annual general meeting and any meeting at which special resolutions are proposed, and at least 14 days' notice of all other meetings. Meetings of shareholders may be attended by shareholders on record in our share register or by their proxies who need not be registered shareholders. Annual general meetings shall be described as such in the notice convening the meeting. All other meetings shall be called general meetings and shall also be described as such in the respective notice.

Notice under our Articles must be in writing and must be given or served on any shareholder, either by delivery or by post, properly addressed, at his or her address shown in the register of shareholders. Any notice to shareholders must simultaneously be communicated to the JSE.

We are required, upon request by at least 100 shareholders or shareholders holding not less that 5% of our total share capital, to give notice to our shareholders of any resolution that may be duly proposed and any resolution intended to be proposed at a general meeting or annual general meeting.

Attendance at meetings. Beneficial shareholders whose shares are not registered in their own name, or beneficial owners who have dematerialised their shares, are required to contact the registered shareholder or their Central Securities Depository Participant (CSDP), as the case may be, for assistance to attend and vote at meetings.

Quorum. No business may be transacted at any general meeting unless the requisite quorum is present at the commencement of proceedings. The quorum for the approval of special resolutions is shareholders holding in the aggregate not less than one-fourth of the total votes of all shareholders entitled to vote at the meeting, present in person or by proxy. In all other cases, the quorum is three shareholders present in person or by proxy and entitled to vote or, if a shareholder is a corporate body, represented by a proxy.

In case the required quorum of shareholders is not present within ten minutes from the time appointed for the meeting, the meeting will stand adjourned to take place on a day determined by the shareholders present, which may be no earlier than seven days and no later than 21 days after the date of the meeting, at the same time and venue, or if such venue is not available, another venue appointed by the directors present. If no shareholders are present, the day and the venue of the adjourned meeting shall be determined by the directors. If no quorum is present within ten minutes from the time appointed for the adjourned meeting, those shareholders who are present in person shall form a quorum. If the meeting at which a quorum is not present is convened upon the request of shareholders, this meeting will be dissolved. There is no quorum requirement when an ordinary general meeting is

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reconvened, but only those topics which were on the agenda of the adjourned general meeting may be discussed and voted upon.

Manner of voting. At a general meeting, a resolution put to vote will be decided by a show of hands, unless a poll is demanded by:

- the chairman;
- not less than five shareholders having the right to vote at such meeting;
- a shareholder or shareholders representing not less than one-tenth of the total voting rights of all shareholders having the right to vote at the meeting; or
- shareholders entitled to vote at the meeting and holding in total not less than one-tenth of the issued share capital of the company.

A special resolution is required in connection with the following, amongst other matters:

- liquidation or winding up of the company;
- all increases or decreases in our share capital and shares;
- change of company name or conversion from one company type into another;
- amendments to our Memorandum and Articles;
- acquisitions of our own shares;
- the disposal of the whole or greater part of our undertaking or assets; and
- amendment of any rights attached to our shares.

For the approval of special resolutions, three-quarters of shareholders present in person or by proxy must vote in favour of the resolution on a show of hands or on a poll.

Unless otherwise specified by applicable law or in our Articles, resolutions will be approved by a majority of the votes recorded at the meeting either by show of hands or by proxy. In the event of a tie, the chairman will have a casting vote.

Changes in share capital and preemptive rights

We may, by special resolution in general meeting, increase our share capital by a sum divided into shares of a number, or increase our shares without par value to a number, as we may deem appropriate. We may also increase our share capital consisting of shares without par value by transferring reserves or profits to our stated capital, with or without a distribution of shares. New shares are issued to persons, on terms and conditions and with the rights and privileges attached thereto, as may be determined in general meeting.

Subject to any authority given to our directors in our Articles, we may, prior to the issue of new shares, direct that they be offered in the first instance, either at par value or at a premium or at a stated value in the case of shares without par value, to all our shareholders in proportion to the amount of capital held by them, or take any other measure with regard to the issue and allotment of the new shares.

We may also, by special resolution, cancel, vary or amend shares or any rights attached to shares which, at the time of the passing of the relevant resolution, have not been taken up by any person or which no person has agreed to take up, and we may reduce the amount of our share capital by the amount of the shares so cancelled.

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Unissued shares placed under the control of directors. Subject to the provisions of the Companies Act and the listings requirements of the JSE, we may, in a general meeting, place the balance of the ordinary shares not allotted under the control of the directors with general authorisation to allot, and issue such shares at such prices and upon such terms and conditions as they deem fit, provided that no such issue of such shares will be made which could effectively transfer the control of the company without prior approval of the shareholders in a general meeting.

Trading in our own shares

We may resolve by special resolution to buy back any of our issued shares in accordance with the provisions of the company laws of South Africa and any other applicable rule of law or regulation. Such resolution may grant a general approval or a specific approval for a particular acquisition.

Regulation of repurchases of own shares. The Companies Act authorises a company to repurchase its own issued shares, provided its articles of association permit doing so. The approval must be in the form of a special resolution, either as a general or a specific approval for a specific repurchase. If the approval is a general approval, it only remains valid until the next general meeting of the company following the grant of such general approval. A company may only repurchase its own shares provided that certain solvency and liquidity requirements are met immediately subsequent to the repurchase. A company may not repurchase its own shares if this would result in there being no shares left in issue other than convertible or redeemable shares.

Any shares repurchased by the company will be cancelled as issued shares and treated as authorised shares. Subsidiary companies may, in accordance with the principles stated above, acquire shares in their holding company up to a total maximum of 10% of the issued shares of the holding company. A subsidiary may not exercise voting rights in respect of its shares in its holding company, unless the subsidiary is acting in a representative capacity or as a trustee.

The JSE listings requirements provide that a company may only conduct a specific repurchase subject to the following conditions, among others:

in the case of an offer to all shareholders, that the offer be *pro rata* to their existing holdings, or from shareholders specifically named; and

that authorisation be given in terms of a special resolution of the company by the shareholders, excluding controlling shareholders, their associates, any party acting in concert and any shareholder that is participating in the repurchase and is not regarded as being public.

In accordance with the JSE listings requirements, the repurchase by a company of its own shares may not exceed 20% of the company's issued share capital of that class in any one financial year. Companies may only conduct a general repurchase of their securities on the JSE and the repurchase price may not be greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction was effected.

Rights on liquidation

Should the company be wound up, the assets remaining after payment of the debts and liabilities of the company and the costs of liquidation shall be distributed among the shareholders in proportion to the number of shares respectively held by each of them.

Upon winding up, any part of our assets, including any shares or securities of other companies, may, with the sanction of a special resolution of our shareholders, be divided *in specie* among our shareholders or may, with the same sanction, be vested in trustees for the benefit of such shareholders, and the liquidation of the company may be finalised and the company dissolved.

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Form and transfer of shares

In accordance with the Share Transactions Totally Electronic (STRATE) settlement system of the JSE, Sasol ordinary shares were dematerialised as of 19 November 2001. STRATE introduced the dematerialisation of share certificates in a central securities depository and contractual rolling and electronic settlement. Shares traded electronically in STRATE are settled five days after trade.

Sasol preferred ordinary shares and Sasol BEE ordinary shares are held in certified form. The share certificates will be held in custody for a period of ten years from the date of first issue.

The dematerialisation of shares has not been mandatory and, although the majority of our share capital has been dematerialised, shareholders who have elected to do so have still retained their share certificates. Transfer of shares in certificated form is effected by means of a deed.

10.C Material contracts

We do not have any material contracts, other than contracts entered into in the ordinary course of business.

10.D Exchange controls

South African exchange control regulations are administered by the Exchange Control Department of the South African Reserve Bank (SARB) and are applied throughout the Common Monetary Area (CMA) (South Africa, the Kingdoms of Lesotho and Swaziland and the Republic of Namibia) and regulate transactions involving South African residents, including natural persons and legal entities.

The Government has from time to time stated its intention to relax South Africa's exchange control regulations when economic conditions permit such action. In recent years, the Government has incrementally relaxed aspects of exchange control.

The following is a general outline of South African exchange controls. The comments below relate to exchange controls in force at the date of this annual report. These controls are subject to change at any time without notice. Investors should consult a professional advisor as to the exchange control implications of their particular investments.

Foreign financing and investments

Foreign debt. We, and our South African subsidiaries, require SARB approval to raise foreign loans, including loan commitments as a result of the non-payment of imports or services rendered.

Funds raised outside the CMA by our non-South African subsidiaries are not restricted under South African exchange control regulations and may be used for any purpose including foreign investment, subject to any conditions imposed by the SARB in connection with such foreign investment. We, and our South African subsidiaries, would, however, require SARB approval in order to provide guarantees for the obligations of any of our subsidiaries with regard to funds obtained from non-residents of the CMA.

Debt raised outside the CMA by our non-South African subsidiaries must be repaid or serviced by those foreign subsidiaries. Without SARB approval, we cannot use cash we earn in South Africa to repay or service such foreign debts.

We may retain dividends declared by our foreign subidiaries offshore which we may use for any purpose, without any recourse to South Africa, except to fund investments or loans into the CMA via a non-resident entity.

Raising capital overseas. A listing by a South African company on any stock exchange other than the JSE in connection with raising capital requires permission from the SARB. If a foreign listing were

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to result in a South African company being redomiciled, it would also need the approval of the Minister of Finance.

Under South African exchange control regulations, we must obtain approval from the SARB regarding any capital raising activity involving a currency other than the rand. In granting its approval, the SARB may impose conditions on our use of the proceeds of the capital raising activity outside South Africa, including limits on our ability to retain the proceeds of this capital raising activity outside South Africa or a requirement that we seek further SARB approval prior to applying any of these funds to any specific use. Any limitations imposed by the SARB on our use of the proceeds of a capital raising activity could adversely affect our flexibility in financing our investments.

Foreign investments. Under current exchange control regulations we, and our South African subsidiaries, can invest overseas without prior SARB approval, where the investment is below R500 million per calendar year per company provided that the proposed investment meets certain criteria. Although no prior SARB approval is required for these investments, prior approval from the relevant Authorised Dealer, who will evaluate the investment on the same principles applied by the SARB, is required. Where the investment does not meet certain criteria, the Authorised Dealer will refer the matter to the SARB for its approval.

Should the foreign investment be more than R500 million per calendar year per company, or where the Authorised Dealer refers the matter to SARB in the circumstances described above, prior SARB approval is required and such foreign investments will only be allowed if the investment meets certain criteria including one of national interest, as determined by the SARB. There is no limitation placed on us with regard to the amount of funds that we can transfer from South Africa for an approved foreign investment. The SARB may, however, request us to stagger the capital outflows relating to large foreign investments in order to limit the impact of such outflows on the South African economy and the foreign exchange market.

The SARB also requires us to provide them with an annual report, which will include the annual financial statements, of all our foreign subsidiaries.

Investment in South African companies

Inward investment. A foreign investor may invest freely in shares in a South African company. Foreign investors may also sell shares in a South African company and transfer the proceeds out of South Africa without restriction. Acquisitions of shares or assets of South African companies by non-South African purchasers are not generally subject to review by the SARB when the consideration is in cash, but may require SARB review in certain circumstances, including when the consideration is equity in a non-South African company or when the acquisition is financed by a loan from a South African lender.

Dividends. There are no exchange control restrictions on the remittance in full of dividends declared out of trading profits to non-residents of the CMA.

Transfer of shares and ADSs. Under South African exchange control regulations, our shares and ADSs are freely transferable outside South Africa among persons who are not residents of the CMA. Additionally, where shares are sold on the JSE on behalf of our shareholders who are not residents of the CMA, the proceeds of such sales will be freely exchangeable into foreign currency and remittable to them. SARB may also require a review to establish that the shares have been sold at market value and at arm's length. Any share certificates held by non-resident shareholders will be endorsed with the words "non-resident". The same endorsement, however, will not be applicable to ADSs held by non-resident shareholders.

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10.E Taxation

South African taxation

The following discussion summarises the South African tax consequences of the ownership and disposition of shares or ADSs by a US holder (as defined below). This summary is based upon current South African tax law and the convention between the governments of the United States and the Republic of South Africa for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains, signed on 17 February 1997 (the Treaty). In addition, this summary is based in part upon representations of the Depositary, and assumes that each obligation provided for in, or otherwise contemplated by the Deposit Agreement and any related agreement, will be performed in accordance with its respective terms.

The following summary of the South African tax considerations does not address the tax consequences to a US holder that is resident in South Africa for South African tax purposes or whose holding of shares or ADSs is effectively connected with a permanent establishment in South Africa through which such US holder carries on business activities or who is not the beneficial recipient of the dividends or returns or, in the case of an individual who performs independent personal services, who has a fixed base situated therein or the source of the transaction is deemed to be in South Africa, or who is otherwise not entitled to full benefits under the Treaty.

The statements of law set forth below are subject to any changes (which may be applied retroactively) in South African law or in the interpretation thereof by the South African tax authorities, or in the Treaty, occurring after the date hereof. For the purposes of the Treaty and South African tax law, a United States resident that owns Sasol ADSs will be treated as the owner of Sasol shares represented by such ADSs. Holders are strongly urged to consult their own tax advisors as to the consequences under South African, US federal, state and local, and other applicable laws, of the ownership and disposition of shares or ADSs.

Taxation of dividends

South Africa currently imposes a corporate tax known as Secondary Tax on Companies (STC), at the rate of 10%, on the distribution of an amount in the form of dividends on the company declaring the dividend. STC is a recognised form of tax in terms of the Treaty, but is not a withholding tax on dividends. South Africa currently does not impose any withholding tax or any other form of tax on dividends paid to US holders with respect to shares or ADSs. The Minister of Finance, however, in his Budget Speech delivered during February 2008, announced that STC would be replaced by a dividend withholding tax, at the same rate of 10%, to be imposed on individual and non-resident corporate shareholders and draft legislation was published during June 2008 and September 2009. The effective date of the introduction of the new dividend tax is expected to be during the first half of the 2011 calendar year, in order to afford the Minister of Finance time to finalise the renegotiation of appropriate double taxation conventions to permit the imposition of such a tax on foreign shareholders.

On the introduction of such a withholding tax, on dividends paid to a US holder with respect to shares or ADSs, the Treaty, as it currently stands, and in the absence of any renegotiation, would limit the rate of this tax to 5% of the gross amount of the dividends where a US corporate holder holds directly at least 10% of the voting stock of Sasol and to 15% of the gross amount of the dividends in all other cases, resulting in the latter category of shareholders paying the 10% rate prescribed by South African tax law.

Taxation of gains on sale or other disposition

Prior to 1 October 2001, in the absence of a capital gains tax, gains realised on the sale or other disposition of shares held by a US holder as a capital asset were not subject to taxation in South

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Africa. From 1 October 2001, South Africa has introduced a tax on capital gains, which only applies to South African residents and to non-residents if the sale is attributable to a permanent establishment of the non-resident or if it relates to an interest in immovable property in South Africa. With effect from 1 October 2007, gains realised on the sale of shares will automatically be deemed to be of a capital nature and, therefore, subject to capital gains tax, where such shares have been held for a continuous period of three years or more by the holder thereof. The meaning of the word "resident" is different for individuals and corporations and is governed by the South African Income Tax Act of 1962 (the Act) and by the Treaty. In the event of conflict, the Treaty which contains a tie breaker clause or mechanism to determine residency if a holder is resident in both countries, will prevail. In terms of the Act and the Treaty, a US resident holder of shares or ADSs will not be subject to capital gains tax on the disposal of securities held as capital assets unless such securities constitute the assets linked to a permanent establishment in South Africa. In contrast, gains on the disposal of securities which are not capital in nature are usually subject to income tax. However, even in the latter case, a US resident holder will not be subject to income tax unless the US resident holder carries on business in South Africa through a permanent establishment situated therein. In such a case, this gain may be subject to tax in South Africa, but only so much as is attributable generally to that permanent establishment for so long as it does not constitute a share repurchase resulting in the purchase price being deemed to be a dividend.

Securities Transfer Tax

With effect from 1 July 2008, a single security transfer tax of 0,25% has been introduced and is applicable to all secondary transfers of shares. No securities transfer tax (STT) is payable on the issue of securities, even though it is payable on the redemption of securities. STT is payable in South Africa regardless of whether the transfer is executed within or outside South Africa. A transfer of a dematerialised share can only occur in South Africa.

A security is also defined as a depository receipt in a company. Accordingly, STT is payable on the transfer of a depository receipt issued by a company. Generally, the authorised user as defined in the Securities Services Act, 2004 is liable for the payment of the STT, on the basis that the STT is recoverable from the person to whom the security is transferred.

United States Federal Income Taxation

The following is a general summary of certain material US federal income tax consequences of the ownership and disposition of shares or ADSs to a US holder (as defined below) that holds its shares or ADSs as capital assets. This summary is based on US tax laws, including the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations, rulings, judicial decisions, administrative pronouncements, South African tax laws, and the Treaty, all as currently in effect as of the date of this annual report, and all of which are subject to change or changes in interpretation, possibly with retroactive effect. In addition, this summary is based in part upon the representations of the Depositary and the assumption that each obligation in the Deposit Agreement relating to the ADSs and any related agreement will be performed in accordance with its terms.

This summary does not address all aspects of US federal income taxation that may apply to holders that are subject to special tax rules, including US expatriates, insurance companies, tax-exempt organisations, banks, financial institutions, regulated investment companies, persons subject to the alternative minimum tax, securities-broker dealers, traders in securities who elect to apply a mark-to-market method of accounting, investors that actually or constructively own 10% or more of the share capital or voting stock of Sasol, persons holding their shares or ADSs as part of a straddle, hedging transaction or conversion transaction, persons who acquired their shares or ADSs pursuant to the exercise of employee stock options or similar derivative securities or otherwise as compensation, or

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persons whose functional currency is not the US dollar. Such holders may be subject to US federal income tax consequences different from those set forth below.

As used herein, the term "US holder" means a beneficial owner of shares or ADSs that is

(a) a citizen or individual resident of the United States for US federal income tax purposes;

(b) a corporation (or other entity taxable as a corporation for US federal income tax purposes) created or organised in or under the laws of the United States or any State thereof;

(c) an estate whose income is subject to US federal income taxation regardless of its source; or

(d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more US persons are authorised to control all substantial decisions of the trust.

If a partnership (or other entity treated as a partnership for US federal income tax purposes) holds shares or ADSs, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner in a partnership that holds shares or ADSs is urged to consult its own tax advisor regarding the specific tax consequences of the ownership and disposition of the shares or ADSs.

US holders should consult their own tax advisors regarding the specific South African and US federal, state and local tax consequences of owning and disposing of shares or ADSs in light of their particular circumstances as well as any consequences arising under the laws of any other taxing jurisdiction. In particular, US holders are urged to consult their own tax advisors regarding whether they are eligible for benefits under the Treaty.

For US federal income tax purposes, a US holder of ADSs should be treated as owning the underlying shares represented by those ADSs. The following discussion (except where otherwise expressly noted) applies equally to US holders of shares and US holders of ADSs. Furthermore, deposits or withdrawals of shares by a US holder for ADSs or ADSs for shares will not be subject to US federal income tax.

Taxation of dividends

The gross amount of any distributions, including the amount of any South African withholding tax thereon, paid to a US holder by Sasol generally will be taxable as dividend income to the US holder for US federal income tax purposes, based on the US dollar value of the distribution calculated by reference to the spot rate in effect on the date the distribution is actually or constructively received by the US holder, in the case of shares, or by the Depositary, in the case of ADSs. For foreign tax credit limitation purposes, dividends paid by Sasol will constitute income from sources outside the United States. Dividends paid by Sasol will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. At present, South Africa does not impose a withholding tax on dividends or any other form of tax on dividends paid to US holders with respect to shares. The South African government has announced its intent to enact a dividend withholding tax, at the rate of 10%, which is expected to become effective the first half of the 2011 calendar year. Refer to"Taxation South African taxation Taxation of dividends".

The amount of any distribution paid in foreign currency, including the amount of any South African withholding tax thereon, will be included in the gross income of a US holder of shares in an amount equal to the US dollar value of the foreign currency calculated by reference to the spot rate in effect on the date of receipt, regardless of whether the foreign currency is converted into US dollars. If the foreign currency is converted into US dollars on the date of receipt, a US holder of shares generally should not be required to recognise foreign currency gain or loss in respect of the dividend. If the foreign currency received in the distribution is not converted into US dollars on the date of receipt,

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a US holder of shares will have a basis in the foreign currency equal to its US dollar value on the date of receipt.

Any gain or loss recognised upon a subsequent conversion or other disposition of the foreign currency will be treated as US source ordinary income or loss. In the case of a US holder of ADSs, the amount of any distribution paid in a foreign currency ordinarily will be converted into US dollars by the Depositary upon its receipt. Accordingly, a US holder of ADSs generally will not be required to recognise foreign currency gain or loss in respect of the distribution. Special rules govern and specific elections are available to accrual method taxpayers to determine the US dollar amount includable in income in the case of taxes withheld in a foreign currency. Accrual basis taxpayers therefore are urged to consult their own tax advisors regarding the requirements and elections applicable in this regard.

Subject to certain limitations, South African withholding taxes, if any, will be treated as foreign taxes eligible for credit against a US holder's US federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by Sasol with respect to shares or ADSs generally will constitute foreign source "passive category income" or , in the case of certain US holders, "general catergory income". The use of foreign tax credits is subject to complex conditions and limitations. In lieu of a credit, a US holder who itemises deductions may elect to deduct all of such holder's foreign taxes in the taxable year. A deduction for foreign taxes is not subject to the same limitations applicable to foreign tax credits. US holders are urged to consult their own tax advisors regarding the availability of foreign tax credits.

Under current law, US holders are eligible for preferential rates of US federal income tax in respect of "qualified dividend income". However, this benefit will be reduced as of 1 January 2011, when these rates are scheduled to increase. For this purpose, qualified dividend income generally includes dividends paid by a non-US corporation if, among other things, the US holders meet certain minimum holding periods and the non-US corporation satisfies certain requirements, including that either:

(i) the shares or the ADSs with respect to which the dividend has been paid are readily tradable on an established securities market in the United States; or

(ii) the non-US corporation is eligible for the benefits of a comprehensive US income tax treaty (such as the Treaty) which provides for the exchange of information.

Sasol currently believes that dividends paid with respect to its shares and ADSs should constitute qualified dividend income for US federal income tax purposes and Sasol anticipates that its dividends will be reported as qualified dividends on Form 1099-DIV delivered to US holders. Each individual US holder of shares or ADSs is urged to consult his own tax advisor regarding the availability to him of the preferential dividend tax rate in light of his own particular situation and regarding the computations of his foreign tax credit limitations with respect to any qualified dividend income paid by Sasol to him, as applicable.

The US Treasury has expressed concern that parties to whom ADSs are released may be taking actions that are inconsistent with the claiming of creditability of withholding taxes or the preferential tax rates in respect of qualified dividends by US holders of ADSs. Accordingly, the analysis of the foreign tax credits or availability of qualified dividend treatment could be affected by future actions that may be taken by the US Treasury with respect to ADSs.

Taxation of capital gains

If a US holder is a resident of the United States for purposes of the Treaty, such holder generally will not be subject to South African tax on any capital gain or loss if it sells or exchanges its shares or ADSs unless such shares or ADSs constitute the assets linked to a permanent establishment in South

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Africa. Special rules apply to individuals who are potentially residents of more than one country. Refer to "South African Taxation Taxation of gains on sale or other disposition" above.

Upon a sale, exchange or other disposition of shares or ADSs, a US holder generally will recognise capital gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realised on the disposition and the US holder's adjusted tax basis, determined in US dollars, in the shares or ADSs. Such gain or loss generally will be US source gain or loss, and generally will be treated as a long-term capital gain or loss if the holder's holding period in the shares or ADSs exceeds one year at the time of disposition. The deductibility of capital losses is subject to significant limitations. If the US holder is an individual, long term capital gain generally is subject to US federal income tax at preferential rates. However, this benefit will be reduced as of 1 January 2011 when the tax rates on capital gains are scheduled to increase.

The tax basis of shares purchased with foreign currency will generally be the US dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of shares traded on an established securities market that are purchased by a cash basis US holder (or an accrual basis US holder that so elects). The amount realised on a sale or other disposition of shares for an amount in foreign currency will be the US dollar of this amount on the date of sale or disposition. On the settlement date, the US holder will recognise the US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based in the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of shares traded on an established securities market that are sold by a cash basis US holder (or an accrual basis US holder that so elects), the amount relised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time. If an accrual basis US holder makes an election described above, it must be applied consistently from year to year and cannot be revoked without the consent of the Internal Revenue Service.

Passive foreign investment company considerations

This summary assumes and Sasol believes that it will not be classified as a Passive Foreign Investment Company (PFIC) for US federal income tax purposes for the taxable year ended 30 June 2010. US holders are advised, however, that this conclusion is a factual determination that must be made annually and thus may be subject to change. If Sasol were to be classified as a PFIC, the tax on distributions on its shares or ADSs and on any gains realised upon the disposition of its shares or ADSs may be less favourable than as described herein. Furthermore, dividends paid by a PFIC are not "qualified dividend income" and are not eligible for the reduced rates of taxation for certain dividends. In addition, as a result of a change in law effective in 2010, each US person that is a shareholder of a PFIC will be required to report its ownership of PFIC shares each year in accordance with regulations to be issued by the Treasury. US holders should consult their own tax advisors regarding the application of the PFIC rules (including the new reporting requirements) to their ownership of the shares or ADSs.

US information reporting and backup withholding

Dividend payments made to a holder and proceeds paid from the sale, exchange, or other disposition of shares or ADSs may be subject to information reporting to the IRS. US federal backup withholding generally is imposed at a current rate of 28% on specified payments to persons who fail to furnish required information. Backup withholding will not apply to a holder who furnishes a correct taxpayer identification number or certificate of foreign status and makes any other required certification, or who is otherwise exempt from backup withholding. US persons who are required to establish their exempt status generally must provide IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Non-US holders generally will not be subject to US information reporting or backup withholding. However, these holders may be required to provide

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certification of non-US status (generally on IRS Form W-8BEN) in connection with payments received in the United States or through certain US-related financial intermediaries.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's US federal income tax liability. A holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

10.F Dividends and paying agents

Not applicable.

10.G Statement by experts

Not applicable.

10.H Documents on display

All reports and other information that we file with the SEC may be obtained, upon written request, from the Bank of New York Mellon, as Depositary for our ADSs at its Corporate Trust office, located at 101 Barclay Street, New York, New York 10286. These reports and other information can also be inspected without charge and copied at prescribed rates at the public reference facilities maintained by the SEC in Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. These reports may also be accessed via the SEC's website (*www.sec.gov).* Also, certain reports and other information concerning us will be available for inspection at the offices of the NYSE. In addition, all the statutory records of the company and its subsidiaries may be viewed at the registered address of the company in South Africa.

10.I Subsidiary information

Not applicable. For a list of our subsidiaries see Exhibit 8.1 to this annual report on Form 20-F.

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ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a group, we are exposed to various market risks associated with our underlying assets, liabilities and anticipated transactions. We continuously monitor these exposures and enter into derivative financial instruments to reduce these risks. We do not enter into derivative transactions on a speculative basis. All fair values have been determined using current market pricing models.

The principal market risks (i.e. the risk of losses arising from adverse movements in market rates and prices) to which we are exposed are:

- foreign exchange rates applicable on conversion of foreign currency transactions as well as on conversion of assets and liabilities to rand;
- commodity prices, mainly crude oil prices; and
- interest rates on debt and cash deposits.

Refer to Item 18 "Financial Statements Note 64 Financial risk management and financial instruments" of the consolidated financial statements for a qualitative and quantitative discussion of the group's exposure to these market risks.

The following is a breakdown of our debt arrangements and a summary of fixed versus floating interest rate exposures for operations.

Liabilities notional	**2011**	**2012**	**2013**	**2014**	**2015**	**Thereafter**	**Total**
			(Rand in millions)				
Fixed rate (Rand)	132	207	222	198	174	3 350	4 283
Average interest rate	10,47%	10,47%	10,46%	10,46%	10,45%	10,45%	
Variable rate (Rand)	526	774	571	609	598	4 386	7 464
Average interest rate	8,35%	8,30%	8,26%	8,25%	8,23%	8,23%	
Fixed Rate (US$)	1	1					2
Average interest rate	5,15%	5,36%	5,40%	5,17%			
Variable rate (US$)	156	63	8	6		4	237
Average interest rate	3,28%	4,32%	5,31%	5,76%		6,14%	
Fixed rate (Euro)	3						3
Average interest rate	1,01%						
Variable rate (Euro)	387	664	614	559	173	250	2 647
Average interest rate	3,40%	3,37%	3,25%	2,99%	2,66%	2,72%	
Fixed rate (other currencies)	20						20
Average interest rate	6,48%						
Variable rate (other currencies)	328	41	2	2	3		376
Average interest rate	23,97%	12,48%	14,42%	12,98%	12,05%	16,74%	
Total	**1 553**	**1 750**	**1 417**	**1 374**	**948**	**7 990**	**15 032**

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ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

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PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

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ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

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ITEM 15. CONTROLS AND PROCEDURES

(a)

Disclosure controls and procedures

The company's Chief Executive and Chief Financial Officer, based on their evaluation of the effectiveness of the group's disclosure controls and procedures (required by paragraph (b) of 17 CFR 240.13a-15) as of the end of the period covered by this annual report of Form 20-F, have concluded that, as of such date, the company's disclosure controls and procedures were effective.

(b)

Management's annual report on internal control over financial reporting

Management of Sasol is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. Under Section 404 of the Sarbanes-Oxley Act of 2002, management is required to assess the effectiveness of Sasol's internal control over financial reporting as of the end of each fiscal year and report, based on that assessment, whether the Company's internal control over financial reporting is effective.

Sasol's internal control over financial reporting is a process designed under the supervision of the chief executive and chief financial officer to provide reasonable assurance as to the reliability of Sasol's financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting practice, and that receipts and expenditures are being made only in accordance with authorisations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of Sasol's internal control over financial reporting as of 30 June 2010. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control Integrated Framework". Based on this assessment, our management has determined that, as of 30 June 2010, Sasol's internal control over financial reporting was effective.

(c)

The effectiveness of internal control over financial reporting as of 30 June 2010 was audited by KPMG Inc., independent registered public accounting firm, as stated in their report on page F-1 of this Form 20-F.

(d)

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting that occurred during the year ended 30 June 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Item 16.A Audit committee financial expert

Mr. Brian Connellan, the chairman and an independent member of the audit committee, was determined by our board to be an audit committee financial expert within the meaning of the Sarbanes-Oxley Act, in accordance with the Rules of the NYSE and the SEC.

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Item 16.B Code of ethics

Our code of ethics consists of four fundamental ethical principles responsibility, honesty, fairness and respect. The code is supported by a "guidelines to the code of ethics" document which provides details on 15 ethical standards. These ethical standards cover issues such as bribery and corruption, fraud, insider trading, legal compliance, conflicts of interests, human rights and discrimination. They include a commitment to conducting our business with due regard to the interests of all our stakeholders and the environment. The code embodies a requirement of compliance with all applicable laws and regulations as a minimum standard. We have an established ethics forum to monitor and report on ethics, discuss best practice and compliance requirements, and to recommend amendments to the code and guide as required.

Employee performance compared against our values, which incorporate the code of ethics, is assessed as part of our performance appraisal system. Any amendment or waiver of the code as it relates to our chief executive or chief financial officer will be posted on our website within five business days following such amendment or waiver. No such amendments or waivers are anticipated.

The code of ethics has been communicated to employees, suppliers, service providers and customers and is available on our internet website. Our website address is *www.sasolethics.com*.

We have been operating an independent ethics reporting telephone line through external advisors since 2002. This confidential and anonymous ethics hotline provides an impartial facility for all stakeholders to report fraud and other deviations from ethical behaviour. These calls are monitored and the progress on their resolution is reported to the audit committee on a regular basis. We view the following hotlines as an essential mechanism for maintaining the highest levels of ethical behaviour: South Africa: 0800016017; Germany: 08001825967; Italy: 800786522; Singapore: 8002700010; United Kingdom: 08000324498; United States of America: 18004891727.

During the year, we witnessed a continued increase in the use of the ethics hotline. This is attributed to an increased focus on managing ethics at a senior and top management level as well as clear tone at the top to promote zero tolerance towards unethical behaviour. Our code of ethics guides our interactions with all government representatives. Our policy prohibits contributions to political parties or government officials since they may be interpreted as an inducement for future beneficial treatment, and as interference in the democratic process.

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Item 16.C Principal accountant fees and services

The following table sets forth the aggregate audit and audit-related fees, tax fees and all other fees billed by our principal accountants (KPMG Inc.) for each of the 2010 and 2009 years:

	Audit fees	Audit-related fees	Tax fees	All other fees	Total[1]
			(rand millions)		
2010	72		2	1	75
2009	79		3		82

(1) In respect of our audit committee approval process, all of the non-audit and audit fees paid to KPMG Inc. have been pre-approved by the audit committee.

Audit fees consist of fees billed for the annual audit of the company's consolidated financial statements, review of the group's internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act and the audit of statutory financial statements of the company's subsidiaries, including fees billed for assurance and related services that are reasonably related to the performance of the audit or reviews of the company's financial statements that are services that only an external auditor can reasonably provide.

Audit-related fees consist of the review of documents filed with regulatory authorities, consultations concerning financial accounting and reporting standards, review of security controls and operational effectiveness of systems, due diligence related to acquisitions and employee benefit plan audits.

Tax fees include fees billed for tax compliance services, including assistance in the preparation of original and amended tax returns; tax consultations, such as assistance in connection with tax audits and appeals; tax advice relating to acquisitions, transfer pricing, and requests for rulings or technical advice from tax authorities; and tax planning services and expatriate tax compliance, consultation and planning services. All other fees consist of fees billed which are not included under audit fees, audit related fees or tax fees.

Audit committee approval policy

In accordance with our audit committee approval policy, all audit and non-audit services performed for us by our independent accountants were approved by the audit committee of our board of directors, which concluded that the provision of such services by the independent accountants was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

The approval policy provides for categorical approval of permissible non-audit services and requires the specific pre-approval by the audit committee, prior to engagement, of such services, other than audit services covered by the annual audit engagement letter, provided that all such fees must be less than 20% of the total audit fees for Sasol's annual audit engagement, unless otherwise directed by the audit committee. In addition, services to be provided by the independent accountants that are not within the category of approved services must be approved by the audit committee prior to engagement, regardless of the service being requested and the amount, but subject to the restriction above.

Requests or applications for services that require specific separate approval by the audit committee are required to be submitted to the audit committee by both management and the independent accountants and must include a detailed description of the services to be provided and a joint statement confirming that the provision of the proposed services does not impair the independence of the independent accountants. No work was performed by persons other than the principal accountant's

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employees on the principal accountant's engagement to audit Sasol Limited's financial statements for 2010.

Item 16.D Exemptions from the listing standards for audit committees

Not applicable.

Item 16.E Purchases of equity securities by the issuer and affiliated purchasers

Period	Total number of shares repurchased	Average price paid per share	Shares cancelled under the share repurchase programme	Total number of shares purchased and/or cancelled as part of publicly announced programmes	Maximum number of shares that may yet be purchased under the programmes[1]
For the year ended 30 June 2010					
Balance at 30 June 2009	40 309 886		(31 500 000)	8 809 886	17 912 419
2009-07-01 to 2009-07-31					17 912 419
2009-08-01 to 2009-08-31					17 912 419
2009-09-01 to 2009-09-30					17 912 419
2009-10-01 to 2009-10-31					17 912 419
2009-11-01 to 2009-11-30					17 912 419
2009-12-01 to 2009-12-31					17 912 419
2010-01-01 to 2010-01-31					17 912 419
2010-02-01 to 2010-02-28					17 912 419
2010-03-01 to 2010-03-31					17 912 419
2010-04-01 to 2010-04-30					17 912 419
2010-05-01 to 2010-05-31					17 912 419
2010-06-01 to 2010-06-30					17 912 419
2010-07-01 to 2010-07-31					17 912 419
2010-08-01 to 2010-08-31					17 912 419
2010-09-01 to 2010-09-30					17 912 419
	40 309 886		**(31 500 000)**	**8 809 886**	17 912 419

(1) At the annual general meetings held on 28 November 2008 and 27 November 2009, respectively, shareholders renewed the directors' authority to repurchase up to 4% of the issued ordinary shares of the company. This authority will be valid until the company's next annual general meeting and will not exceed 15 months from the date of resolution. The maximum number of shares that may be repurchased at 30 November 2009 decreased to 25 529 125. Subsequent to the repurchase and cancellation of the 31 500 000 shares, the maximum number of shares that may be repurchased decreased to 17 912 419.

Up to 23 September 2010, through our subsidiary, Sasol Investment Company (Pty) Limited, a total of 8 809 886 shares (30 June 2009 8 809 886 shares), representing 1,46% (2009 1,46%) of the issued share capital of the company, excluding shares issued in relation to the Sasol Inzalo share transaction, had been repurchased since 7 March 2007 at an average price of R346,45 per share (2009 R346,45). These shares are held as treasury shares and do not carry any voting rights. In terms of a specific authority granted at a general meeting of shareholders held on 28 November 2008, the company repurchased 31 500 000 of these shares on 4 December 2008, whereupon they were cancelled and restored to authorised share capital.

a.

At the general meeting of 23 November 2006, the shareholders authorised the directors to undertake a repurchase of issued securities limited to a maximum of 10% of the company's

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issued securities at the time that the authority was granted. This authority was again renewed by shareholders at our general meeting held on 30 November 2007. The maximum number of shares that may be repurchased was 63 035 195 at 30 November 2007. At the annual general meeting held on 28 November 2008 and 27 November 2009, respectively, shareholders renewed the directors' authority to repurchase up to 4% of the issued ordinary shares of the company. This authority will be valid until the company's next annual general meeting and will not exceed 15 months from the date of resolution. The company's issued securities as at 30 November 2009 was 638 228 116 (30 November 2008 668 057 616). The maximum number of shares that may be repurchased at 30 November 2009 decreased to 25 529 125. For more information on the general requirements for trading in own shares refer to "Item 10.B Memorandum and Articles of Association".

b.

The repurchase is limited to a maximum of 4% of the company's issued securities at the time the authority was granted and no acquisition can be made at a price more than 4% above the weighted average of the market value of the securities for the 5 business days immediately preceding the date of such acquisition.

c.

In terms of the South African Companies Act, 1973 the general authority granted to the directors by shareholders on 27 November 2009 to acquire the company's issued securities will be valid only until the company's next annual general meeting, which is scheduled for 26 November 2010. In terms of the South African Companies Act, 1973 the authorisation is only valid until the next annual general meeting following the grant of such a general approval.

d.

No programme was terminated prior to the expiration date.

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ITEM 16.F CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

There have been no changes in our certifying accountant or disagreements on accounting and financial disclosure during the two most recent financial years ended 30 June 2010.

ITEM 16.G Corporate Governance

The company maintains a primary listing of its ordinary shares on the Johannesburg Securities Exchange operated by the JSE Limited (JSE) and a listing of American Depositary Shares on the New York Stock Exchange (NYSE). The company is accordingly subject to the ongoing disclosure, corporate governance and other requirements imposed by legislation in both jurisdictions, the JSE, the United States Securities and Exchange Commission (SEC) and the NYSE. The company complies with the South African Companies Act, 1973 (the Act), the JSE listing requirements and governance requirements of the SEC, the NYSE and US legislation such as the Sarbanes-Oxley Act of 2002 (SOX) applicable to foreign companies listed on the NYSE. In addition, Sasol has compared its corporate governance practices to those required to be applied by domestic US companies listed on the NYSE and confirms that it complies with such NYSE corporate governance standards, in most respects.

Sound corporate governance structures and processes are being applied at Sasol and are considered by the Sasol Limited board (the board) to be pivotal to delivering on sustainable growth in the interest of all stakeholders. Governance structures and processes are regularly reviewed and adapted to accommodate internal corporate developments and to reflect national and international best practice to the extent considered in the best interest of the company.

The King Committee for King III released its third report on corporate governance in South Africa on 1 September 2009 following the promulgation of the new South African Companies Act, 2008, which at the date of this report had not yet come into effect. According to the King Committee, the code of governance and principles for South Africa as contained in King III (King III code) became effective from 1 March 2010, which was in the last part of the financial year under review. The JSE has indicated that listed companies should comply with the changes introduced by King III in respect of financial years commencing on or after 1 March 2010.

The various Committees of the board and the board itself have considered the King III code and its application in the Sasol Group of companies at several meetings. Sasol Limited already applies the majority of King III principles and recommended practices. Some of the changes introduced by King III such as the concept of "combined assurance" require extensive changes to existing processes which could not be fully implemented in the four remaining months of the financial year after the King III code became effective. The actions and changes to processes already approved by the board during the year under review will, however, place the Company in a good position to provide a comprehensive report on its adherence to King III during the 2011 financial year as required by the JSE. This governance report however already includes information on the most material steps already taken to adhere to King III.

The board considers corporate governance as a priority that requires more attention than merely establishing the steps to be taken to demonstrate compliance with codes, legal, regulatory or listing requirements. The board has therefore carefully considered the extent to which the implementation of new corporate governance concepts will in fact be in the best interest of the company.

The nomination and governance committee and the board continue to review and benchmark the group's governance structures and processes to ensure the directors and the board exercise effective and ethical leadership, good corporate citizenship and sustainability. Sasol is committed to achieving high standards of business integrity and ethics across all its activities. Issues of governance will continue to receive the board and its committees' consideration and attention during the years ahead.

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The following is a summary of the significant ways in which the corporate governance practices followed by Sasol under South African laws and standards differ from those followed by US domestic companies under the New York Stock Exchange's corporate governance standards.

The primary sources of corporate governance standards applicable to listed companies in South Africa are the listings requirements of the JSE, the Companies Act, 61 of 1973 (the Act) and as of 1 September 2009, the code of governance and principles for South Africa as contained in King III (King III). The JSE has indicated that listed companies should comply with the changes introduced by King III in respect of financial years commencing on or after 1 March 2010.

We comply fully with the corporate governance requirements of both the JSE and of the Act. Sasol Limited already adheres to the majority of King III principles and recommended practices and will provide a comprehensive report on its adherence to King III during the current financial year, in its next annual report.

Sasol complies substantially with all of the NYSE corporate governance standards contained in the NYSE listing requirements, with the exception of the following significant differences:

In terms of rule 303A.04 of the NYSE listed company manual, a listed company must have a nomination/corporate governance committee composed entirely of independent directors. The terms of reference of the nomination and governance committee provided that the committee is chaired by the chairman of the board, as is required by the JSE listings requirements. However, King III provides that the nomination committee should consist of a majority of independent directors and should be chaired by an independent non-executive director. Mrs T H Nyasulu, who is the chairman of the board, was determined by the board not to be independent and accordingly the committee is comprised of a majority of independent directors and not entirely of independent directors;

In terms of rule 303A.05 of the NYSE listed company manual a listed company must have a remuneration committee composed entirely of independent directors. King III requires that the remuneration committee must consist of a majority of independent directors and must be chaired by an independent director. The committee is comprised of a majority of independent directors and is chaired by an independent director.

See also "Item 6.A Directors and senior management" and "Item 6.C Board practices" for information of the composition of our board and information on our corporate governance practices.

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PART III

ITEM 17. FINANCIAL STATEMENTS

Sasol is furnishing financial statements pursuant to the instructions of Item 18 of Form 20-F.

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Item 18. FINANCIAL STATEMENTS

The following consolidated financial statements, together with the auditor's report of KPMG Inc. are filed as part of this annual report on Form 20-F:

Index to Consolidated Financial Statements for the years ended 30 June 2010, 2009 and 2008

Report of the Independent Registered Public Accounting Firm	F-1
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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Sasol Limited

We have audited the accompanying consolidated statements of financial position of Sasol Limited and its subsidiaries as of 30 June 2010, 30 June 2009 and 30 June 2008, and the related consolidated income statements, and consolidated statements of comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended 30 June 2010. We also have audited Sasol Limited's internal control over financial reporting as of 30 June 2010, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Sasol Limited's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on Sasol Limited's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sasol Limited and its subsidiaries as of 30 June 2010, 30 June 2009 and 30 June 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended 30 June 2010, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, Sasol Limited maintained, in all material respects, effective internal control over financial reporting as

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of 30 June 2010, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG Inc.
Registered Auditors

Johannesburg, South Africa

28 September 2010

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Sasol Limited Group

Statement of Financial Position

at 30 June

	Note	2010	2010	2009	2008
		Unaudited			
		US$m*	Rm	Rm	Rm
ASSETS					
Property, plant and equipment	3	**10 257**	**72 523**	70 370	66 273
Assets under construction	4	**2 972**	**21 018**	14 496	11 693
Goodwill	5	**104**	**738**	805	874
Other intangible assets	6	**168**	**1 193**	1 068	964
Investments in securities	7	**82**	**585**	574	557
Investments in associates	8	**505**	**3 573**	2 170	830
Post-retirement benefit assets	9	**111**	**789**	716	571
Long-term receivables and prepaid expenses	10	**175**	**1 241**	1 456	1 385
Long-term financial assets	11		**2**	15	689
Deferred tax assets	23	**155**	**1 099**	1 184	1 453
Non-current assets		**14 529**	**102 761**	92 854	85 289
Investments in securities	7	**10**	**77**	77	78
Assets held for sale	12	**2**	**16**	86	3 833
Inventories	13	**2 329**	**16 472**	14 589	20 088
Tax receivable	28	**50**	**356**	27	10
Trade receivables	14	**2 634**	**18 624**	15 176	22 838
Other receivables and prepaid expenses	15	**200**	**1 417**	1 864	2 407
Short-term financial assets	16	**7**	**50**	520	330
Cash restricted for use	17	**260**	**1 841**	1 247	814
Cash	17	**2 103**	**14 870**	19 425	4 435
Current assets		**7 595**	**53 723**	53 011	54 833
Total assets		**22 124**	**156 484**	145 865	140 122
EQUITY AND LIABILITIES					
Shareholders' equity		**13 398**	**94 730**	83 835	76 474
Non-controlling interests		**355**	**2 512**	2 382	2 521
Total equity		**13 753**	**97 242**	86 217	78 995
Long-term debt	18	**1 995**	**14 111**	13 615	15 682
Long-term financial liabilities	19	**10**	**75**	143	37
Long-term provisions	20	**991**	**7 013**	5 729	4 491
Post-retirement benefit obligations	21	**635**	**4 495**	4 454	4 578
Long-term deferred income	22	**38**	**273**	297	376
Deferred tax liabilities	23	**1 471**	**10 406**	9 168	8 446
Non-current liabilities		**5 140**	**36 373**	33 406	33 610
Liabilities in disposal groups held for sale	12	**1**	**4**	65	142
Short-term debt	24	**218**	**1 542**	4 762	3 496
Short-term financial liabilities	25	**50**	**357**	354	67
Short-term provisions	26	**374**	**2 647**	3 592	1 951
Short-term deferred income	27	**37**	**266**	464	376
Tax payable	28	**77**	**550**	702	1 532

Trade payables and accrued expenses	29	**1 886**	**13 335**	12 921	15 583
Other payables	30	**572**	**4 049**	3 302	3 456
Bank overdraft	17	**16**	**119**	80	914
Current liabilities		**3 231**	**22 869**	26 242	27 517
Total equity and liabilities		**22 124**	**156 484**	145 865	140 122

*

US dollar information has been presented for the year ended 30 June 2010 on an unaudited basis solely for the convenience of the reader and is computed at the closing rate of R7,07/US dollar, as reported by Thomson Reuters on 23 September 2010.

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Sasol Limited Group

Income Statement

for the year ended 30 June

	Note	2010	2010	2009	2008
		Unaudited			
		US$m*	Rm	Rm	Rm
Turnover	31	**17 292**	**122 256**	137 836	129 943
Cost of sales and services rendered	32	**(11 200)**	**(79 183)**	(88 508)	(74 634)
Gross profit		**6 092**	**43 073**	49 328	55 309
Other operating income	33	**121**	**854**	1 021	635
Marketing and distribution expenditure		**(919)**	**(6 496)**	(7 583)	(6 931)
Administrative expenditure		**(1 337)**	**(9 451)**	(10 063)	(7 691)
Other operating expenditure		**(571)**	**(4 043)**	(8 037)	(7 506)
Other expenses		**(429)**	**(3 036)**	(7 871)	(7 806)
Translation (losses)/gains	34	**(142)**	**(1 007)**	(166)	300
Operating profit	35	**3 386**	**23 937**	24 666	33 816
Finance income	38	**188**	**1 332**	1 790	735
Share of profit of associates (net of tax)	39	**31**	**217**	270	254
Finance expenses	40	**(299)**	**(2 114)**	(2 531)	(1 148)
Profit before tax		**3 306**	**23 372**	24 195	33 657
Taxation	41	**(988)**	**(6 985)**	(10 480)	(10 129)
Profit for year		**2 318**	**16 387**	13 715	23 528
Attributable to					
Owners of Sasol Limited		**2 255**	**15 941**	13 648	22 417
Non-controlling interests in subsidiaries		**63**	**446**	67	1 111
		2 318	**16 387**	13 715	23 528
		US$	Rand	Rand	Rand
Per share information					
Basic earnings per share	43	**3,77**	**26,68**	22,90	37,30
Diluted earnings per share	43	**3,75**	**26,54**	22,80	36,78

* US dollar information has been presented for the year ended 30 June 2010 on an unaudited basis solely for the convenience of the reader and is computed at the closing rate of R7,07/US dollar, as reported by Thomson Reuters on 23 September 2010.

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Sasol Limited Group

Statement of Comprehensive Income

for the year ended 30 June

	Note	2010	2010	2009	2008
		Unaudited			
		US$m*	Rm	Rm	Rm
Profit for year		**2 318**	**16 387**	13 715	23 528
Other comprehensive income, net of tax	44	**(110)**	**(777)**	(2 881)	3 652
Effect of translation of foreign operations	44	**(113)**	**(802)**	(2 485)	3 452
Effect of cash flow hedges	44	**2**	**13**	(497)	261
Investments available-for-sale	44		**4**		(1)
Tax on other comprehensive income	44	**1**	**8**	101	(60)
Total comprehensive income		**2 208**	**15 610**	10 834	27 180
Attributable to					
Owners of Sasol Limited		**2 146**	**15 171**	10 796	26 062
Non-controlling interests in subsidiaries		**62**	**439**	38	1 118
		2 208	**15 610**	10 834	27 180

* US dollar information has been presented for the year ended 30 June 2010 on an unaudited basis solely for the convenience of the reader and is computed at the closing rate of R7,07/US dollar, as reported by Thomson Reuters on 23 September 2010.

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Sasol Limited Group

Statement of Changes in Equity

for the year ended 30 June

	Share capital (note 45)	Share-based payment reserve (note 46)	Foreign currency translation reserve (note 47)	Investment fair value reserve	Cash flow hedge accounting reserve	Sasol Inzalo share transaction (note 46)	Share repurchase programme (note 48)	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity	Total equity Unaudited
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	US$ in millions*
Balance at 30 June 2007	**3 628**	**966**	**(443)**	**2**	**24**		**(3 669)**	**61 109**	**61 617**	1 652	**63 269**	
Shares issued on implementation of share options	475								**475**		**475**	
Shares issued on Sasol Inzalo share transaction	16 161					(16 161)						
Costs on implementation of Sasol Inzalo share transaction	(88)								**(88)**		**(88)**	
Repurchase of shares							(7 300)		**(7 300)**		**(7 300)**	
Share-based payment expense		1 574							**1 574**		**1 574**	
Acquisition of businesses (refer note 55)								(100)	**(100)**		**(100)**	
Change in shareholding of subsidiaries										306	**306**	
Total comprehensive income for year			3 449	(1)	197			22 417	**26 062**	1 118	**27 180**	
Dividends paid								(5 766)	**(5 766)**	(555)	**(6 321)**	
Balance at 30 June 2008	**20 176**	**2 540**	**3 006**	**1**	**221**	**(16 161)**	**(10 969)**	**77 660**	**76 474**	2 521	**78 995**	
Shares issued on implementation of share options	155								**155**		**155**	
Shares issued on Sasol Inzalo share transaction	6 927					(5 893)			**1 034**		**1 034**	
Costs on implementation of Sasol Inzalo share transaction	(35)								**(35)**		**(35)**	
Cancellation of shares	(198)						9 442	(9 244)				
Repurchase of shares							(1 114)		**(1 114)**		**(1 114)**	
Share-based payment expense		3 293							**3 293**		**3 293**	
Disposal of businesses (refer note 56)			414					11	**425**		**425**	
Change in shareholding of subsidiaries										406	**406**	
Total comprehensive income for year			(2 481)	1	(372)			13 648	**10 796**	38	**10 834**	
Dividends paid								(7 193)	**(7 193)**	(583)	**(7 776)**	
Balance at 30 June 2009	**27 025**	**5 833**	**939**	**2**	**(151)**	**(22 054)**	**(2 641)**	**74 882**	**83 835**	2 382	**86 217**	**12 194**
Shares issued on implementation of share options	204								**204**		**204**	**29**
Share-based payment expense		880							**880**		**880**	**124**
Change in shareholding of subsidiaries										9	**9**	**1**
Total comprehensive income for year			(802)	3	29			15 941	**15 171**	439	**15 610**	**2 208**
Dividends paid								(5 360)	**(5 360)**	(318)	**(5 678)**	**(803)**

Balance at 30 June 2010	**27 229**	**6 713**	**137**	**5**	**(122)**	**(22 054)**	**(2 641)**	**85 463**	**94 730**	2 512	**97 242**	**13 753**

*

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Sasol Limited Group

Statement of Cash Flows

for the year ended 30 June

	Note	2010	2010	2009	2008
		Unaudited			
		US$m*	Rm	Rm	Rm
Cash receipts from customers		**16 709**	**118 129**	144 963	123 452
Cash paid to suppliers and employees		**(12 842)**	**(90 791)**	(96 776)	(88 712)
Cash generated by operating activities	49	**3 867**	**27 338**	48 187	34 740
Finance income received	52	**194**	**1 372**	2 264	957
Finance expenses paid	40	**(252)**	**(1 781)**	(2 168)	(2 405)
Tax paid	28	**(854)**	**(6 040)**	(10 252)	(9 572)
Cash available from operating activities		**2 955**	**20 889**	38 031	23 720
Dividends paid	53	**(758)**	**(5 360)**	(7 193)	(5 766)
Cash retained from operating activities		**2 197**	**15 529**	30 838	17 954
Additions to non-current assets		**(2 278)**	**(16 108)**	(15 672)	(10 855)
Additions to property, plant and equipment	3	**(288)**	**(2 034)**	(2 499)	(2 167)
Additions to assets under construction	4	**(1 983)**	**(14 023)**	(13 047)	(8 671)
Additions to other intangible assets	6	**(7)**	**(51)**	(126)	(17)
Non-current assets sold	54	**29**	**208**	697	184
Repurchase of participation right in GTL project	42				(34)
Acquisition of businesses	55			(30)	(431)
Cash acquired on acquisition of businesses	55			19	19
Disposal of businesses	56			3 486	693
Cash disposed of on disposal of businesses	56				(31)
Additional investments in associates	8	**(177)**	**(1 248)**	(524)	
Purchase of investments		**(7)**	**(47)**	(89)	(42)
Proceeds from sale of investments		**2**	**14**	7	
Decrease/(increase) in long-term receivables		**67**	**477**	(412)	(347)
Cash utilised in investing activities		**(2 364)**	**(16 704)**	(12 518)	(10 844)
Share capital issued on implementation of share options		**29**	**204**	155	475
Share capital issued on implementation of Sasol Inzalo share transaction				1 034	
Costs on implementation of Sasol Inzalo share transaction				(35)	(88)
Share repurchase programme				(1 114)	(7 300)
Contributions from non-controlling shareholders		**1**	**9**	406	185
Dividends paid to non-controlling shareholders		**(45)**	**(318)**	(583)	(555)
Proceeds from long-term debt	18	**294**	**2 080**	5 575	3 806
Repayments of long-term debt	18	**(657)**	**(4 647)**	(4 820)	(4 588)
Proceeds from short-term debt	24	**24**	**170**	280	1 942
Repayments of short-term debt	24	**(28)**	**(199)**	(2 091)	(2 292)
Cash effect of financing activities		**(382)**	**(2 701)**	(1 193)	(8 415)

Translation effects on cash and cash equivalents of foreign operations	47	**(17)**	**(124)**	(870)	324
(Decrease)/increase in cash and cash equivalents		**(566)**	**(4 000)**	16 257	(981)
Cash and cash equivalents at beginning of year		**2 913**	**20 592**	4 335	6 088
Net reclassification to held for sale					(772)
Cash and cash equivalents at end of year	17	**2 347**	**16 592**	20 592	4 335

*

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Sasol Limited Group

Notes to the Financial Statements

A. ACCOUNTING POLICIES AND FINANCIAL REPORTING TERMS

B. BUSINESS SEGMENT INFORMATION

C. OTHER EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms

Sasol Limited is the holding company of the Sasol group (the group) and is domiciled in the Republic of South Africa. The following principal accounting policies were applied by the group for the financial year ended 30 June 2010. Except as otherwise disclosed, these policies are consistent in all material respects with those applied in previous years.

Financial reporting terms

These definitions of financial reporting terms are provided to ensure clarity of meaning as certain terms may not always have the same meaning or interpretation in all countries.

Group structures

Associate	An entity, other than a subsidiary or joint venture, in which the group, holding a material long-term interest, has significant influence, but no control, over financial and operating policies.
Business unit	An operation engaged in providing similar goods or services that are different to those provided by other operations.

The primary business units are:

South African energy cluster

- Sasol Mining
- Sasol Gas
- Sasol Synfuels
- Sasol Oil
- Other

International energy cluster

- Sasol Synfuels International
- Sasol Petroleum International

Chemical cluster

- Sasol Polymers
- Sasol Solvents
- Sasol Olefins & Surfactants
- Other chemical businesses including:
  - Sasol Wax
  - Sasol Nitro
  - Merisol
  - Sasol Infrachem

Classified as "other businesses" in the segment report

Sasol Technology
Sasol Financing
Corporate head office functions
Alternative energy businesses

In the notes to the financial statements, where items classified as "other businesses" are material, the amounts attributable to these businesses have been specified.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

Company	A legal business entity registered in terms of the applicable legislation of that country.
Entity	Sasol Limited, a subsidiary, joint venture, associate or special purpose entity.
Foreign operation	An entity whose activities are based or conducted in a country or currency other than those of the reporting entity (Sasol Limited).
Group	The group comprises Sasol Limited, its subsidiaries and its interest in joint ventures, associates and special purpose entities.
Joint venture	An economic activity over which the group exercises joint control established under a contractual arrangement.
Operation	A component of the group: that represents a separate major line of business or geographical area of operation; and is distinguished separately for financial and operating purposes.
Special purpose entity	An entity established to accomplish a narrow and well defined objective, including the facilitation of the group's black economic empowerment transactions, and where the group receives the majority of the benefits related to the operations and net assets of the entity, is exposed to the majority of the risks incident to the entity's activities and retains the majority of the residual or ownership risks related to the entity or its assets.
Subsidiary	Any entity over which the group has the power to exercise control.

General accounting terms

Acquisition date	The date on which control in subsidiaries, special purpose entities, joint control in joint ventures and significant influence in associates commences.

Assets under construction	A non-current asset which includes expenditure capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment, intangible assets and exploration assets.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

Cash generating unit	The smallest identifiable group of assets which can generate cash inflows independently from other assets or groups of assets.
Commissioning date	The date that an item of property, plant and equipment, whether acquired or constructed, is brought into use.
Consolidated group financial statements	The financial results of the group which comprise the financial results of Sasol Limited and its subsidiaries, special purpose entities, the proportionate interest in the financial results of joint ventures and its interest in associates.
Construction contract	A contract specifically negotiated with a third party for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.
Control	The ability, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When assessing the ability to control an entity, the existence and effect of potential voting rights that are presently exercisable or convertible are taken into account.
Corporate assets	Assets, other than goodwill, that contribute to the future cash flows of both the cash generating unit under review as well as other cash generating units.
Discontinued operation	An operation that, pursuant to a single plan, has been disposed of or is classified as an operation held for sale.
Discount rate	The rate used for purposes of determining discounted cash flows defined as the yield on AAA credit rated bonds (for entities outside South Africa) and relevant South African Government bonds (for South African entities) that have maturity dates approximating the term of the related cash flows. This pre-tax interest rate reflects the current market assessment of the time value of money. To the extent that, in determining the cash flows, the risks specific to the asset or liability are taken into account in determining those cash flows, they are not included in determining the discount rate.
Disposal date	The date on which control in subsidiaries, special purpose entities, joint control in joint ventures and significant influence in associates ceases.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

Exploration assets	Capitalised expenditure relating to the exploration for and evaluation of mineral resources (coal, oil and gas).
Fair value	The value for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
Financial results	Comprise the financial position (assets, liabilities and equity), results of operations (revenue and expenses) and cash flows of an entity and of the group.
Functional currency	The currency of the primary economic environment in which the entity operates.
Long-term	A period longer than twelve months from the reporting date.
Mineral assets	Capitalised expenditure relating to producing coal, oil and gas properties including development costs and previously capitalised exploration assets.
Other comprehensive income	Comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement and includes the effect of translation of foreign operations, cash flow hedges, available-for-sale financial assets and changes in revaluation reserves.
Presentation currency	The currency in which financial results of an entity are presented.
Qualifying asset	An asset that necessarily takes a substantial period (normally in excess of twelve months) of time to get ready for its intended use.
Recoverable amount	The amount that reflects the greater of the fair value less costs to sell and value in use that can be attributed to an asset as a result of its ongoing use by the entity. In determining the value in use, expected future cash flows are discounted to their present values using the discount rate.
Related party	Parties are considered to be related if one party directly or indirectly has the ability to control or jointly

	control the reporting entity (Sasol Limited) or exercise significant influence over the reporting entity or is a member of the key management of the reporting entity.
Revenue	Comprises turnover, dividends received and interest received.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

Share-based payment	A transaction in which an entity issues equity instruments, share options or incurs a liability to pay cash based on the price of the entity's equity instruments to another party as compensation for goods received or services rendered.
Significant influence	The ability, directly or indirectly, to participate in, but not exercise control over, the financial and operating policy decisions of an entity so as to obtain economic benefit from its activities.
Turnover	Comprises revenue generated by operating activities and includes sales of products, services rendered, licence fees and royalties, net of indirect taxes, rebates and trade discounts.

Financial instrument terms

Available-for-sale financial asset	A financial asset that has been designated as available-for-sale or a financial asset other than those classified as loans and receivables, held-to-maturity investments or derivative instruments. An investment intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, is classified as a non-current available-for-sale financial asset.
Cash and cash equivalents	Comprise cash on hand, restricted cash, demand deposits and other short-term highly liquid investments with a maturity period of three months or less at date of purchase.
Cash flow hedge	A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.
Derivative instrument	A financial instrument: whose value changes in response to movements in a specified interest rate, commodity price, foreign exchange rate or similar variable; that requires minimal initial net investment; and whose terms require or permit settlement at a future date.
Effective interest rate	The derived rate that discounts the expected future cash flows to the current net carrying amount of the

financial asset or financial liability.

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Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

Equity instrument	Any financial instrument (including investments) that evidences a residual interest in the assets of an enterprise after deducting all of its liabilities.
Financial asset	Cash or cash equivalents, a contractual right to receive cash, an equity instrument or a contractual right to exchange a financial instrument under favourable conditions.
Financial guarantee	A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of the debt instrument.
Financial liability	A contractual obligation to pay cash or transfer other benefits or an obligation to exchange a financial instrument under unfavourable conditions. This includes debt.
Held-to-maturity investment	A financial asset with a fixed maturity and fixed or determinable future payments, that management has the positive intent and ability to hold to maturity. Such a financial asset is classified as a non-current asset, except when it has a maturity within twelve months from the reporting date, in which case it is classified as a current asset.
Loans and receivables	A financial asset with fixed or determinable repayments that are not quoted in an active market, other than: a derivative instrument; or an available-for-sale financial asset.
Monetary asset	An asset which will be settled in a fixed or determinable amount of money.
Monetary liability	A liability which will be settled in a fixed or determinable amount of money.
Transaction date	The date an entity commits itself to purchase or sell a financial instrument.

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Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

Statement of compliance

The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board and applicable legislation. The consolidated financial statements were approved for issue by the Board of Directors on 10 September 2010 and are subject to approval by the Annual General Meeting of shareholders on 26 November 2010.

During the current financial year, the following accounting standards, interpretations and amendments to published accounting standards were adopted:

IAS 23 (Revised), Borrowing Costs; and

Various Improvements to IFRSs.

The following accounting standards, interpretations and amendments to published accounting standards were adopted prior to their effective dates:

IAS 24 (Amendment), Related Parties; and

Various Improvements to IFRSs.

These newly adopted standards did not significantly impact our financial results.

The following accounting standards, interpretations and amendments to published accounting standards which are relevant to Sasol but not yet effective, have not been adopted in the current year:

IFRS 2 (Amendments), Group Cash-settled Share-based Payment Transactions; and

IFRS 9, Financial Instruments.

Principal accounting policies

1. Basis of preparation of financial results

The consolidated financial statements are prepared using the historic cost convention except that, as set out in the accounting policies below, certain items, including derivative instruments, liabilities for cash-settled share-based payment schemes and available-for-sale financial assets, are stated at fair value.

The consolidated financial statements are prepared on the going concern basis.

Except as otherwise disclosed, these accounting policies are consistent with those applied in previous years.

These accounting policies are consistently applied throughout the group.

2. Basis of consolidation of financial results

The consolidated financial statements reflect the financial results of the group. All financial results are consolidated with similar items on a line by line basis except for investments in associates, which are included in the group's results as set out below.

Inter-company transactions, balances and unrealised gains and losses between entities are eliminated on consolidation. To the extent that a loss on a transaction provides evidence of a reduction

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

in the net realisable value of current assets or an impairment loss of a non-current asset, that loss is charged to the income statement.

In respect of joint ventures and associates, unrealised gains and losses are eliminated to the extent of the group's interest in these entities. Unrealised gains and losses arising from transactions with associates are eliminated against the investment in the associate.

Subsidiaries The financial results of subsidiaries are consolidated into the group's results from acquisition date until disposal date. The existence of potential voting rights that are currently exercisable or convertible are also considered when assessing whether the group controls another entity.

Special purpose entities The financial results of special purpose entities (SPE) are consolidated into the group's results from the date that the group controls the SPE until the date that control ceases. Control is based on an evaluation of the substance of the SPE's relationship with the group and the SPE's risks and rewards.

Joint ventures The proportionate share of the financial results of joint ventures are consolidated into the group's results from acquisition date until disposal date.

Associates The financial results of associates are included in the group's results according to the equity method from acquisition date until the disposal date.

Under this method, investments in associates are recognised initially at cost. Subsequent to the acquisition date, the group's share of profits or losses of associates is charged to the income statement as equity accounted earnings and its share of movements in equity reserves is recognised as other comprehensive income, except where the movement in equity reserves relates to the group in its capacity as owner where it is recognised in the statement of changes in equity. All cumulative post-acquisition movements in the equity of associates are adjusted against the cost of the investment. When the group's share of losses in associates equals or exceeds its interest in those associates, the carrying amount of the investment is reduced to zero, and the group does not recognise further losses, unless the group has incurred a legal or constructive obligation or made payments on behalf of those associates.

Goodwill relating to associates forms part of the carrying amount of those associates.

The total carrying amount of each associate is evaluated annually, as a single asset, for impairment or when conditions indicate that a decline in fair value below the carrying amount is other than temporary. If impaired, the carrying amount of the group's share of the underlying assets of associates is written down to its estimated recoverable amount in accordance with the accounting policy on impairment and charged to the income statement as part of equity accounted earnings of those associates. A previously recognised impairment loss will be reversed, insofar as estimates change as a result of an event occurring after the impairment loss was recognised.

Associates whose financial year ends are within three months of 30 June are included in the consolidated financial statements using their most recently audited financial results. Adjustments are made to the associates' financial results for material transactions and events in the intervening period.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

3. Foreign currency translation

Items included in the financial results of each entity are measured using the functional currency of that entity. The consolidated financial results are presented in rand, which is Sasol Limited's functional and presentation currency, rounded to the nearest million.

Foreign currency transactions Income and expenditure transactions are translated into the functional currency of the entity at the rate of exchange ruling at the transaction date. To the extent that transactions occur regularly throughout the year, they are translated at the average rate of exchange for the year since this is deemed to provide a good approximation of the actual exchange rates at which those transactions occurred.

Monetary assets and liabilities are translated into the functional currency of the entity at the rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the translation and settlement of monetary assets and liabilities are recognised in the income statement, except when they relate to cash flow hedging activities in which case these gains and losses are recognised as other comprehensive income and are included in the hedge accounting reserve.

Foreign operations The financial results of all entities that have a functional currency different from the presentation currency of their parent entity are translated into the presentation currency. Income and expenditure transactions of foreign operations are translated at the average rate of exchange for the year except for significant individual transactions which are translated at the exchange rate ruling at that date. All assets and liabilities, including fair value adjustments and goodwill arising on acquisition, are translated at the rate of exchange ruling at the reporting date. Differences arising on translation are recognised as other comprehensive income and are included in the foreign currency translation reserve.

When the settlement of a monetary item, arising from a receivable or from a payable to a foreign operation, is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve.

On consolidation, differences arising from the translation of the net investment in a foreign operation are recognised as other comprehensive income and are included in the foreign currency translation reserve.

On disposal of part or all of the operation, the proportionate share of the related cumulative gains and losses previously recognised in the foreign currency translation reserve through the statement of comprehensive income are included in determining the profit or loss on disposal of that operation recognised in the income statement.

4. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The cost of self-constructed assets includes expenditure on materials, direct labour and an allocated proportion of project overheads. Cost also includes the estimated costs of dismantling and

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

removing the assets and site rehabilitation costs to the extent that they relate to the construction of the asset as well as gains or losses on qualifying cash flow hedges attributable to that asset. Costs capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment are classified as part of assets under construction.

Finance expenses, net of finance income, are capitalised on qualifying assets.

When plant and equipment comprises major components with different useful lives, these components are accounted for as separate items. Expenditure incurred to replace or modify a significant component of plant is capitalised and any remaining carrying amount of the component replaced is written off in the income statement. All other expenditure is charged to the income statement.

Property, plant and equipment, other than mineral assets, is depreciated to its estimated residual value on a straight-line basis over its expected useful life. Mineral assets are depreciated in accordance with the policy set out below on exploration, evaluation and development. The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually. The depreciation rates applied are provided in note 3.

The carrying amount of property, plant and equipment will be derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised in the income statement.

5. Exploration, evaluation and development

Oil and gas The successful efforts method is used to account for oil and gas exploration and evaluation activities.

Geological and geophysical costs, expenditure relating to dry exploratory wells and the costs of carrying and retaining undeveloped properties are charged to the income statement as incurred.

On completion of an exploratory well, the entity will be able to determine if it has found oil and gas reserves. The classification of these reserves as proved depends on whether major capital expenditure to develop the property can be justified as a result of sufficient quantities of additional proved oil and gas reserves being identified.

Oil and gas reserves are classified as proved when, upon analysis of geological and engineering data, it appears with reasonable certainty that these reserves could be recoverable in the future under existing economic and operating conditions.

The cost of exploratory wells through which potential proved oil and gas reserves are discovered are capitalised as exploration assets in assets under construction. These costs remain capitalised pending the evaluation of results and the determination of whether proved oil and gas reserves have been found. The following conditions must be met for these costs to remain capitalised:

Sufficient oil and gas reserves exist to justify the capital expenditure required for the completion of the well as a producing well, either individually or in conjunction with other wells;

Drilling of additional exploratory wells is under way or firmly planned for the near future; and

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A. Accounting policies and financial reporting terms (Continued)

Sufficient progress is being made in assessing the oil and gas reserves and the economic and operating viability of developing the property.

Progress in this regard is reassessed at least annually and is subject to technical, commercial and management review to ensure sufficient justification for carrying such exploration and evaluation expenditure as an asset. If the above conditions are not met or if information is obtained that raises doubt about the economic or operating viability, the costs are charged to the income statement.

Expenditure incurred to drill and equip development wells on proved properties are capitalised as mineral assets in property, plant and equipment.

Depreciation of exploration assets and mineral assets on producing oil and gas properties is based on the units-of-production method calculated using estimated proved developed oil and gas reserves, on a field-by-field basis. Depreciation of property acquisition costs, capitalised as part of mineral assets in property, plant and equipment, is based on the units-of-production method calculated using estimated proved oil and gas reserves, on a field-by-field basis.

Coal mining Coal mining exploration and evaluation expenditure is charged to the income statement until completion of a final feasibility study supporting proved and probable coal reserves. Expenditure incurred subsequent to proved and probable coal reserves being identified is capitalised as exploration assets in assets under construction.

Expenditure on producing mines or development properties is capitalised when excavation or drilling is incurred to extend reserves or further delineate existing proved and probable coal reserves. All development expenditure incurred after the commencement of production is capitalised to the extent that it gives rise to probable future economic benefits.

Life-of-mine coal assets are depreciated using the units-of-production method. A unit is considered to be produced once it has been removed from underground and taken to the surface, passed the bunker and has been transported by conveyor over the scale of the shaft head. The calculation is based on proved and probable reserves assigned to that specific mine (accessible reserves) or complex which benefits from the utilisation of those assets. Inaccessible reserves are excluded from the calculation. Other coal mining assets are depreciated on the straight-line method over their estimated useful lives.

6. Business combinations

The acquisition method is used when a business is acquired. A business may comprise an entity, group of entities or an unincorporated operation including its operating assets and associated liabilities.

On acquisition date, fair values are attributed to the identifiable assets, liabilities and contingent liabilities. A non-controlling interest at acquisition date is determined as the non-controlling shareholders' proportionate share of the fair value of the net identifiable assets of the entity acquired.

Fair values of all identifiable assets and liabilities included in the business combination are determined by reference to market values of those or similar items, where available, or by discounting expected future cash flows using the discount rate to present values.

When an acquisition is achieved in stages (step acquisition), the identifiable assets and liabilities are recognised at their full fair value when control is obtained, and any adjustment to fair values

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

related to these assets and liabilities previously held as an equity interest is recognised in the income statement.

When there is a change in the interest in a subsidiary after control is obtained, that does not result in a loss in control, the difference between the fair value of the consideration transferred and the amount by which the non-controlling interest is adjusted is recognised directly in the statement of changes in equity.

The consideration transferred is the fair value of the group's contribution to the business combination in the form of assets transferred, shares issued, liabilities assumed or contingent consideration at the acquisition date. Transaction costs directly attributable to the acquisition are charged to the income statement.

On acquisition date, goodwill is recognised when the consideration transferred and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. Goodwill is tested at each reporting date for impairment.

To the extent that the fair value of the net identifiable assets of the entity acquired exceeds the consideration transferred and the recognised amount of non-controlling interests, the excess is recognised in the income statement on acquisition date.

The profit or loss realised on disposal or termination of an entity is calculated after taking into account the carrying amount of any related goodwill.

7. Other intangible assets

Intangible assets, other than goodwill (refer policy above on business combinations), are stated at cost less accumulated amortisation and impairment losses.

These intangible assets are recognised if it is probable that future economic benefits will flow to the entity from the intangible assets and the costs of the intangible assets can be reliably measured.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and estimated remaining useful lives are reviewed at least annually. Amortisation rates applied are provided in note 6.

Intangible assets with indefinite useful lives are not amortised but are tested at each reporting date for impairment. The assessment that the estimated useful lives of these assets are indefinite is reviewed at least annually.

Research and development Research expenditure relating to gaining new technical knowledge and understanding is charged to the income statement when incurred.

Development expenditure relating to the production of new or substantially improved products or processes is capitalised if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. All remaining development expenditure is charged to the income statement.

Cost includes expenditure on materials, direct labour and an allocated proportion of project overheads.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

Software Purchased software and the direct costs associated with the customisation and installation thereof are capitalised.

Expenditure on internally-developed software is capitalised if it meets the criteria for capitalising development expenditure.

Other software development expenditure is charged to the income statement when incurred.

Patents and trademarks Expenditure on purchased patents and trademarks is capitalised. Expenditure incurred to extend the term of the patents or trademarks is capitalised. All other expenditure is charged to the income statement when incurred.

Emission rights Emission rights (allowances) received from a government or a government agency and expenditure incurred on purchasing allowances are capitalised as indefinite life intangible assets at the quoted market price on acquisition date and are subject to an annual impairment test.

8. Non-current asset or disposal group held for sale

A non-current asset or disposal group (a business grouping of assets and their related liabilities) is designated as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification as held for sale of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the non-current asset or disposal group, an active divestiture programme has been initiated, the non-current asset or disposal group is marketed at a price reasonable to its fair value and the disposal will be completed within one year from classification.

Where a disposal group held for sale will result in the loss of control or joint control of a subsidiary or joint venture, all the assets and liabilities of that subsidiary or joint venture are classified as held for sale, regardless of whether a non-controlling interest in the former subsidiary or joint venture is to be retained after the sale. Proportionate consolidation ceases from the date a joint venture is classified as held for sale.

Upon classification of a non-current asset or disposal group as held for sale it is reviewed for impairment. The impairment loss charged to the income statement is the excess of the carrying amount of the non-current asset or disposal group over its expected fair value less costs to sell.

No depreciation or amortisation is provided on non-current assets from the date they are classified as held for sale.

If a non-current asset or disposal group is classified as held for sale, but the criteria for classification as held for sale are no longer met, the disclosure of such non-current asset or disposal group as held for sale is ceased.

On ceasing such classification, the non-current assets are reflected at the lower of:

the carrying amount before classification as held for sale adjusted for any depreciation or amortisation that would have been recognised had the assets not been classified as held for sale; or

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Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

the recoverable amount at the date the classification as held for sale ceases. The recoverable amount is the amount at which the asset would have been recognised after the allocation of any impairment loss arising on the cash generating unit as determined in accordance with the group's policy on impairment of non-financial assets.

Any adjustments required to be made on reclassification are recognised in the income statement on reclassification, and included in income from continuing operations.

Where the disposal group was also classified as a discontinued operation, the subsequent classification as held for use also requires that the discontinued operation be included in continuing operations. Comparative information relating to the classification as a discontinued operation is restated accordingly.

9. Impairment of non-financial assets

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. An impairment test is performed on all goodwill, intangible assets not yet in use and intangible assets with indefinite useful lives at each reporting date.

The impairment loss charged to the income statement is the excess of the carrying amount over the recoverable amount.

Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash inflows independently, the recoverable amount is determined for the larger cash-generating unit to which the asset belongs. The group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the cash-generating unit to which the corporate asset belongs. For the purposes of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored internally.

Impairment losses recognised in respect of a cash-generating unit are first allocated to reduce the carrying amount of the goodwill allocated to the unit and then to reduce the carrying amounts of the other assets in the unit on a *pro rata* basis relative to their carrying amounts.

With the exception of goodwill, a previously recognised impairment loss will be reversed insofar as estimates change as a result of an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised in the income statement.

Exploration assets are tested for impairment when development of the property commences or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration assets' carrying amount exceeds their recoverable amount. For the purpose of assessing impairment, the relevant exploration assets are included in the existing cash-generating units of producing properties that are located in the same geographic region.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

10. Financial assets

The group classifies its financial assets into the following categories:

held-to-maturity financial assets;

loans and receivables;

available-for-sale financial assets; and

derivative instruments (set out below).

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets at the time of the initial recognition and re-evaluates such designation at least at each reporting date.

Financial assets are recognised on transaction date when the group becomes a party to the contracts and thus obtains rights to receive economic benefits and are derecognised when these rights expire or are transferred.

Financial assets are stated initially on transaction date at fair value including transaction costs. Held-to-maturity financial assets and loans and receivables are subsequently stated at amortised cost using the effective interest rate method, less impairment losses. Available-for-sale financial assets are subsequently stated at fair value at the reporting date.

Unrealised gains and losses arising from revaluation of available-for-sale financial assets are recognised as other comprehensive income and included in the investment fair value reserve. On disposal or impairment of available-for-sale financial assets, cumulative unrealised gains and losses previously recognised in other comprehensive income are included respectively in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is recognised in the income statement.

The fair values of financial assets are based on quoted bid prices or amounts derived using a discounted cash flow model. Fair values for unlisted equity securities are estimated using methods reflecting the specific economic circumstances of the investee which would affect the market value of those securities. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment losses.

Premiums or discounts arising from the difference between the fair value of a financial asset and the amount receivable at maturity date are charged to the income statement based on the effective interest rate method.

An assessment is performed at each reporting date to determine whether objective evidence exists that a financial asset is impaired. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between is carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are charged to the income statement. When a subsequent event causes the impairment loss to decrease, the impairment loss is reversed in the income statement. In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value of the asset below its cost is considered an indicator of impairment. If any such evidence exists, the cumulative loss is removed as other comprehensive income from the investment fair value reserve and recognised in the income statement.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

Impairment losses charged to the income statement on available-for-sale financial assets are not reversed.

Financial assets and liabilities are offset and the net amount presented when the group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

11. Financial liabilities

Financial liabilities are recognised on the transaction date when the group becomes a party to a contract and thus has a contractual obligation and are derecognised when these contractual obligations are discharged, cancelled or expired.

Financial liabilities are stated initially on the transaction date at fair value including transaction costs. Subsequently, they are stated at amortised cost using the effective interest rate method.

Financial assets and liabilities are offset and the net amount presented when the group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

12. Derivative financial instruments and hedging activities

All derivative financial instruments are initially recognised at fair value and are subsequently stated at fair value at the reporting date. Attributable transaction costs are recognised in the income statement when incurred. Resulting gains or losses on derivative instruments, excluding designated and effective hedging instruments, are recognised in the income statement.

The group is exposed to market risks from changes in interest rates, foreign exchange rates and commodity prices. The group uses derivative instruments to hedge its exposure to these risks. To the extent that a derivative instrument has a maturity period of longer than one year, the fair value of these instruments will be reflected as a non-current asset or liability.

The group's criteria for a derivative instrument to be designated as a hedging instrument require that:

the hedge transaction is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk;

the effectiveness of the hedge can be reliably measured throughout the duration of the hedge;

there is adequate documentation of the hedging relationship at the inception of the hedge; and

for cash flow hedges, the forecast transaction that is the subject of the hedge must be highly probable.

Where a derivative instrument is designated as a cash flow hedge of an asset, liability or highly probable forecast transaction that could affect the income statement, the effective part of any gain or loss arising on the derivative instrument is recognised as other comprehensive income and is classified as a cash flow hedge accounting reserve until the underlying transaction occurs. The ineffective part of any gain or loss is recognised in the income statement. If the hedging instrument no longer meets the

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

If the forecast transaction results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is transferred from the cash flow hedge accounting reserve, as other comprehensive income, to the underlying asset or liability on the transaction date. If the forecast transaction is no longer expected to occur, then the cumulative balance in other comprehensive income is recognised immediately in the income statement as reclassification adjustments. Other cash flow hedge gains or losses are recognised in the income statement at the same time as the hedged transaction occurs.

When forward exchange contracts are entered into as fair value hedges, no hedge accounting is applied. All gains and losses on such contracts are recognised in the income statement.

13. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost includes expenditure incurred in acquiring, manufacturing and transporting the inventory to its present location. Manufacturing costs include an allocated portion of production overheads which are directly attributable to the cost of manufacturing such inventory. The allocation is determined based on the greater of normal production capacity and actual production. The costs attributable to any inefficiencies in the production process are charged to the income statement as incurred.

Cost is determined as follows

Crude oil and other raw materials	First-in-first-out valuation method (FIFO)
Process, maintenance and other materials	Weighted average purchase price
Work-in-progress	Manufacturing costs incurred
Manufactured products including consignment inventory	Manufacturing costs according to FIFO

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

14. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method, less impairment losses. An impairment loss is recognised when it is probable that an entity will not be able to collect all amounts due according to the original terms of the receivable. The amount of the impairment loss is charged to the income statement.

15. Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Bank overdrafts are offset against cash and cash equivalents in the statement of cash flows.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

16. Cash restricted for use

Cash which is subject to restrictions on its use is stated separately at carrying amount in the statement of financial position.

17. Share capital

Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable issue costs.

18. Share repurchase programme

When Sasol Limited's shares are repurchased by a subsidiary, the amount of consideration paid, including directly attributable costs, is recognised as a deduction from shareholders' equity. Repurchased shares are classified as treasury shares and are disclosed as a deduction from total equity. Where such shares are subsequently reissued, any consideration received is included in the statement of changes in equity. The resultant gain or loss on the transaction is transferred to or from retained earnings.

19. Preference shares

Preference shares are classified as liabilities if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are charged to the income statement as a finance expense based on the effective interest rate method.

20. Debt

Debt, which constitutes a financial liability, includes short-term and long-term debt. Debt is initially recognised at fair value, net of transaction costs incurred and is subsequently stated at amortised cost. Debt is classified as short-term unless the borrowing entity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Debt is derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the income statement as finance expenses based on the effective interest rate method.

21. Leases

Finance leases Leases where the group assumes substantially all the benefits and risks of ownership, are classified as finance leases. Finance leases are capitalised as property, plant and equipment at the lower of fair value or the present value of the minimum lease payments at the inception of the lease with an equivalent amount being stated as a finance lease liability as part of debt.

The capitalised amount is depreciated over the shorter of the lease term and asset's useful life unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Lease payments are allocated between capital repayments and finance expenses using the effective interest rate method.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

Operating leases Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are charged to the income statement over the lease term on a straight-line basis unless another basis is more representative of the pattern of use.

The land and buildings elements of a lease are considered separately for the purpose of lease classification as a finance or an operating lease.

22. Provisions

A provision is recognised when the group has a present legal or constructive obligation arising from a past event that will probably be settled, and a reliable estimate of the amount can be made.

Long-term provisions are determined by discounting the expected future cash flows to their present value. The increase in discounted long-term provisions as a result of the passage of time is recognised as a finance expense in the income statement.

Environmental rehabilitation provisions Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the group's environmental policy taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the construction of an asset, they are capitalised as part of the cost of those assets. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to the income statement.

Decommissioning costs of plant and equipment The estimated present value of future decommissioning costs, taking into account current environmental and regulatory requirements, is capitalised as part of property, plant and equipment, to the extent that they relate to the construction of the asset, and the related provisions are raised. These estimates are reviewed at least annually. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to the income statement.

Ongoing rehabilitation expenditure Ongoing rehabilitation expenditure is charged to the income statement.

23. Employee benefits

Short-term employee benefits Short-term employee benefits are those that are due to be settled within twelve months after the end of the period in which the services have been rendered. Remuneration of employees is charged to the income statement. An accrual is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Pension benefits The group operates or contributes to defined contribution pension plans and defined benefit pension plans for its employees in certain of the countries in which it operates. These

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

plans are generally funded through payments to trustee-administered funds as determined by annual actuarial calculations.

Defined contribution pension plans Contributions to defined contribution pension plans are charged to the income statement as incurred.

Defined benefit pension plans The group's net obligation in respect of defined benefit pension plans is actuarially calculated separately for each plan by deducting the fair value of plan assets from the gross obligation for post-retirement benefits. The gross obligation is determined by estimating the future benefit attributable to employees in return for services rendered to date.

This future benefit is discounted using the discount rate to determine its present value. Independent actuaries perform this calculation annually using the projected unit credit method.

Improvements to a defined benefit pension plan relating to past service are charged to the income statement as an expense on a straight-line basis over the period during which the benefits vest.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of the plan assets (the corridor), that portion is charged to the income statement over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Where the plan assets exceed the gross obligation, the asset recognised is limited to the total of unrecognised net actuarial losses, unrecognised past service costs related to improvements to the defined benefit pension plan and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Surpluses and deficits in the various plans are not offset.

Defined benefit post-retirement healthcare benefits The group provides post-retirement healthcare benefits to certain of its retirees. The entitlement of these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued on a systematic basis over the expected remaining period of employment, using the accounting methodology described in respect of defined benefit pension plans above. Independent actuaries perform the calculation of this obligation annually.

Share-based payments The group has equity-settled and cash-settled share-based compensation plans. The equity-settled schemes allow certain employees the option to acquire ordinary shares in Sasol Limited over a prescribed period. Such equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is charged as employee costs, with a corresponding increase in equity, on a straight-line basis over the period that the employees become unconditionally entitled to the options, based on management's estimate of the shares that will vest and adjusted for the effect of non market-based vesting conditions. These share options are not subsequently revalued.

The cash-settled schemes allow certain senior employees the right to participate in the performance of the Sasol Limited share price, in return for services rendered, through the payment of cash incentives which are based on the market price of the Sasol Limited share. These rights are

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

recognised as a liability at fair value in the statement of financial position until the date of settlement. The fair value of these rights is determined at each reporting date and the unrecognised cost amortised to the income statement as employee costs over the period that the employees provide services to the company.

Fair value is measured using the Black Scholes, Binomial tree and Monte-Carlo option pricing models where applicable. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations such as volatility, dividend yield and the vesting period. The fair value takes into account the terms and conditions on which these incentives are granted and the extent to which the employees have rendered service to the reporting date.

24. Deferred income

Incentives received are recognised on a systematic basis in the income statement over the periods necessary to match them with the related costs which they are intended to compensate. Incentives related to non-current assets are stated on the statement of financial position as deferred income and are charged to the income statement on a basis representative of the pattern of use of the asset to which the incentive relates.

Revenue received prior to delivery occurring or the service being rendered is stated on the statement of financial position as deferred income and is recognised in the income statement when the revenue recognition criteria, detailed below, are met.

25. Black economic empowerment (BEE) transactions

To the extent that an entity grants shares or share options in a BEE transaction and the fair value of the cash and other assets received is less than the fair value of the shares or share options granted, such difference is charged to the income statement in the period in which the transaction becomes effective. Where the BEE transaction includes service conditions the difference will be charged to the income statement over the period of these service conditions. A restriction on the transfer of the shares or share options is taken into account in determining the fair value of the share or share option.

26. Taxation

The income tax charge is determined based on net income before tax for the year and includes deferred tax and Secondary Taxation on Companies.

Current tax The current tax charge is the calculated tax payable on the taxable income for the year using enacted or substantively enacted tax rates and any adjustments to tax payable in respect of prior years.

Deferred tax Deferred tax is provided for using the liability method, on all temporary differences between the carrying amount of assets and liabilities for accounting purposes and the amounts used for tax purposes and on any tax losses. No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill;

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

the initial recognition (other than in a business combination) of an asset or liability to the extent that neither accounting nor taxable profit is affected on acquisition; and

investments in subsidiaries to the extent they will probably not reverse in the foreseeable future.

The provision for deferred tax is calculated using enacted or substantively enacted tax rates at the reporting date that are expected to apply when the asset is realised or liability settled. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be realised.

The provision of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of its assets and liabilities.

Secondary Taxation on Companies (STC) STC is recognised as part of the current tax charge in the income statement when the related dividend is declared. When dividends received in the current year can be offset against future dividend payments to reduce the STC liability, a deferred tax asset is recognised to the extent of the future reduction in STC.

27. Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost.

28. Revenue

Revenue is recognised at the fair value of the consideration received or receivable net of indirect taxes, rebates and trade discounts and consists primarily of the sale of products, services rendered, licence fees, royalties, dividends received and interest received.

Revenue is recognised when the following criteria are met:

evidence of an arrangement exists;

delivery has occurred or services have been rendered and the significant risks and rewards of ownership have been transferred to the purchaser;

transaction costs can be reliably measured;

the selling price is fixed or determinable; and

collectability is reasonably assured.

The timing of revenue recognition is as follows. Revenue from:

the sale of products is recognised when the group no longer retains continuing managerial involvement associated with ownership or effective control;

services rendered is based on the stage of completion of the transaction, based on the proportion that costs incurred to date bear to the total cost of the project;

licence fees and royalties is recognised on an accrual basis;

dividends received is recognised when the right to receive payment is established; and

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

interest received is recognised on a time proportion basis using the effective interest rate method.

The group enters into exchange agreements with the same counterparties for the purchase and sale of inventory that are entered into in contemplation of one another. When the items exchanged are similar in nature, these transactions are combined and accounted for as a single exchange transaction. The exchange is recognised at the carrying amount of the inventory transferred.

Further descriptions of the recognition of revenue for the various reporting segments are included under the accounting policy on segmental reporting.

29. Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with that construction contract are recognised as revenue and expenses, respectively, by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is generally based on physical progress, man-hours or costs incurred, based on the appropriate method for the type of contract.

To the extent that the outcome of a construction contract cannot be reliably measured, revenue is recognised only to the extent that contract costs incurred are likely to be recovered.

Any expected loss on a construction contract is charged immediately to the income statement.

Contract costs relating to future activity on a contract are recognised as an asset provided it is likely that they will be recovered.

30. Finance expenses

Finance expenses are capitalised against qualifying assets as part of property, plant and equipment.

Such finance expenses are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction is interrupted for an extended period or when the asset is substantially complete. Further finance expenses are charged to the income statement.

Where funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of finance expenses eligible for capitalisation on that asset is the actual finance expenses incurred on the borrowing during the period less any investment income on the temporary investment of those borrowings.

Where funds are made available from general borrowings and used for the purpose of acquiring or constructing qualifying assets, the amount of finance expenses eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on these assets. The capitalisation rate is the weighted average of the interest rates applicable to the borrowings of the group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining qualifying assets. The amount of finance expenses capitalised will not exceed the net amount of borrowing costs incurred and interest received on excess borrowings invested.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

31. Dividends payable

Dividends payable and the related taxation thereon are recognised as a liability in the period in which they are declared.

32. Segment information

Reporting segments

The group has nine main reportable segments that comprise the structure used by the Group Executive Committee (GEC) to make key operating decisions and assess performance. The group's reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market (referred to as business segments). Each business utilises different technology, manufacturing and marketing strategies.

The group evaluates the performance of its reportable segments based on operating profit. The group accounts for inter-segment sales and transfers as if the sales and transfers were entered into under the same terms and conditions as would have been entered into in a market related transaction.

The financial information of the group's reportable segments is reported to the GEC for purposes of making decisions about allocating resources to the segment and assessing its performance.

The group has formed significant joint ventures to promote Sasol technology and products internationally. The group is promoting and marketing its gas-to-liquids (GTL) technology for converting remote or flared natural gas into new-generation, low-emission GTL diesel, GTL naphtha and other products. It is envisaged that Sasol Synfuels International (SSI) through the recent development of the GTL plants in Qatar and Nigeria will contribute to the growing of a global GTL business in the future.

Whilst Sasol Petroleum International (SPI), like SSI, does not meet the quantitative criteria for disclosure as a separate segment, it is expected to become a significant contributor to the group's performance in future years as the upstream supplier of resources for the group's GTL and CTL activities.

Consequently, the GEC has chosen to include SSI and SPI as reportable operating segments even though SSI and SPI do not meet any of the quantitative thresholds as the GEC believes that such information would be useful to the users of the financial statements.

South African energy cluster

Sasol Mining

Sasol Mining's activities include the mining and supply of coal to other segments including Sasol Synfuels, other entities and to third parties.

Sasol Mining sells coal under both long-term and short-term contracts at a price determinable from the agreements. Turnover is recognised upon delivery of the coal to the customer, which, in accordance with the related contract terms is the point at which the title and risks and rewards of ownership pass to the customer, prices are fixed or determinable and collectability is reasonably assured.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

The date of delivery related to Sasol Mining is determined in accordance with the contractual agreements entered into with customers which are briefly summarised as follows:

Delivery terms

	Title and risks and rewards of ownership pass to the customer
Free on Board (FOB)	When the coal is loaded onto the vessel at Richards Bay Coal Terminal customer is responsible for shipping and handling costs.
Free on Barge (Amsterdam)	When the coal is loaded from Overslag Bedrijf Amsterdam stockpile onto the customer vessel seller is responsible for shipping and handling costs, these are however recovered from the customer.
Cost Insurance Freight (CIF) and Cost Freight Railage (CFR)	When the coal is loaded into the vessel seller is responsible for shipping and handling costs which are included in the selling price.

The related costs of sales are recognised in the same period as the supply of the coal and include any shipping and handling costs incurred. All inter-segment sales are conducted at market related prices.

Sasol Gas

Sasol Gas' activities include the marketing of clean-burning pipeline gas sourced from Sasol Synfuels and natural gas from the Mozambican gas fields.

Sasol Gas sells gas under long-term contracts at a price determinable from the supply agreements. Turnover is recognised at the intake flange of the customer where it is metered, which is the point at which the title and risks and rewards of ownership passes to the customer, and where prices are determinable and collectability is reasonably assured. Gas analysis and tests of the specifications and content are performed prior to delivery.

Transportation and handling costs are included in turnover when billed to customers in conjunction with the sale of a product. The related costs of sales are recognised in the same period as the turnover.

Sasol Synfuels

Sasol Synfuels' activities include the production, using natural gas, from Sasol Gas, and synthesis gas derived from coal, supplied by Sasol Mining, using in-house technology to convert this into a wide range of liquid fuels intermediates and petrochemicals. Sasol Synfuels also provides chemical feedstock to, amongst others Sasol Polymers and Sasol Solvents.

Sasol Synfuels sells synthetic fuels, chemical feedstock and industrial pipeline gas under contracts at prices determinable from the agreements. Turnover is recognised for the liquid fuel intermediates and petrochemicals when the title and risks and rewards of ownership pass to the customer, which is

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

when the product has passed over the appropriate weigh bridge or flow meter, prices are fixed or determinable and collectability is reasonably assured.

Sasol Oil

Sasol Oil is responsible for the group's crude oil refining activities and for blending and marketing of all liquid fuels and lubricants.

Sasol Oil sells liquid fuel products under both short-term and long-term agreements for both retail sales and commercial sales including sales to other oil companies. The prices are regulated and fixed by South African law for retail sales, and the prices are fixed and determinable according to the specific contract with periodic price adjustments for commercial sales and sales to other oil companies. Laboratory tests of the fuel specifications and content are performed prior to delivery. Turnover is recognised under the following arrangements:

Commercial sales transactions and sales to other oil companies: when product is delivered to the customer site, which is the point where the risks and rewards of ownership and title of the product transfer to the customer, and collectability is reasonably assured.

Dealer-owned supply agreements and franchise agreements: upon delivery of the product to the customer, which is the point where the risks and rewards of ownership of the product transfer to the customer. Title under these contracts is retained to enable recovery of the goods in the event of customer default on payment. The title to the goods does not enable the group to dispose of the product or rescind the transaction, and cannot prevent the customer from selling the product.

Turnover for the supply of fuel is based on measurement through a flow-meter into customers' tanks. Shipping and handling costs are included in turnover when billed to customers in conjunction with the sale of a product. The related costs of sales are recognised in the same period as the turnover.

Other

This segment currently includes costs related to the pre-feasibility study for the expansion of our synthetic fuels capacity in South Africa known as Project Mafutha.

International energy cluster

Sasol Synfuels International (SSI)

SSI is responsible for developing, implementing and managing international business ventures based on Sasol's Fischer-Tropsch synthesis technology. SSI is also involved in the development of GTL fuels and production of other chemical products from GTL derived feedstock.

SSI is currently involved in the establishment of two GTL production facilities in Qatar and Nigeria and is conducting feasibility studies for both GTL and coal-to-liquids (CTL) facilities at various other locations around the world, including China, Uzbekistan and India.

Turnover is derived from the sale of goods produced by the operating facilities and is recognised when, in accordance with the related contract terms, the title and risks and rewards of ownership pass to the customer, prices are fixed or determinable and collectability is reasonably assured. Shipping and

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

handling costs are included in turnover when billed to customers in conjunction with the sale of the products. Turnover is also derived from the rendering of engineering services to external partners in joint ventures upon the proof of completion of the service.

Sasol Petroleum International (SPI)

SPI develops and manages upstream interests in oil and gas exploration and production in Mozambique, South Africa, Gabon, Papua New Guinea, Australia and Nigeria. It produces gas from Mozambique's Temane and Pande fields and oil in Gabon through its share in the offshore Etame and Ebouri fields.

SPI sells natural gas under long-term contracts to Sasol Gas and oil to customers under long-term contracts at a price determinable from the agreements. Turnover is recognised at the intake flange of the customer where it is metered, which is the point at which the title and risks and rewards of ownership passes to the customer, and where prices are determinable and collectability is reasonably assured.

Chemical cluster

Sasol Polymers

Sasol Polymers focuses on the production of monomers, polypropylene, polyethylene, vinyls and other chemical products through its respective businesses.

Sasol Solvents

Sasol Solvents primarily manufactures and markets globally a range of oxygenated solvents, co-monomers and chemical intermediates to various industries.

Sasol Olefins & Surfactants

Sasol Olefins & Surfactants manufactures and markets globally a diverse range of surfactants, surfactant intermediates, alcohols, monomers and inorganic speciality chemicals.

Other chemical businesses

Other chemical businesses include Sasol Wax (production and marketing of wax and wax related products), Sasol Nitro (production and marketing of ammonia and ammonia derivative products), Merisol (manufacturing and marketing of phenolics and cresylics) and Sasol Infrachem (manufacturing of synthesis gas).

The businesses in the chemical cluster sell much of their products under contracts at prices determinable from such agreements. Turnover is recognised upon delivery to the customer which in accordance with the related contract terms, is the point at which the title and risks and rewards of ownership transfer to the customer, prices are determinable and collectability is reasonably assured. Turnover on consignment sales is recognised on consumption by the customer, when title and the risks and rewards of ownership pass to the customer, prices are determinable and collectability is reasonably assured. Product quality is safeguarded through quality assurance programmes.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

The date of delivery related to the above Chemical cluster is determined in accordance with the contractual agreements entered into with customers which are briefly summarised as follows:

Delivery terms

	Title and risks and rewards of ownership pass to the customer
Ex-tank sales	When products are loaded into the customer's vehicle or unloaded from the seller's storage tanks.
Ex works (EXW)	When products are loaded into the customers vehicle or unloaded at the sellers premises.
Carriage Paid To (CPT)	On delivery of products to a specified location (main carriage is paid for by the seller).
Free on Board (FOB)	When products are loaded into the transport vehicle customer is responsible for shipping and handling costs.
Cost Insurance Freight (CIF) and Cost Freight Railage (CFR)	When products are loaded into the transport vehicle seller is responsible for shipping and handling costs which are included in the selling price.
Proof of Delivery (POD)	When products are delivered to and signed for by the customer.
Consignment Sales	As and when products are consumed by the customer.

Other businesses

Other businesses include the group's treasury, research and development activities and central administration activities as well as alternative energy activities.

33. Convenience translation from rand to US dollars

The presentation currency of the group is rand.

Supplementary US dollar information is provided for convenience only.

The conversion to US dollars is performed as follows:

assets and liabilities are translated at the closing rate of exchange on the reporting date;

income and expenses are translated at average rates of exchange for the years presented;

shareholders' equity, other than attributable earnings for the year, is translated at the closing rate on each reporting date; and

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Sasol Limited Group

Notes to the Financial Statements (Continued)

A. Accounting policies and financial reporting terms (Continued)

the resulting translation differences are included as other comprehensive income in shareholders' equity.

34. Critical accounting estimates and judgements

Management of the group makes estimates and assumptions concerning the future in applying its accounting policies. The resulting accounting estimates may, by definition, not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the notes to the financial statements where applicable.

Management continually evaluate estimates and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognised in the period in which the estimates are reviewed and in any future periods affected.

35. Comparative figures

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results as set out in the affected notes to the financial statements.

During the year under review, the group reclassified amounts relating to capital project related creditors previously included in other payables, having risks and rewards more closely aligned to trade payables.

During the year under review, the group reclassified certain accruals previously included in accrued expenses, having risks and rewards more closely aligned to trade payables.

During the year under review, the group reclassified expenses previously included as other expenses as administrative expenditure, having risks and rewards more closely aligned to administrative expenditure.

Certain additional disclosure has been provided in respect of the current year. To the extent practicable, comparative information has also been provided.

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Sasol Limited Group
Notes to the Financial Statements (Continued)

B. Business segment information

Property, plant and equipment, assets under construction and other intangible assets			Other non-current assets*			Current assets*			Total consolidated assets*			Non-current liabilities*			Current liabilities*			Total co liab	
2010	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2**
Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	
43 351	36 629	30 299	**686**	580	610	**14 569**	12 569	17 895	**58 606**	49 778	48 804	**9 857**	8 233	7 007	**8 014**	7 520	8 135	**17 871**	1
6 024	4 930	4 112	**457**	417	386	**1 037**	600	776	**7 518**	5 947	5 274	**1 060**	844	746	**890**	792	788	**1 950**	
4 857	5 934	5 421	**2**	3	16	**525**	446	533	**5 384**	6 383	5 970	**2 199**	2 194	2 285	**410**	373	404	**2 609**	
27 002	20 659	16 486	**125**	66	111	**2 239**	2 483	1 675	**29 366**	23 208	18 272	**3 935**	2 837	1 874	**1 996**	1 372	1 472	**5 931**	
5 393	5 031	4 280	**102**	94	97	**10 766**	9 031	14 906	**16 261**	14 156	19 283	**2 663**	2 358	2 102	**4 718**	4 983	5 471	**7 381**	
75	75					**2**	9	5	**77**	84	5								
10 672	10 000	8 806	**2 728**	1 510	5	**2 261**	2 569	6 331	**15 661**	14 079	15 142	**1 173**	1 292	3 768	**2 090**	3 141	1 812	**3 263**	
5 485	5 091	4 928	**2 728**	1 510	5	**1 778**	2 066	5 959	**9 991**	8 667	10 892	**393**	366	2 813	**1 788**	2 645	1 482	**2 181**	
5 187	4 909	3 878				**483**	503	372	**5 670**	5 412	4 250	**780**	926	955	**302**	496	330	**1 082**	
38 200	36 810	38 201	**3 440**	3 543	3 565	**23 334**	20 059	27 935	**64 974**	60 412	69 701	**6 800**	6 790	7 567	**8 832**	8 274	11 735	**15 632**	1
17 413	18 113	19 239	**1 600**	1 632	1 641	**5 836**	4 729	4 496	**24 849**	24 474	25 376	**2 343**	2 378	2 914	**2 112**	2 062	2 349	**4 455**	
9 355	9 294	9 457	**338**	404	454	**5 347**	4 223	5 458	**15 040**	13 921	15 369	**851**	651	646	**1 169**	1 148	1 706	**2 020**	
5 260	5 321	5 914	**869**	846	746	**7 772**	7 038	12 111	**13 901**	13 205	18 771	**1 869**	1 948	2 361	**3 500**	2 891	5 049	**5 369**	
6 172	4 082	3 591	**633**	661	724	**4 379**	4 069	5 870	**11 184**	8 812	10 185	**1 737**	1 813	1 646	**2 051**	2 173	2 631	**3 788**	
2 511	2 495	1 624	**74**	103	726	**13 203**	17 787	2 662	**15 788**	20 385	5 012	**8 137**	7 923	6 822	**3 383**	6 605	4 303	**11 520**	1
94 734	85 934	78 930	**6 928**	5 736	4 906	**53 367**	52 984	54 823	**155 029**	144 654	138 659	**25 967**	24 238	25 164	**22 319**	25 540	25 985	**48 286**	4

* Excludes tax and deferred tax.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

B. Business segment information (Continued)

External turnover			Intersegment turnover			Total turnover			Translation (losses)/gains			Effect of remeasurement items (before tax)(refer note 42)			Operating profit/(losses)			Contrib attributab	
2010	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**20**
Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**R**
53 493	58 167	58 515	**42 045**	45 191	46 275	**95 538**	103 358	104 790	**(202)**	(48)	96	**69**	141	(116)	**17 808**	28 684	28 048	**11 493**	19
1 696	2 885	2 470	**6 167**	5 412	5 009	**7 863**	8 297	7 479	**(2)**	7	(7)	**1**	3	(7)	**815**	1 593	1 393	**567**	
2 986	2 829	2 563	**2 385**	2 837	2 134	**5 371**	5 666	4 697	**(16)**	(31)	(6)		4	(104)	**2 479**	2 424	1 785	**1 402**	
879	1 367	982	**33 014**	36 334	38 634	**33 893**	37 701	39 616	**(136)**	(152)	(5)	**58**	137	(25)	**13 175**	25 188	19 416	**8 907**	17
47 932	51 086	52 500	**479**	608	498	**48 411**	51 694	52 998	**(48)**	130	114	**10**	(3)	20	**1 364**	(351)	5 507	**642**	
										(2)					**(25)**	(170)	(53)	**(25)**	
3 198	4 183	3 016	**769**	983	748	**3 967**	5 166	3 764	**28**	194	(2)	**112**	795	(369)	**468**	880	383	**451**	
2 282	3 027	1 788			5	**2 282**	3 027	1 793	**33**	(13)	(16)	**4**	777	(396)	**131**	(235)	(621)	**504**	
916	1 156	1 228	**769**	983	743	**1 685**	2 139	1 971	**(5)**	207	14	**108**	18	27	**337**	1 115	1 004	**(53)**	
65 386	75 315	68 187	**6 191**	6 598	5 509	**71 577**	81 913	73 696	**(672)**	190	153	**(251)**	510	(294)	**5 496**	(2 244)	6 605	**4 476**	(2
14 236	15 326	11 162	**85**	199	142	**14 321**	15 525	11 304	**(553)**	44	296	**14**	(1)	12	**958**	946	1 511	**844**	
14 425	16 317	15 585	**1 340**	1 798	1 597	**15 765**	18 115	17 182	**(132)**	1	404	**58**	158	(104)	**1 154**	495	2 382	**889**	
24 774	28 867	28 125	**509**	667	655	**25 283**	29 534	28 780	**37**	84	32	**(344)**	106	27	**2 492**	(160)	1 512	**2 248**	
11 951	14 805	13 315	**4 257**	3 934	3 115	**16 208**	18 739	16 430	**(24)**	61	(579)	**21**	247	(229)	**892**	(3 525)	1 200	**495**	(3
179	171	225	**5 241**	5 038	4 048	**5 420**	5 209	4 273	**(161)**	(502)	53	**24**	23	81	**165**	(2 654)	(1 220)	**(479)**	(3
122 256	137 836	129 943	**54 246**	57 810	56 580	**176 502**	195 646	186 523	**(1 007)**	(166)	300	**(46)**	1 469	(698)	**23 937**	24 666	33 816	**15 941**	13

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Sasol Limited Group
Notes to the Financial Statements (Continued)

B. Business segment information (Continued)

	Cash flow information									Capital commitments								
	Cash flow from operations (refer note 50)			Depreciation and amortisation			Additions to non-current assets			Property, plant and equipment			Other intangible assets			Number of employees		
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	number	number	number
South African energy cluster	**22 166**	32 784	30 513	**(3 015)**	(2 289)	(2 146)	**10 850**	8 758	4 531	**29 630**	18 402	13 575	**17**	46	12	**15 106**	14 622	14 525
Mining	**1 727**	2 437	2 077	**(649)**	(619)	(650)	**1 699**	1 427	997	**7 507**	4 107	781		16	9	**7 364**	7 139	7 329
Gas	**2 793**	2 778	2 192	**(322)**	(310)	(289)	**363**	834	466	**567**	724	1 110	**15**	26		**270**	263	218
Synfuels	**15 754**	27 346	20 185	**(1 445)**	(816)	(720)	**7 843**	5 144	2 305	**19 438**	11 732	10 656	**2**	4	1	**5 347**	5 078	4 791
Oil	**1 917**	393	6 112	**(599)**	(544)	(487)	**945**	1 278	762	**2 118**	1 839	1 028			2	**2 125**	2 142	2 187
Other	**(25)**	(170)	(53)					75	1									
International energy cluster	**515**	2 453	2 401	**(699)**	(706)	(537)	**1 504**	2 432	2 637	**2 931**	3 105	7 198	**15**	7	9	**744**	659	730
Synfuels International	**(349)**	1 113	1 157	**(316)**	(386)	(286)	**721**	657	1 508	**695**	798	3 448	**2**	2	1	**449**	395	458
Petroleum International	**864**	1 340	1 244	**(383)**	(320)	(251)	**783**	1 775	1 129	**2 236**	2 307	3 750	**13**	5	8	**295**	264	272
Chemical cluster	**7 937**	2 545	9 303	**(2 648)**	(2 993)	(2 365)	**3 349**	3 397	3 168	**12 872**	3 099	3 398	**175**	24	33	**11 936**	12 539	12 842
Polymers	**2 056**	2 211	2 479	**(1 016)**	(1 205)	(783)	**335**	668	1 001	**1 914**	504	559		12	19	**2 191**	2 221	2 178
Solvents	**1 894**	1 348	2 979	**(553)**	(546)	(477)	**840**	666	939	**474**	706	1 021	**72**	9	10	**1 676**	1 762	1 839
Olefins & Surfactants	**2 746**	1 020	2 204	**(720)**	(854)	(775)	**730**	862	555	**886**	604	912	**79**	3	3	**2 824**	2 936	3 143
Other	**1 241**	(2 034)	1 641	**(359)**	(388)	(330)	**1 444**	1 201	673	**9 598**	1 285	906	**24**		1	**5 245**	5 620	5 682
Other businesses	**144**	(588)	341	**(350)**	(257)	(164)	**405**	1 085	519	**791**	519	782	**66**	107	41	**5 553**	5 724	5 831
Total	**30 762**	37 194	42 558	**(6 712)**	(6 245)	(5 212)	**16 108**	15 672	10 855	**46 224**	25 125	24 953	**273**	184	95	**33 339**	33 544	33 928

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Sasol limited group
Notes to the Financial Statements (Continued)

B. Business segment information (Continued)

Geographic segment information

	Total turnover			External turnover			Operating profit/(loss)			Total consolidated assets*			Additions to non-current assets (by location of assets)			Capital commitments non-current assets	
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
frica	**115 425**	125 417	122 533	**62 014**	68 561	67 632	**18 143**	25 727	26 877	**101 953**	93 739	79 511	**13 702**	11 674	6 914	**42 392**	21 495
Africa	**5 653**	7 144	7 842	**5 613**	7 121	7 098	**407**	(288)	1 044	**9 823**	8 423	10 067	**750**	1 790	2 060	**2 071**	2 144
bique	**271**	282	898	**233**	259	154	**186**	92	462	**5 766**	5 300	4 611	**620**	1 334	909	**1 754**	1 856
	429	556	456	**427**	556	456	**2**	(717)	(298)	**3 029**	1 947	4 350	**4**		1 012	**147**	153
Africa	**4 953**	6 306	6 488	**4 953**	6 306	6 488	**219**	337	880	**1 028**	1 176	1 106	**126**	456	139	**170**	135
	27 620	31 901	29 882	**26 978**	31 230	29 204	**3 553**	(3 050)	3 263	**17 462**	17 801	22 115	**935**	1 158	988	**985**	974
y	**7 649**	8 824	8 904	**7 022**	8 183	8 262	**773**	(3 504)	114	**7 744**	7 969	9 917	**776**	795	469	**538**	785
	2 724	3 567	3 738	**2 719**	3 563	3 734	**283**	(155)	115	**2 997**	2 282	4 105	**122**	239	145	**115**	71
	17 247	19 510	17 240	**17 237**	19 484	17 208	**2 497**	609	3 034	**6 721**	7 550	8 093	**37**	124	374	**332**	118
a	**13 093**	14 727	14 148	**13 047**	14 692	14 094	**1 060**	329	991	**6 843**	6 615	8 177	**323**	439	89	**592**	301
States rica	**11 692**	13 549	12 926	**11 650**	13 514	12 872	**880**	258	905	**6 498**	6 459	8 006	**323**	439	89	**592**	301
North a	**1 401**	1 178	1 222	**1 397**	1 178	1 222	**180**	71	86	**345**	156	171					
a	**1 443**	2 211	2 592	**1 445**	2 211	2 592	**113**	668	849	**302**	192	453					
st l asia	**3 066**	3 532	2 628	**3 022**	3 414	2 548	**218**	186	581	**2 246**	1 924	2 241	**75**	22	7	**170**	190
East ia	**5 450**	5 838	2 740	**5 451**	5 818	2 733	**537**	1 409	(7)	**14 642**	14 363	14 059	**321**	566	729	**283**	199
	795	1 934	301	**796**	1 934	298	**252**	1 080	(45)	**7 521**	7 541	8 346	**70**	263	457	**42**	104
	13	27	154	**13**	26	151	**(684)**	(223)	(298)	**5 239**	5 544	5 044	**248**	301	268	**241**	95
East ia	**4 642**	3 877	2 285	**4 642**	3 858	2 284	**969**	552	336	**1 882**	1 278	669	**3**	2	4		
t	**4 752**	4 876	4 158	**4 686**	4 789	4 042	**(94)**	(315)	218	**1 758**	1 597	2 036	**2**	23	68	**4**	6
	176 502	195 646	186 523	**122 256**	137 836	129 943	**23 937**	24 666	33 816	**155 029**	144 654	138 659	**16 108**	15 672	10 855	**46 497**	25 309

* Excludes tax and deferred tax.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

C. Other explanatory notes to the financial statements

Changes to comparative information

	Note
Reclassification of comparative information	**1**
Accounting standards not yet effective	**2**

1 Reclassification of comparative information

1.1 Reclassification from other payables and accrued expenses to trade payables

The group has reclassified amounts relating to capital project related creditors previously included in other payables, having risks and rewards more closely aligned to trade payables. Management concluded that the classification of these amounts as trade payables better reflects the underlying nature of the liability. The reclassification had no impact on earnings.

The group has reclassified certain accruals previously included in accrued expenses, having risks and rewards more closely aligned to trade payables. Management concluded that the classification of these amounts as trade payables better reflects the underlying nature of the liability. The reclassification had no impact on earnings.

The effect of the above reclassifications in the statement of financial position are:

	2009	2008
	Rm	Rm
Other payables		
Balance as previously reported	4 759	4 345
Effect of reclassification to trade payables	(1 457)	(889)
Reclassified balance	3 302	3 456
Accrued expenses		
Balance as previously reported	2 440	2 487
Effect of reclassification to trade payables	(1 371)	(1 674)
Reclassified balance	1 069	813
Trade payables		
Balance as previously reported	5 709	8 609
Effect of reclassification from other payables	1 457	889
Effect of reclassification from accrued expenses	1 371	1 674
Reclassified balance	8 537	11 172

1.2 Reclassification from administrative expenditure to other expenses

The group has reclassified expenses previously included as other expenses as administrative expenditure, having characteristics more closely aligned to administrative expenses. Management concluded that the classification of these amounts as administrative expenses better reflects the underlying nature of the expense. The reclassification had no impact on earnings.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

1 Reclassification of comparative information (Continued)

The effect of the above reclassification in the income statement is:

	2009	2008
	Rm	Rm
Administrative expenditure		
Balance as previously reported	(9 050)	(6 697)
Effect of reclassification to other expenses	(1 013)	(994)
Reclassified balance	(10 063)	(7 691)
Other expenses		
Balance as previously reported	(8 884)	(8 800)
Effect of reclassification from administrative expenditure	1 013	994
Reclassified balance	(7 871)	(7 806)

2 Accounting standards not yet effective

The following accounting standards, interpretations and amendments to published accounting standards which are relevant to the group but not yet effective, have not been adopted in the current year:

IFRS 2 (Amendment), Share-based Payment Group Cash-settled Share-based Payment Transactions

The effective date for adoption of this standard is for periods commencing on or after 1 January 2010. This standard will be adopted by the group for the year ending 30 June 2011. The standard will not have a significant impact on the financial statements of the group as this standard affects cash settled inter-group share-based payment transactions.

IFRS 9, Financial Instruments

The effective date for adoption of this standard is for periods commencing on or after 1 January 2013. The standard will have not have a significant impact on the financial statements of the group as the measurement and recognition of financial assets under the current IAS 39, Financial Instruments: Recognition and Measurement currently complies with the measurement criteria specified in IFRS 9, Financial Instruments.

Various improvements to IFRSs

A number of standards have been amended as part of the IASB's improvement project. Management is in the process of considering the relevant amendments to the standards and determining the financial implications and impact on the group.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

Non-current assets

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Property, plant and equipment	3	**72 523**	70 370	66 273
Assets under construction	4	**21 018**	14 496	11 693
Goodwill	5	**738**	805	874
Other intangible assets	6	**1 193**	1 068	964
Investments in securities	7	**585**	574	557
Investments in associates	8	**3 573**	2 170	830
Post-retirement benefit assets	9	**789**	716	571
Long-term receivables and prepaid expenses	10	**1 241**	1 456	1 385
Long-term financial assets	11	**2**	15	689
Deferred tax assets	23	**1 099**	1 184	1 453
		102 761	92 854	85 289

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Sasol Limited Group

Notes to the Financial Statements (Continued)

3 Property, plant and equipment

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Cost				
Balance at beginning of year		**129 560**	123 526	99 309
Acquisition of businesses	55		17	(222)
Additions		**2 132**	2 742	2 111
to enhance existing operations		**1 707**	2 223	1 712
to expand operations		**425**	519	399
Finance expenses capitalised	40			6
Transfer from assets under construction	4	**7 088**	9 347	16 698
Net transfer from/(to) other intangible assets	6	**1**	(3)	(3)
Transfer to inventories		**(3)**	(62)	(148)
Net reclassification to held for sale			(618)	
Translation of foreign operations	47	**(2 873)**	(3 923)	7 031
Disposal of businesses		**(6)**	(1)	(2)
Disposals and scrapping		**(1 725)**	(1 465)	(1 254)
Balance at end of year		**134 174**	129 560	123 526
Comprising				
Land		**1 072**	1 075	885
Buildings and improvements		**6 936**	6 859	6 946
Retail convenience centres		**1 342**	1 263	1 184
Plant, equipment and vehicles		**111 176**	107 329	104 108
Mineral assets		**13 648**	13 034	10 403
		134 174	129 560	123 526
Accumulated depreciation and impairment				
Balance at beginning of year		**59 190**	57 253	48 698
Acquisition of businesses	55			(322)
Current year charge	35	**6 509**	6 059	5 020
Impairment of property, plant and equipment	42	**47**	294	447
Reversal of impairment of property, plant and equipment	42	**(348)**		(381)
Net transfer from/(to) other intangible assets	6	**23**	(2)	2
Transfer to inventories			(19)	(51)
Net reclassification to held for sale			(596)	
Translation of foreign operations	47	**(2 221)**	(2 509)	4 949
Disposal of businesses		**(5)**	(1)	
Disposals and scrapping		**(1 544)**	(1 289)	(1 109)
Balance at end of year		**61 651**	59 190	57 253

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Sasol Limited Group

Notes to the Financial Statements (Continued)

3 Property, plant and equipment (Continued)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Comprising			
Land	**199**	224	253
Buildings and improvements	**3 264**	3 317	3 352
Retail convenience centres	**338**	280	222
Plant, equipment and vehicles	**51 465**	49 774	48 417
Mineral assets	**6 385**	5 595	5 009
	61 651	59 190	57 253
Carrying value			
Land	**873**	851	632
Buildings and improvements	**3 672**	3 542	3 594
Retail convenience centres	**1 004**	983	962
Plant, equipment and vehicles	**59 711**	57 555	55 691
Mineral assets	**7 263**	7 439	5 394
Balance at end of year	**72 523**	70 370	66 273
Business segmentation			
South African energy cluster	**28 605**	27 314	25 752
Mining	**4 744**	4 672	3 962
Gas	**3 718**	5 049	5 097
Synfuels	**15 644**	13 361	12 853
Oil	**4 424**	4 157	3 840
Other SA Energy	**75**	75	
International energy cluster	**7 541**	7 909	5 928
Synfuels International	**4 584**	4 698	4 240
Petroleum International	**2 957**	3 211	1 688
Chemical cluster	**34 414**	33 625	33 660
Polymers	**16 775**	17 465	16 506
Solvents	**8 608**	8 467	8 922
Olefins & Surfactants	**4 582**	4 632	5 358
Other	**4 449**	3 061	2 874
Other businesses	**1 963**	1 522	933
Total operations	**72 523**	70 370	66 273

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Sasol Limited Group

Notes to the Financial Statements (Continued)

3 Property, plant and equipment (Continued)

2010	Land	Buildings and improvements	Retail convenience centres	Plant, equipment and vehicles	Mineral assets	Total
	Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
Cost						
Balance at beginning of year	1 075	6 859	1 263	107 329	13 034	**129 560**
Additions	27	55	55	1 274	721	**2 132**
to enhance existing operations	27	47		933	700	**1 707**
to expand operations		8	55	341	21	**425**
Reclassification of property, plant and equipment	1			3	(4)	
Transfer from assets under construction	42	396	28	6 496	126	**7 088**
Net transfer from other intangible assets				1		**1**
Transfer to inventories				(3)		**(3)**
Translation of foreign operations	(70)	(301)	(4)	(2 491)	(7)	**(2 873)**
Disposal of businesses				(6)		**(6)**
Disposals and scrapping	(3)	(73)		(1 427)	(222)	**(1 725)**
Balance at 30 June 2010	**1 072**	**6 936**	**1 342**	**111 176**	**13 648**	**134 174**
Accumulated depreciation and impairment						
Balance at beginning of year	224	3 317	280	49 774	5 595	**59 190**
Current year charge	1	255	60	5 185	1 008	**6 509**
(Reversal of impairment)/impairment of property, plant and equipment	3	(13)		(291)		**(301)**
Reclassification of property, plant and equipment				1	(1)	
Transfer from/(to) other intangible assets				24	(1)	**23**
Translation of foreign operations	(29)	(236)	(2)	(1 954)		**(2 221)**
Disposal of businesses				(5)		**(5)**
Disposals and scrapping		(59)		(1 269)	(216)	**(1 544)**
Balance at 30 June 2010	**199**	**3 264**	**338**	**51 465**	**6 385**	**61 651**
Carrying value at 30 June 2010	**873**	**3 672**	**1 004**	**59 711**	**7 263**	**72 523**

Carrying value at 30 June 2009	851	3 542	983	57 555	7 439	**70 370**

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Sasol Limited Group

Notes to the Financial Statements (Continued)

3 Property, plant and equipment (Continued)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Additions to property, plant and equipment (cash flow)			
To enhance existing operations	**1 609**	1 980	1 768
current year additions	**1 707**	2 223	1 712
adjustments for non-cash items			
movement in environmental provisions capitalised	**(98)**	(243)	56
To expand operations	**425**	519	399
Per the statement of cash flows	**2 034**	2 499	2 167
Additional disclosures			
Leased assets			
Carrying value of capitalised leased assets (included in plant, equipment and vehicles)	**1 025**	932	845
cost	**1 422**	1 267	1 228
accumulated depreciation	**(397)**	(335)	(383)
Finance lease additions included in additions above	**154**	94	55
Replacement information			
Estimated replacement cost of property, plant and equipment	**419 093**	393 139	343 602
Cost of assets not replaceable	**2 998**	2 902	2 845
Cost price of fully depreciated and fully impaired assets still in use	**8 571**	12 064	17 005
Carrying value of assets committed as security for debt (refer note 18)	**11 774**	10 961	12 966

Depreciation rates			
Buildings and improvements	2 5%	2 5%	2 5%
Retail convenience centres	3 5%	3 5%	3 5%
Plant	4 25%	4 25%	4 25%
Equipment	10 33%	10 33%	10 33%
Vehicles	20 33%	20 33%	20 33%
Mineral assets	Life of related reserve base	Life of related reserve base	Life of related reserve base

The estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These depreciation rates represent management's current best estimate of the useful lives of the assets.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

3 Property, plant and equipment (Continued)

Capital commitments

Capital commitments, excluding capitalised interest, include all projects for which specific board approval has been obtained up to the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:

	2010	2009	2008
	Rm	**Rm**	**Rm**
Authorised and contracted for	**31 441**	22 354	24 258
Authorised but not yet contracted for	**35 524**	16 898	17 662
Less expenditure to the end of year	**(20 741)**	(14 127)	(16 967)
	46 224	25 125	24 953
to enhance existing operations	**22 854**	14 829	8 567
to expand operations	**23 370**	10 296	16 386
Comprising			
Subsidiary companies	**45 775**	24 547	21 755
Proportionate share of joint ventures	**449**	578	3 198
as per joint venture disclosure			675
Escravos GTL (EGTL)*			2 523
	46 224	25 125	24 953

*

Relates to the capital commitments of Sasol's 37,5% interest in EGTL that was classified as an asset held for sale during 2008. In 2009, the interest in EGTL had been reduced to 10% and the remaining capital commitments are disclosed as part of the investments in associates note (refer note 8).

	2010	2009	2008
	Rm	**Rm**	**Rm**
Estimated expenditure			
Within one year	**17 321**	13 894	16 973
One to two years	**12 036**	8 862	5 382
Two to three years	**6 398**	2 285	1 861
Three to four years	**6 849**	84	353
Four to five years	**1 617**		169
More than five years	**2 003**		215
	46 224	25 125	24 953

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Sasol Limited Group

Notes to the Financial Statements (Continued)

3 Property, plant and equipment (Continued)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Business segmentation			
South African energy cluster	**29 630**	18 402	13 575
Mining	**7 507**	4 107	781
Gas	**567**	724	1 110
Synfuels	**19 438**	11 732	10 656
Oil	**2 118**	1 839	1 028
International energy cluster	**2 931**	3 105	7 198
Synfuels International	**695**	798	3 448
Petroleum International	**2 236**	2 307	3 750
Chemical cluster	**12 872**	3 099	3 398
Polymers	**1 914**	504	559
Solvents	**474**	706	1 021
Olefins & Surfactants	**886**	604	912
Other	**9 598**	1 285	906
Other businesses	**791**	519	782
Total operations	**46 224**	25 125	24 953

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Sasol Limited Group

Notes to the Financial Statements (Continued)

3 Property, plant and equipment (Continued)

Significant commitments at 30 June 2010 include:

Project	Business unit	2010	2009	2008
		Rm	**Rm**	**Rm**
Impumelelo shaft to maintain Brandspruit mine operation	Mining	**4 543**		
Thubelisha shaft to maintain Twistdraai Colliery operation	Mining	**2 444**		
Mozambique natural gas pipeline	Gas	**67**	382	889
Gas heat exchange reformers	Synfuels	**1 882**	1 070	1 259
Volatile organic compounds abatement programme	Synfuels	**1 795**		
Additional gasifiers in gas production	Synfuels	**1 758**	396	
Water recovery growth	Synfuels	**1 647**	345	
Major shutdown and statutory maintenance	Synfuels	**1 387**		
17th Reformer project	Synfuels	**1 296**		
16th Oxygen train project	Synfuels	**849**	707	1 140
Replacement of steam turbines at steam plant	Synfuels	**802**	862	
10th SAS reactor	Synfuels	**542**	227	431
Power generation with open cycle turbines	Synfuels	**502**	1 154	2 321
Improvement of Synthol total feed compressors	Synfuels	**382**	640	
Tail Gas Wash Water	Synfuels	**359**		
Replacement of tar tanks and seperators	Synfuels	**318**		
Oxygen emergency shut down system replacement	Synfuels	**286**	357	472
Short term mitigation actions for process water dams	Synfuels	**272**		
Sulphuric acid plant project	Synfuels	**223**		
De-bottlenecking of cold separation	Synfuels	**218**		
Replace circulation water preheaters at Gas reforming	Synfuels	**201**		
Refurbishment of the utility cooling water towers	Synfuels	**181**	249	
Selective catalytic cracker baseline optimisation project		**37**	228	144
Ash-lock project	Synfuels	**173**	354	
Combined waste heat boilers	Synfuels	**172**	226	271
Replacement of air heater systems at boiler 9	Synfuels	**95**	281	268
Electrical infrastructure expansion	Synfuels		244	405
Turbo phase 1 project	Synfuels		448	338
Secunda Natref pipeline project	Oil	**769**	572	
Upgrade of retail convenience centres	Oil	**407**	53	196
Depot expansion project	Oil		187	240
3rd Catalyst plant in Sasolburg, South Africa	Synfuels International		593	690
Mozambique expansion	Petroleum International	**1 082**	1 848	3 359
Ethylene Purification Unit	Polymers	**1 731**		
2nd Maleic Anhydride train	Solvents		363	488
Limestone ammonium nitrate (LAN) replacement project	Other chemical businesses	**737**		
Fischer-Tropsch Wax expansion project	Other chemical businesses	**7 560**	355	
Replacement and upgrade of distillation project	Other chemical businesses	**198**		
Replacement of Infrachem laboratory	Other chemical businesses	**117**	239	224
Other projects	Various	**11 192**	12 745	11 818
		46 224	25 125	24 953

Funding

Capital expenditure will be financed from funds generated out of normal business operations, existing borrowing facilities and specific project financing.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

4 Assets under construction

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Cost				
Balance at beginning of year		**14 496**	11 693	24 611
Acquisition of businesses	55			(16)
Additions		**14 060**	12 981	8 886
to enhance existing operations		**7 867**	5 665	4 023
to expand operations		**6 193**	7 316	4 863
Finance expenses capitalised	40	**58**	34	1 580
Impairment of assets under construction	42	**(59)**	(19)	(371)
Write off of unsuccessful exploration wells	42	**(58)**	(16)	
Transfer to inventories		**(8)**	(2)	
Reclassification of Escravos GTL to held for sale	12			(7 235)
Projects capitalised		**(7 348)**	(9 655)	(16 809)
property, plant and equipment	3	**(7 088)**	(9 347)	(16 698)
intangible assets	6	**(260)**	(308)	(111)
Translation of foreign operations	47	**(84)**	88	1 066
Disposals and scrapping		**(39)**	(608)	(19)
Balance at end of year		**21 018**	14 496	11 693
Comprising				
Property, plant and equipment under construction		**19 566**	13 085	10 618
Other intangible assets under construction		**80**	90	164
Exploration assets		**1 372**	1 321	911
		21 018	14 496	11 693
Business segmentation				
South African energy cluster		**14 599**	9 152	4 350
Mining		**1 274**	254	147
Gas		**1 108**	862	308
Synfuels		**11 303**	7 224	3 550
Oil		**914**	812	345
International energy cluster		**3 118**	2 078	2 845
Synfuels International		**899**	382	664
Petroleum International		**2 219**	1 696	2 181
Chemical cluster		**3 077**	2 464	3 836
Polymers		**452**	444	2 675
Solvents		**562**	607	291
Olefins & Surfactants		**425**	501	287
Other		**1 638**	912	583
Other businesses		**224**	802	662

21 018	14 496	11 693

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Sasol Limited Group

Notes to the Financial Statements (Continued)

4 Assets under construction (Continued)

2010	Property, plant and equipment under construction	Other intangible assets under construction	Exploration assets	Total
	Rm	**Rm**	**Rm**	**Rm**
Cost				
Balance at 30 June 2009	13 085	90	1 321	**14 496**
Additions	13 649	239	172	**14 060**
to enhance existing operations	7 644	223		**7 867**
to expand operations	6 005	16	172	**6 193**
Reclassification of assets under construction	(17)	17		
Finance expenses capitalised	58			**58**
Impairment of assets under construction	(7)	(2)	(50)	**(59)**
Write off of unsuccessful exploration wells			(58)	**(58)**
Transfer to inventories	(8)			**(8)**
Projects capitalised	(7 078)	(260)	(10)	**(7 348)**
Translation of foreign operations	(77)	(4)	(3)	**(84)**
Disposals and scrapping	(39)			**(39)**
Balance at 30 June 2010	**19 566**	**80**	**1 372**	**21 018**

	2010	2009	2008
	Rm	**Rm**	**Rm**
Additions to assets under construction (cash flow)			
To enhance existing operations	**7 849**	5 684	3 825
current year additions	**7 867**	5 665	4 023
adjustments for non-cash items			
cash flow hedge accounting	**(8)**	19	(198)
movement in environmental provisions capitalised	**(10)**		
To expand operations	**6 174**	7 363	4 846
current year additions	**6 193**	7 316	4 863
adjustments for non-cash items			
cash flow hedge accounting	**(18)**	47	(17)
movement in environmental provisions capitalised	**(1)**		
Per the statement of cash flows	**14 023**	13 047	8 671

The group hedges its exposure in South Africa to foreign currency risk in respect of its significant capital projects. This is done primarily by means of forward exchange contracts. Cash flow hedge accounting is applied to these hedging transactions and accordingly, the effective portion of any gain or loss realised on these contracts is adjusted against the underlying item of assets under construction.

Capital expenditure

Significant projects to enhance operations

As part of the normal plant operations, the group incurs capital expenditure to replace or modify significant components of plant to maintain the useful lives of the plant operations and improve plant

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Sasol Limited Group

Notes to the Financial Statements (Continued)

4 Assets under construction (Continued)

efficiencies. Included in the R7 849 million to enhance existing operations, R7 538 million relates to expenditure incurred to sustain operations. Other expenditure includes amounts incurred to meet legal and environmental obligations.

Significant projects to enhance operations include:

Project	Business unit	2010	2009	2008
		Rm	Rm	Rm
Mining renewal	Mining			118
Thubelisha shaft to maintain Twistdraai Colliery operation	Mining	**752**	91	14
Refurbishments of continuous miners	Mining	**60**	36	15
Impumelelo shaft to maintain Brandspruit mine operation	Mining	**88**	21	
Major shutdown and statutory maintenance	Synfuels	**1 484**		
Replacement of air heater systems at boiler 9	Synfuels	**301**	104	29
Improvement of Synthol total feed compressors	Synfuels	**266**		
Selective catalytic cracker baseline optimisation project	Synfuels	**231**	206	76
Ash-lock project	Synfuels	**181**	191	70
17th Reformer project	Synfuels	**174**		
Turbo phase 1 project	Synfuels	**148**	33	64
Replace long term catalyst	Synfuels	**111**	112	63
Replacement of turbine rotors for generator 4	Synfuels		51	6
Switchgear replacement programmes	Synfuels	**94**	64	45
Sulphuric acid plant project	Synfuels	**89**	134	281
Volatile organic compounds abatement programme	Synfuels	**64**	41	
Refurbishment of firewater lines	Synfuels	**84**	47	43
Oxygen emergency shut down system replacement	Synfuels	**71**	115	91
Replacement of steam turbines at steam plant	Synfuels	**60**		
Refurbishment of the utility cooling water towers	Synfuels	**55**	2	
Replacement of combined waste heat boilers and feed preheater	Synfuels	**54**	39	12
Synthol tailgas compressor and turbine upgrade	Synfuels	**51**	111	
Replacement of tube bundles in interstage cooler systems	Synfuels	**37**	90	8
Replacement of conveyor belts for coal processing and ash plants	Synfuels		62	5
Change plant to reduce benzene fuel	Synfuels	**25**	84	116
Secunda Natref pipeline project	Oil	**155**	50	
Diesel unifier project	Oil	**154**	79	
Depot expansion project	Oil	**148**	117	11
Supply chain project	Oil	**69**	28	
Hydrocrackers project	Oil	**14**	184	
Replace long term catalyst	Oil	**9**	50	2

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Sasol Limited Group

Notes to the Financial Statements (Continued)

4 Assets under construction (Continued)

Project	Business unit	2010	2009	2008
		Rm	**Rm**	**Rm**
Oryx statutory maintenance	Synfuels International	**264**	288	213
Replacement of trunk and gathering lines at Sasol Petroleum Temane	Petroleum International		84	179
Upgrade of central processing facility at Sasol Petroleum Temane	Petroleum International	**77**	48	11
Replacement of Infrachem laboratory	Other chemical businesses	**101**	60	
Replacement of cranes	Other businesses	**27**	61	
Replacement of information management systems and software	Other businesses	**127**	174	
Replacement of existing radio systems	Other businesses		121	
Other projects to sustain existing operations	Various	**1 913**	2 136	1 760
Expenditure related to environmental obligations	Various	**126**	239	396
Expenditure incurred relating to safety regulations	Various	**185**	331	197
		7 849	5 684	3 825

Significant projects to expand operations include:

Project	Business unit	2010	2009	2008
		Rm	**Rm**	**Rm**
Pipeline expansion 1st compressor	Gas	**186**	532	
Power generation with open cycle turbines	Synfuels	**842**	1 077	186
16th Oxygen train project	Synfuels	**970**	507	304
10th SAS reactor	Synfuels	**463**	316	69
Gas heated exchange reformers	Synfuels	**354**	189	23
Oryx GTL and Escravos GTL	Synfuels International			865
3rd Catalyst plant in Sasolburg, South Africa	Synfuels International	**465**	221	10
2nd Catalyst plant, The Netherlands	Synfuels International			366
Mozambique expansion	Petroleum International	**484**	1 203	454
Petroleum West Africa development	Petroleum International	**83**	429	235
Project Turbo	Polymers		86	362
Arya Sasol Polymer Company (Iran)	Polymers		166	457
2nd and 3rd Octene trains	Solvents		298	323
Fischer-Tropsch Wax expansion project	Other chemical businesses	**564**	227	
Other projects	Various	**1 763**	2 112	1 192
		6 174	7 363	4 846

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Sasol Limited Group

Notes to the Financial Statements (Continued)

5 Goodwill

	Note	2010	2009	2008
		Rm	Rm	Rm
Cost				
Balance at beginning of year		**1 877**	2 102	1 524
Acquisition of businesses	55			144
Translation of foreign operations	47	**(218)**	(225)	434
Balance at end of year		**1 659**	1 877	2 102
Accumulated impairment				
Balance at beginning of year		**1 072**	1 228	938
Translation of foreign operations		**(151)**	(156)	290
Balance at end of year		**921**	1 072	1 228
Carrying value at end of year		**738**	805	874
Business segmentation				
Olefins & Surfactants		**203**	222	250
Solvents		**184**	220	249
Wax		**171**	183	195
Nitro		**95**	95	95
Oil		**85**	85	85
Total operations		**738**	805	874

For the purposes of impairment testing, goodwill is allocated to the smallest cash generating unit. Impairment testing in respect of goodwill is performed at each reporting date by comparing the recoverable amount based on the value-in-use of the cash generating unit to the carrying amount as described in note 42.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

6 Other intangible assets

	Note	2010	2009	2008
		Rm	Rm	Rm
Cost				
Balance at beginning of year		**3 067**	2 992	2 861
Acquisition of businesses	55		3	49
Additions		**256**	363	274
to enhance existing operations		**255**	209	267
to expand operations		**1**	154	7
Net transfer (to)/from property, plant and equipment	3	**(1)**	3	3
Assets under construction capitalised	4	**260**	308	111
Transfer (to)/from inventories		**(3)**		1
Net reclassification from/(to) from held for sale		**6**	(7)	
Translation of foreign operations	47	**(173)**	(209)	315
Disposal of businesses		**(1)**		
Disposals and scrapping		**(269)**	(386)	(622)
Balance at end of year		**3 142**	3 067	2 992
Comprising				
Software		**1 301**	1 121	1 177
Patents and trademarks		**916**	982	896
Emission rights		**274**	297	305
Other intangible assets		**651**	667	614
		3 142	3 067	2 992

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Sasol Limited Group

Notes to the Financial Statements (Continued)

6 Other intangible assets (Continued)

	Note	2010	2009	2008
		Rm	Rm	Rm
Accumulated amortisation and impairment				
Balance at beginning of year		**1 999**	2 028	2 232
Acquisition of businesses				(7)
Current year charge	35	**203**	186	192
(Reversal of impairment)/impairment of assets	42	**(14)**	137	3
Net transfer (to)/from property, plant and equipment	3	**(23)**	2	(2)
Transfer to inventories		**(1)**		
Net reclassification from/(to) held for sale		**6**	(7)	
Translation of foreign operations	47	**(104)**	(99)	196
Disposal of businesses		**(1)**		
Disposals and scrapping		**(116)**	(248)	(586)
Balance at end of year		**1 949**	1 999	2 028
Comprising				
Software		**868**	846	932
Patents and trademarks		**649**	705	738
Emission rights		**26**	77	7
Other intangible assets		**406**	371	351
		1 949	1 999	2 028
Carrying value				
Software		**433**	275	245
Patents and trademarks		**267**	277	158
Emission rights		**248**	220	298
Other intangible assets		**245**	296	263
		1 193	1 068	964

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Sasol Limited Group

Notes to the Financial Statements (Continued)

6 Other intangible assets (Continued)

2010	Software	Patents and trademarks	Emission rights	Other intangible assets	Total
	Rm	**Rm**	**Rm**	**Rm**	**Rm**
Cost					
Balance at 30 June 2009	1 121	982	297	667	**3 067**
Additions	20	27	205	4	**256**
to enhance existing operations	19	27	205	4	**255**
to expand operations	1				**1**
Net transfer to property, plant and equipment	(1)				**(1)**
Assets under construction capitalised	242	2		16	**260**
Transfer to inventories	(3)				**(3)**
Net reclassification from held for sale			6		**6**
Translation of foreign operations	(20)	(85)	(34)	(34)	**(173)**
Disposal of businesses			(1)		**(1)**
Disposals and scrapping	(58)	(10)	(199)	(2)	**(269)**
Balance at 30 June 2010	**1 301**	**916**	**274**	**651**	**3 142**
Accumulated amortisation and impairment					
Balance at 30 June 2009	846	705	77	371	**1 999**
Current year charge	121	32		50	**203**
Reversal of impairment of assets		(8)	(6)		**(14)**
Transfer to property, plant and equipment	(23)				**(23)**
Transfer to inventories	(1)				**(1)**
Net reclassification from held for sale			6		**6**
Translation of foreign operations	(18)	(71)	(2)	(13)	**(104)**
Disposal of businesses			(1)		**(1)**
Disposals and scrapping	(57)	(9)	(48)	(2)	**(116)**
Balance at 30 June 2010	**868**	**649**	**26**	**406**	**1 949**
Carrying value at 30 June 2010	**433**	**267**	**248**	**245**	**1 193**
Carrying value at 30 June 2009	275	277	220	296	**1 068**

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Sasol Limited Group

Notes to the Financial Statements (Continued)

6 Other intangible assets (Continued)

All intangible assets were acquired from third parties.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Additions to other intangible assets (cash flow)			
To enhance existing operations	**50**	25	10
current year additions	**255**	209	267
adjustments for non-cash item emission rights received	**(205)**	(184)	(257)
To expand operations	**1**	101	7
current year additions	**1**	154	7
adjustments for non-cash item emission rights received		(53)	
Per the statement of cash flows	**51**	126	17

	2010	2009	2008
	Rm	**Rm**	**Rm**
Additional disclosures			
Cost price of fully amortised and fully impaired assets still in use	**776**	990	1 045
Amortisation rates			
Software	**17-33%**	17-33%	17-33%
Patents and trademarks	**20%**	20%	20%

Emission rights are not subject to amortisation. The assessment that the estimated useful lives of these assets are indefinite is based on the assumption that emission rights can be utilised over an indefinite number of years as there are no limitations on the transferability thereof. This assessment is reviewed at least annually. The recoverable amount of emission rights is determined based on their quoted market price.

The estimation of the useful lives of other intangible assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These rates represent management's best estimate of the useful lives of these assets.

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Notes to the Financial Statements (Continued)

6 Other intangible assets (Continued)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Estimated future aggregate amortisation			
Within one year	**248**	195	167
One to two years	**177**	147	113
Two to three years	**129**	124	83
Three to four years	**100**	88	65
Four to five years	**65**	170	38
More than five years	**226**	124	200
	945	848	666
Assets not subject to amortisation (emission rights)	**248**	220	298
	1 193	1 068	964

	2010	2009	2008
	Rm	**Rm**	**Rm**
Business segmentation of emission rights			
Olefins & Surfactants	**165**	136	212
Solvents	**42**	41	69
Wax	**8**	9	14
Financing	**30**	31	
Merisol	**3**	3	3
	248	220	298

Capital commitments

Capital commitments include all projects for which specific board approval has been obtained at the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:

	2010	2009	2008
	Rm	**Rm**	**Rm**
Authorised and contracted for	**112**	138	199
Authorised but not yet contracted for	**245**	140	60
Less expenditure to the end of year	**(84)**	(94)	(164)
	273	184	95

These capital commitments are in respect of subsidiary companies only.

Funding

Capital expenditure will be financed from funds generated out of normal business operations, existing borrowing facilities and specific project financing.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

7 Investments in securities

	Note	2010	2009	2008
		Rm	Rm	Rm
Investments available-for-sale	7.1	**245**	264	288
long-term investments		**168**	187	210
short-term investment*		**77**	77	78
Investments held-to-maturity	7.2	**417**	387	347
Investments in securities per statement of financial position		**662**	651	635
long-term portion		**585**	574	557
short-term portion		**77**	77	78

* Since 2006, sEnergy Insurance Limited suspended its underwriting activities and is currently in the process of discharging its liabilities and settling all claims in full. The company will be liquidated. It is expected that Sasol's initial investment in the company will be repaid within the next year, once this process had been completed.

7.1 Investments available-for-sale

	Note	2010	2009	2008
		Rm	Rm	Rm
At cost				
Balance at beginning of year		**264**	288	230
Investments purchased		**17**	9	6
Investments sold		**(14)**	(7)	
Impairment of investments	42	**(1)**	(8)	
Revaluation to fair value		**4**		(1)
Disposal of businesses			7	
Transfer to investments in associates				(1)
Translation of foreign operations	47	**(25)**	(25)	54
Balance at end of year		**245**	264	288

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Sasol Limited Group

Notes to the Financial Statements (Continued)

7 Investments in securities (Continued)

Fair value of investments available-for-sale

The fair value of the unlisted equity investments cannot be determined as there is no market price information available on these investments. According to management's valuation, these investments are carried at their original cost less impairment in the statement of financial position.

Name	Country of incorporation	Nature of business	Interest	2010	2009	2008
			%	Rm	Rm	Rm
Investments available-for-sale						
Aetylen Rohrleitungsgesellschaft GmbH & Co KG	Germany	Pipeline business	20	**135**	157	185
sEnergy Insurance Limited	Bermuda	Insurance	6	**77**	77	78
Other			various	**33**	30	25
				245	264	288

Except for the investment in sEnergy Insurance Limited, the unlisted investments represent strategic investments of the group and are long-term in nature as management has no intention of disposing of these investments in the foreseeable future.

7.2 Investments held-to-maturity

	2010	2009	2008
	Rm	Rm	Rm
At amortised cost			
Balance at beginning of year	**387**	347	312
Reinvestment of funds	**30**	40	35
Balance at end of year	**417**	387	347

Fair value of investments held-to-maturity

The fair value of investments held-to-maturity is determined using a discounted cash flow method using market related rates at 30 June. The market related rates used to discount estimated cash flows were between 7,55% and 8,05% (2009 11,5% and 11,8%).

	Carrying value 2010	Fair value 2010
	Rm	Rm
Investments held-to-maturity	**417**	**417**

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Sasol Limited Group

Notes to the Financial Statements (Continued)

7 Investments in securities (Continued)

At 30 June, the group's investments held-to-maturity and their carrying values were

Name	Country of incorporation	Nature of business	Interest rate at 30 June 2010	2010	2009	2008
			%	Rm	Rm	Rm
Investments held-to-maturity						
Long-term fixed deposits with fixed interest and fixed or determinable maturity dates	South Africa	Investment*	7,55-8,05	**417**	387	347

* The long-term fixed deposits are restricted in use as they are held in a separate trust to be used exclusively for rehabilitation purposes at Sasol Mining.

8 Investments in associates

	2010	2009	2008
	Rm	Rm	Rm
Balance at beginning of year	**2 170**	830	692
Acquisition of associates		1 310	1
Additional investments in associates	**1 248**	524	
Share of profit of associates, net of dividends received	**164**	(210)	105
Effect of translation of foreign operations	**(9)**	(284)	32
Balance at end of year	**3 573**	2 170	830
Comprising			
Investments at cost	**3 365**	2 105	271
Share of post-acquisition reserves	**208**	65	559
	3 573	2 170	830

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Sasol Limited Group

Notes to the Financial Statements (Continued)

8 Investments in associates (Continued)

Fair value of investments in associates

The fair value of investments in associates is determined using a discounted cash flow method using market related rates at 30 June. The market related rates used to discount estimated cash flows were between 9,96% and 15,50% (2009 13,25% and 14,30%).

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Estimated fair value of investments in associates		**6 301**	6 050	3 790
Dividends received from associates	52	**53**	480	235
Key financial information of associates*				
Non-current assets		**39 885**	29 616	4 010
Property, plant and equipment		**3 712**	3 452	3 703
Assets under construction		**36 041**	26 020	
Other non-current assets		**132**	144	307
Current assets		**9 644**	4 931	2 967
Total assets		**49 529**	34 547	6 977
Shareholders' equity		**23 383**	12 551	4 779
Long-term debt (interest bearing)		**113**	109	399
Long-term provisions		**750**	2	2
Other non-current liabilities		**23 562**	19 595	821
Interest bearing current liabilities		**707**	1 248	620
Non-interest bearing current liabilities		**1 014**	1 042	356
Total equity and liabilities		**49 529**	34 547	6 977
Total turnover		**5 827**	7 496	5 913
Operating profit		**2 295**	3 139	2 802
Finance income		**2**	3	2
Finance expenses		**(33)**	(50)	(61)
Profit before tax		**2 264**	3 092	2 743
Taxation		**(571)**	(794)	(651)
Profit		**1 693**	2 298	2 092

* The financial information provided represents the full financial position and results of the associates.

There were no contingent liabilities at 30 June 2010 relating to associates other than disclosed in note 57.

In 2010, an amount of R1 266 million (2009 R2 468 million) has been committed by the group for further development of the Escravos GTL project. Refer to note 3 for capital commitments relating to 2008.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

8 Investments in associates (Continued)

Impairment testing in respect of investments in associates is performed at each reporting date by comparing the recoverable amount based on the value-in-use of the cash generating unit to the carrying amount as described in note 42.

At 30 June, the group's associates, interest in those associates and the total carrying value were

Name	Country of incorporation	Nature of business	Interest	Carrying value 2010	2009	2008
			%	Rm	Rm	Rm
Escravos GTL (EGTL)*	Nigeria	GTL plant	**10**	**2 702**	1 507	
Optimal Olefins Malaysia Sdn Bhd**	Malaysia	Ethane and propane gas cracker	**12**	**676**	484	686
Wesco China Ltd	Hong Kong	Trading and distribution of plastics raw materials	**40**	**154**	128	127
Other			**various**	**41**	51	17
				3 573	2 170	830

*
The 10% interest retained by Sasol in the EGTL project has been recognised as an investment in an associate at its fair value at the date of disposal (refer note 12). Although the group holds less than 20% of the voting power of EGTL, the group exercises significant influence as a member of Sasol's senior management serves on the executive committee of the project and Sasol is responsible for providing essential technical support to the project.

**
Although the group holds less than 20% of the voting power of Optimal Olefins Malaysia Sdn Bhd, the group exercises significant influence as a member of Sasol's senior management serves on the board of directors of the company.

Associates whose financial year ends are within three months of 30 June are included in the consolidated financial statements using their most recently audited financial results. Adjustments are made to the associates' financial results for material transactions and events in the intervening period.

None of the group's investments in associates are publicly traded and therefore no quoted market prices are available. Therefore, the fair value of investments in associates is determined using a discounted cash flow method using market related rates at 30 June.

There are no significant restrictions on the ability of the associates to transfer funds to Sasol Limited in the form of cash dividends or repayment of loans or advances.

9 Post-retirement benefit assets

	2010	2009	2008

	Rm	Rm	Rm
Post-retirement benefit assets	**789**	716	571

For further details of post-retirement benefit assets, refer note 21.

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Notes to the Financial Statements (Continued)

10 Long-term receivables and prepaid expenses

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Total long-term receivables		**1 317**	1 835	1 499
Short-term portion	15	**(169)**	(412)	(167)
		1 148	1 423	1 332
Long-term prepaid expenses		**93**	33	53
		1 241	1 456	1 385
Comprising				
Long-term joint venture receivables (interest bearing)		**791**	1 060	868
Long-term interest-bearing loans		**307**	318	353
Long-term interest-free loans		**50**	45	111
		1 148	1 423	1 332
Maturity profile				
Within one year		**169**	412	167
One to two years		**325**	13	12
Two to three years		**320**	8	324
Three to four years		**164**	8	282
Four to five years		**9**	350	285
More than five years		**330**	1 044	429
		1 317	1 835	1 499
Currency analysis				
Euro		**1 243**	1 380	1 234
US dollar		**34**	435	180
Rand		**38**	17	81
Other currencies		**2**	3	4
		1 317	1 835	1 499
Geographic segmentation				
South Africa		**44**	23	90
Rest of Africa		**9**	3	3
Europe		**324**	362	409
North America		**19**	39	79
Southeast Asia and Australasia				1
Middle East and India		**919**	1 406	918
Far East		**2**	2	1
		1 317	1 835	1 499

Fair value of long-term loans and receivables

The fair value of long-term receivables is determined using a discounted cash flow method using market related rates at 30 June. The fair value of long-term interest bearing receivables approximates the carrying value as market related rates of interest are charged on these outstanding amounts.

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Notes to the Financial Statements (Continued)

The interest-free loans relate primarily to deposits on office rental space in terms of various operating lease agreements. These amounts were considered to be recoverable as at 30 June 2010.

	2010	2009	2008
	Rm	Rm	Rm
Fair value of long-term receivables	**1 317**	1 835	1 499

Impairment of long-term loans and receivables

Long-term loans and receivables that are not past the due date are not considered to be impaired, except in situations where they are part of individually impaired long-term loans and receivables.

Collateral

The group holds no collateral over the long-term receivables.

11 Long-term financial assets

	2010	2009	2008
	Rm	Rm	Rm
Forward exchange contracts	**2**	14	11
Cross currency swaps			665
Interest rate derivatives		1	13
Arising on long-term derivative financial instruments	**2**	15	689
used for cash flow hedging		1	13
held for trading	**2**	14	676

Long-term financial assets include the revaluation of in-the-money long-term derivative instruments, refer note 64.

Fair value of derivative financial instruments

The fair value of derivatives was based upon market valuations.

Forward exchange contracts and cross currency swaps

The fair value gains were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts and cross currency swaps at year end was calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values were then determined using the appropriate currency specific discount curve.

Interest rate derivatives

The fair value of interest rate derivatives were determined by reference to quoted market prices for similar instruments.

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Notes to the Financial Statements (Continued)

Current assets

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Investments in securities	7	**77**	77	78
Assets held for sale	12	**16**	86	3 833
Inventories	13	**16 472**	14 589	20 088
Tax receivable	28	**356**	27	10
Trade receivables	14	**18 624**	15 176	22 838
Other receivables and prepaid expenses	15	**1 417**	1 864	2 407
Short-term financial assets	16	**50**	520	330
Cash restricted for use	17	**1 841**	1 247	814
Cash	17	**14 870**	19 425	4 435
		53 723	53 011	54 833

12 Disposal groups held for sale

	2010	2009	2008
	Rm	**Rm**	**Rm**
Assets held for sale			
Sasol Italy Paderno Dugano site	**16**		
Sasol Italy Crotone		86	
Escravos GTL			3 833
	16	86	3 833
Liabilities in disposal groups held for sale			
Sasol Italy Paderno Dugano site	**(4)**		
Sasol Italy Crotone		(65)	
Escravos GTL			(142)
	(4)	(65)	(142)

12.1 Olefins & Surfactants (Sasol O&S)

During 2010, as part of the Sasol O&S restructuring programme announced in March 2007, Sasol decided to dispose of its Paderno Dugnano Italy site. As a result, Sasol entered into negotiations with a potential buyer interested in acquiring the land.

During 2009, as part of the Sasol O&S restructuring programme announced in March 2007, Sasol decided to dispose of its investment in the inorganic business situated at the Crotone, Italy site. As a result, Sasol entered into negotiations with a potential buyer interested in acquiring the business as a going concern. Based on management's estimate of fair value to be obtained from the sale, the net assets were impaired by R16 million to their fair value less costs to sell.

12.2 Escravos GTL (EGTL)

During 2008, Sasol decided in principle that it would not continue with its then current 37,5% participation in the EGTL project. As a result, Sasol entered into negotiations with Chevron Nigeria Limited to reduce its interest from 37,5% to 10%. Based on management's estimate of fair value to be

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Notes to the Financial Statements (Continued)

12 Disposal groups held for sale (Continued)

obtained from the sale, the EGTL net assets were impaired by R362 million to their fair value less costs to sell in 2008.

Consequently, EGTL was no longer proportionally consolidated as a joint venture and the assets were classified as a disposal group held for sale. On 24 December 2008, Sasol reduced its interest in EGTL from 37,5% to 10%. The 10% interest retained by Sasol has been recognised as an investment in an associate at its fair value at the date of the disposal plus additional investments in the associate (refer note 8).

	2008 Rm
Net assets transferred to assets held for sale	
Non-current assets	**7 940**
Assets under construction	**7 235**
Long-term receivables	**705**
Current assets	**1 420**
Inventories	**226**
Trade receivables	**1**
Other receivables and prepaid expenses	**421**
Cash restricted for use	**772**
EGTL assets transferred to assets held for sale	**9 360**
Non-current liabilities	**(4 985)**
Long-term provisions	**97**
Long-term deferred income	**(3 820)**
Deferred tax liabilities	**(1 262)**
Current liabilities	**(684)**
Trade payables and accrued expenses	**(525)**
Other payables	**(159)**
EGTL liabilities transferred to assets held for sale	**(5 669)**
	3 691
EGTL assets held for sale consisted of the following	
Total investment in EGTL project	**3 833**
27,5% interest in EGTL project to be disposed	**2 811**
10,0% interest in EGTL project to be retained	**1 022**
Deferred tax liability	**(142)**
	3 691

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Notes to the Financial Statements (Continued)

13 Inventories

	2010	2009	2008
	Rm	**Rm**	**Rm**
Carrying value			
Crude oil and other raw materials[1]	**2 622**	2 593	5 130
Process material	**1 400**	1 482	1 153
Maintenance materials	**2 851**	2 649	1 905
Work in process[1]	**1 357**	1 380	2 187
Manufactured products[1]	**8 124**	6 347	9 450
Consignment inventory	**118**	138	263
	16 472	14 589	20 088

(1) Intermediate products previously included as manufactured products and crude oil and other raw materials, having risks and rewards more closely aligned to work in process were reclassified. This resulted in R631 million being reclassified in 2009 (2008 R1 089 million) from manufactured products to work in process and R385 million being reclassified in 2009 (2008 R625 million) from crude oil and other raw materials to work in process.

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Inventories carried at net realisable value				
(taken into account in the carrying value of inventories above)				
Crude oil and other raw materials		**146**	51	35
Process material		**32**	189	230
Maintenance materials		**102**	20	17
Manufactured products		**2 040**	1 880	860
		2 320	2 140	1 142
Write-down/(reversal of write down) of inventories to net realisable value				
Crude oil and other raw materials		**42**	321	2
Process material		**(54)**	29	10
Maintenance materials		**4**		1
Manufactured products		**126**	615	92
Income statement charge	35	**118**	965	105
Inventory obsolescence				
(taken into account in the carrying value of inventories above)				
Balance at beginning of year		**388**	337	322
Raised during year		**168**	192	132
Utilised during year		**(110)**	(115)	(124)

Released during year	**(13)**	(14)	(22)
Translation of foreign operations	**(12)**	(12)	29
Balance at end of year	**421**	388	337

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Sasol Limited Group

Notes to the Financial Statements (Continued)

13 Inventories (Continued)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Business segmentation			
South African energy cluster	**6 622**	5 548	7 433
Mining	**847**	508	539
Gas	**40**	104	93
Synfuels	**1 874**	1 997	1 303
Oil	**3 861**	2 939	5 498
International energy cluster	**995**	866	694
Synfuels International	**973**	847	666
Petroleum International	**22**	19	28
Chemical cluster	**8 837**	8 155	11 942
Polymers	**1 498**	1 510	1 394
Solvents	**2 108**	1 628	1 711
Olefins & Surfactants	**3 129**	2 936	5 824
Other	**2 102**	2 081	3 013
Other businesses	**18**	20	19
Total operations	**16 472**	14 589	20 088

The impact of lower crude oil prices as well as prices of other energy and chemical products has had a direct impact on the carrying value of inventory, affecting mainly the Sasol Oil business unit and the chemical businesses. These decreases resulted in a net realisable value write-down of R172 million in 2010 (2009 R965 million; 2008 R105 million).

The reversal of the net realisable value write-down of R54 million in 2010 arises due to the increase in catalyst prices, which affect mainly the catalyst business.

No inventories are encumbered.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

14 Trade receivables

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Trade receivables		**14 245**	12 052	18 864
Related party receivables		**1 358**	705	952
third parties		**1 206**	549	664
joint ventures		**152**	156	288
Impairment of trade receivables		**(307)**	(258)	(144)
Receivables		**15 296**	12 499	19 672
Duties recoverable from customers		**2 064**	1 972	1 826
Value added tax		**1 264**	705	1 340
		18 624	15 176	22 838
Currency analysis				
Euro		**3 648**	2 906	5 406
US dollar		**4 809**	3 635	5 506
Rand		**6 073**	5 423	8 069
Pound sterling		**106**	94	123
Other currencies		**660**	441	568
		15 296	12 499	19 672
Impairment of trade receivables				
Balance at beginning of year		**(258)**	(144)	(118)
Raised during year	36	**(138)**	(198)	(60)
Utilised during year		**53**	25	14
Released during year	36	**15**	41	33
Translation of foreign operations		**21**	18	(13)
Balance at end of year		**(307)**	(258)	(144)

Age analysis of trade receivables

	Carrying value 2010	Impairment 2010	Carrying value 2009	Impairment 2009
	Rm	**Rm**	**Rm**	**Rm**

Not past due date	**12 756**	**28**	10 833	14
Past due 0 30 days	**1 002**	**10**	658	3
Past due 31 150 days	**144**	**46**	281	76
Past due 151 days 1 year	**140**	**23**	186	96
More than 1 year*	**203**	**200**	94	69
	14 245	**307**	12 052	258

*
More than 1 year relates to long outstanding balances for specific customers who have exceeded their contractual repayment terms.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

14 Trade receivables (Continued)

Renegotiated terms

The repayment terms of trade receivables to the value of R109 million at 30 June 2010 (2009 R250 million; 2008 Nil) has been renegotiated to assist the relevant parties in managing their short-term liquidity.

Impairment of trade receivables

Trade receivables that are not past the due date are not considered to be impaired, except in situations where they are part of individually impaired trade receivables. The individually impaired trade receivables mainly relate to certain customers who are trading in difficult economic circumstances.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Credit risk exposure in respect of trade receivables is analysed as follows			
Business segmentation			
South African energy cluster	**7 038**	6 062	8 688
Mining	**47**	18	192
Gas	**379**	268	316
Synfuels	**176**	152	273
Oil	**6 434**	5 615	7 902
Other	**2**	9	5
International energy cluster	**533**	651	1 188
Synfuels International	**335**	519	992
Petroleum International	**198**	132	196
Chemical cluster	**10 997**	8 435	12 948
Polymers	**2 543**	1 973	2 254
Solvents	**2 704**	1 925	3 094
Olefins & Surfactants	**4 016**	2 962	5 371
Other	**1 734**	1 575	2 229
Other businesses	**56**	28	14
Total operations	**18 624**	15 176	22 838

Fair value of receivables

The carrying value approximates fair value because of the short period to maturity of these instruments.

Collateral

No trade receivables have been committed as security for debt.

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Notes to the Financial Statements (Continued)

14 Trade receivables (Continued)

Geographic segmentation of trade receivables

	2010	2009	2008
	Rm	**Rm**	**Rm**
South Africa	**9 443**	8 028	11 221
Rest of Africa	**281**	343	507
Europe	**4 455**	3 780	6 709
North America	**1 695**	1 019	1 653
South America	**296**	187	446
South-East Asia and Australasia	**526**	495	745
Middle East and India	**1 202**	678	569
Far East	**726**	646	988
	18 624	15 176	22 838

15 Other receivables and prepaid expenses

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Fuel related receivables*				550
Insurance related receivables		**121**	211	300
Capital projects related receivables		**29**	32	63
Employee related receivables		**42**	43	48
Other receivables		**552**	621	954
		744	907	1 915
Short-term portion of long-term receivables	10	**169**	412	167
Other receivables		**913**	1 319	2 082
Prepaid expenses		**504**	545	325
		1 417	1 864	2 407

* Relates to the underrecovery by Sasol Oil on regulated fuel prices, which will be recovered by future increases in the regulated fuel price.

2010	2009	2008
Rm	**Rm**	**Rm**

Currency analysis			
Euro	**149**	122	477
US dollar	**237**	372	531
Rand	**265**	317	768
Other currencies	**93**	96	139
	744	907	1 915

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Sasol Limited Group

Notes to the Financial Statements (Continued)

15 Other receivables and prepaid expenses (Continued)

Geographic segmentation of other receivables and prepaid expenses

	2010	2009	2008
	Rm	**Rm**	**Rm**
South Africa	**489**	436	963
Rest of Africa	**36**	52	102
Europe	**379**	419	679
North America	**179**	346	131
South-East Asia and Australasia	**11**	17	1
Middle East and India	**304**	566	506
Far East	**19**	28	25
	1 417	1 864	2 407

Fair value of other receivables

The carrying value approximates fair value because of the short period to maturity of these instruments.

16 Short-term financial assets

	2010	2009	2008
	Rm	**Rm**	**Rm**
Forward exchange contracts	**50**	82	262
Cross currency swaps		438	
Interest rate derivatives			37
Commodity derivatives			31
Arising on short-term derivative financial instruments	**50**	520	330
used for cash flow hedging	**2**	13	276
held for trading	**48**	507	54

Short-term financial assets include the revaluation of in-the-money derivative instruments, refer note 64.

Fair value of derivative financial instruments

The fair value of derivatives was based upon market valuations.

Forward exchange contracts and cross currency swaps

The fair value gains were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts and cross currency swaps at year end was calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values were then determined using the appropriate currency specific discount curve.

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Notes to the Financial Statements (Continued)

16 Short-term financial assets (Continued)

Interest rate and commodity derivatives

The fair value of interest rate and commodity derivatives were determined by reference to quoted market prices for similar instruments.

17 Cash and cash equivalents

	2010	2009	2008
	Rm	**Rm**	**Rm**
Cash restricted for use	**1 841**	1 247	814
Cash	**14 870**	19 425	4 435
Bank overdraft	**(119)**	(80)	(914)
Per the statement of cash flows	**16 592**	20 592	4 335
Cash restricted for use			
In trust	**209**	470	241
In respect of joint ventures	**1 176**	242	204
In cell captive insurance companies	**239**	166	162
Held as collateral	**87**	78	96
Other	**130**	291	111
	1 841	1 247	814

Included in cash restricted for use:

Cash held in trust of R209 million (2009 R470 million; 2008 R241 million) is restricted for use and is being held in escrow for the funding of specific project finance related to the construction of joint venture plants;

Cash in respect of joint ventures can only be utilised for the businesses of the joint ventures;

Cell captive insurance company funds of R239 million (2009 R166 million; 2008 R162 million) to which the group has restricted title. The funds are restricted solely to be utilised for insurance purposes;

Cash deposits of R87 million (2009 R78 million; 2008 R96 million) serving as collateral for bank guarantees; and

Other cash restricted for use include customer foreign currency accounts to be used for the construction of reactors where the contractor pays in advance. The cash can be utilised only for these designated reactor supply projects.

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Notes to the Financial Statements (Continued)

17 Cash and cash equivalents (Continued)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Currency analysis			
Euro	**645**	499	244
US dollar	**456**	314	172
Rand	**255**	212	236
Other currencies	**485**	222	162
	1 841	1 247	814
Cash			
Cash on hand and in bank	**3 590**	4 580	2 945
Foreign currency accounts	**394**	293	705
Short-term deposits	**10 886**	14 552	785
	14 870	19 425	4 435
Currency analysis			
Euro	**640**	1 512	821
US dollar	**2 559**	3 169	2 633
Rand	**11 004**	14 328	499
Pound sterling	**64**	44	63
Other currencies	**603**	372	419
	14 870	19 425	4 435
Bank overdraft	**(119)**	(80)	(914)
Currency analysis			
Euro	**(75)**	(28)	(542)
US dollar	**(3)**		(20)
Rand	**(38)**	(50)	(341)
Other currencies	**(3)**	(2)	(11)
	(119)	(80)	(914)

Fair value of cash and cash equivalents

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

Non-Current Liabilities

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**

Long-term debt	18	**14 111**	13 615	15 682
Long-term financial liabilities	19	**75**	143	37
Long-term provisions	20	**7 013**	5 729	4 491
Post-retirement benefit obligations	21	**4 495**	4 454	4 578
Long-term deferred income	22	**273**	297	376
Deferred tax liabilities	23	**10 406**	9 168	8 446
		36 373	33 406	33 610

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Notes to the Financial Statements (Continued)

18 Long-term debt

	Note	2010	2009	2008
		Rm	Rm	Rm
Total long-term debt		**15 197**	17 887	16 803
Short-term portion	24	**(1 086)**	(4 272)	(1 121)
		14 111	13 615	15 682
Analysis of long-term debt				
At amortised cost				
Secured debt		**3 611**	3 973	7 469
Preference shares		**6 960**	6 730	2 215
Finance leases		**908**	795	753
Unsecured debt		**3 766**	6 444	6 461
Unamortised loan costs		**(48)**	(55)	(95)
		15 197	17 887	16 803
Reconciliation				
Balance at beginning of year		**17 887**	16 803	16 434
Acquisition of businesses	55			257
Loans raised		**2 080**	5 575	3 806
Loans repaid		**(4 647)**	(4 820)	(4 588)
Amortisation of loan costs		**18**	21	19
Effect of cash flow hedge accounting		**8**		1
Translation effect of foreign currency loans		**(94)**	135	356
Translation of foreign operations	47	**(55)**	173	518
Balance at end of year		**15 197**	17 887	16 803
Currency analysis				
Euro		**2 680**	5 733	6 723
US dollar		**126**	180	2 638
Rand		**12 314**	11 878	7 346
Other		**77**	96	96
		15 197	17 887	16 803
Interest bearing status				
Interest bearing debt		**14 472**	17 244	16 166
Non-interest bearing debt		**725**	643	637
		15 197	17 887	16 803
Maturity profile				
Within one year		**1 086**	4 272	1 121
One to two years		**1 751**	911	4 816
Two to three years		**1 418**	1 181	1 392

Three to four years	**1 375**	1 106	1 450
Four to five years	**947**	1 172	1 429
More than five years	**8 620**	9 245	6 595
	15 197	17 887	16 803

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Notes to the Financial Statements (Continued)

18 Long-term debt (Continued)

	2010	2009	2008
	Rm	Rm	Rm
Related party long-term debt included in long-term debt			
Third parties	**1 566**	1 159	134
Joint ventures	**78**	33	803
	1 644	1 192	937
Business segmentation			
South African energy cluster	**4 835**	4 492	4 422
Mining	**99**		
Gas	**2 245**	2 271	2 410
Synfuels	**2**		
Oil	**2 489**	2 221	2 012
International energy cluster	**660**	814	3 426
Synfuels International	**3**	3	2 454
Petroleum International	**657**	811	972
Chemical cluster	**2 692**	2 486	3 044
Polymers	**2 353**	2 341	2 861
Solvents	**192**		1
Olefins & Surfactants	**117**	120	140
Other	**30**	25	42
Other businesses*	**7 010**	10 095	5 911
Total operations	**15 197**	17 887	16 803

* Other businesses include Sasol Financing which conducts the group's treasury activities.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

18 Long-term debt (Continued)

Fair value of long-term debt

The fair value of long-term debt is based on the quoted market price for the same or similar instruments or on the current rates available for debt with the same maturity profile and with similar cash flows. Market related rates ranging between 2,0% and 18,25% were used to discount estimated cash flows based on the underlying currency of the debt.

	2010	2009	2008
	Rm	Rm	Rm
Total long-term debt (before unamortised loan costs)	**14 554**	16 273	16 672

In terms of Sasol Limited's Articles of Association the group's borrowing powers are limited to twice the sum of its share capital and reserves (2010 R189 billion, 2009 R168 billion and 2008 R153 billion).

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2010	2010	2009	2008
					Rm	Rm	Rm
Secured debt							
Repayable in semi-annual instalments ending between June 2015 and December 2017	Secured by plant and intangible assets with a carrying value of R3 710 million (2009 R3 620 million)	Gas (Rompco)	Rand	Jibar + 1,15% to 2,5%	**1 371**	1 608	1 844
Repayable in semi-annual instalments ending between 2012 and 2016	Secured by plant and intangible assets with a carrying value of R4 465 million (2009 R4 667 million)	Polymers (Arya)	Euro and US dollar	Euribor + 0,5% and Libor + 0,5%	**1 262**	1 398	2 008
Repayable in semi-annual instalments ending June 2015	Secured by plant and equipment with a carrying value of R3 110 million (2009 R2 746 million)	Petroleum International	Rand and Euro	Jibar + 1,15% to 2,5% and Euribor + 2,5%	**671**	831	1 001
Repayable in quarterly instalments ending December 2011 and 2012	Secured by a mortgage over property, plant and equipment with a carrying value of R90 million (2009 R134 million)	O&S (Yihai)	US dollar and Yuan renminbi	Libor + 10,5% and Fixed 5,8% to 6,5%	**88**	113	126
Repayable in April 2014	Secured by the shares in the company borrowing the funds	Oil (Petromoc)	US dollar	Variable 18,0%	**7**	10	13
Repayable in semi-annual instalments ending December 2018	Secured by plant, intangible and other current assets with a carrying value of R199 million	Huntsman	Euro	Euribor + 2,9%	**199**		
Other secured debt		Various	Various	Various	**13**	13	15
Settled during the financial year							2 462
					3 611	3 973	7 469

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Sasol Limited Group

Notes to the Financial Statements (Continued)

18 Long-term debt (Continued)

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2010	2010	2009	2008
					Rm	**Rm**	**Rm**
Preference shares							
A preference shares repayable in semi-annual instalments between October 2011 and October 2018[1]	Secured by Sasol preferred ordinary shares held by the company	Other (Inzalo)	Rand	Fixed 10,2% to 11,2%	**2 462**	2 475	901
B preference shares repayable October 2018[2]	Secured by Sasol preferred ordinary shares held by the company	Other (Inzalo)	Rand	Fixed 12,1% to 13,5%	**1 153**	1 152	363
C preference shares repayable October 2018[3]	Secured by guarantee from Sasol Limited	Other (Inzalo)	Rand	Variable 7,3%	**3 345**	3 103	951
					6 960	6 730	2 215
Finance leases							
Repayable in monthly instalments over 10 to 30 years ending 2033	Secured by plant and equipment with a carrying value of R774 million (2009 R761 million)	Oil	Rand	Variable 7,75% to 17,0%	**733**	737	726
Other smaller finance leases	Underlying assets	Various	Various	Various	**175**	58	10
Settled during the financial year							17
					908	795	753
Total secured debt					**11 479**	11 498	10 437

Terms of repayment	Business	Currency	Interest rate at 30 June 2010	2010	2009	2008
				Rm	**Rm**	**Rm**
Unsecured debt						
Repayable in semi-annual instalments ending December 2017	Oil	Rand	Variable 7,68%	**923**	1 089	919
Loan from iGas (non-controlling shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Limited. No fixed repayment terms	Gas (Rompco)	Rand		**300**	300	300
Loan from CMG (non-controlling shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Limited. No fixed repayment terms	Gas (Rompco)	Rand		**300**	300	300
Term loan from CEF in Republic of Mozambique Pipeline Investments Company (Pty) Limited. Repayable by June 2012	Gas (Rompco)	Rand	Jibar + 4,5%	**300**	100	
Repayable in semi-annual instalments ending June 2014	Oil	Rand	Fixed 11,55%	**116**	161	205
No fixed repayment terms	Oil	Rand	Fixed 8,0%	**253**	215	135

Repayable in yearly instalments ending June 2019	Oil	Rand	Variable 9,24%	**450**		
Repayable in equal semi-annual instalments until 31 December 2013	Polymers (Arya)	Euro	Euribor + 3,0%	**1 013**	917	784
Other unsecured debt	Various	Various	Various	**111**	53	54
Settled during the financial year	Various	Various	Various		3 309	3 764
Total unsecured debt				**3 766**	6 444	6 461
Total long-term debt				**15 245**	17 942	16 898
Unamortised loan costs (amortised over period of debt using effective interest rate method)				**(48)**	(55)	(95)
				15 197	17 887	16 803
Repayable within one year included in short-term debt (refer note 24)				**(1 086)**	(4 272)	(1 121)
				14 111	13 615	15 682

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Sasol Limited Group

Notes to the Financial Statements (Continued)

18 Long-term debt (Continued)

(1)

No additional A preference shares debt was raised in the current year (2009 R1 530 million; 2008 R900 million) within special purpose entities as part of the Sasol Inzalo share transaction (refer note 46). During the year R14 million (2009 R7 million) was repaid in respect of the capital portion related to these preference shares. Dividends on these preference shares a repayable in semi-annual instalments ending October 2018. It is required that 50% of the principal amount be repaid between October 2008 and October 2018, with the balance of the debt repayable at that date. The A Preference shares are secured by a first right over the Sasol prefer red ordinary shares held by the special purpose entities. It thereforehas no direct recourse against Sasol Limited. The Sasol preferred ordinary shares held may not be disposed of or encumb ered in any way.

(2)

No additional B preference shares debt was raised in the current year (2009 R765 million; 2008 R363 million) within special purpose entities as part of the Sasol Inzalo share transaction. Dividends on these preference shares are payable in semi-annual instalments ending October 2018. The principal amount is repayable on maturity during October 2018. The B Preference shares are secured by a second right over the Sasol preferred ordinary shares held by the special purpose entities. It therefore has no direct recourse against Sasol Limited. The Sasol preferred ordinary shares held may not be disposed of or encumbered in any way.

(3)

No additional B preference shares debt was raised in the current year (2009 R1 900 million; 2008 R950 million) within special purpose entities as part of the Sasol Inzalo share transaction. Dividends and the principal amount on these preference shares are payable on maturity during October 2018. The C Preference shares are secured by a guarantee from Sasol Limited. The Sasol preferred ordinary shares held may not be disposed of or encumbered in any way.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

18 Long-term debt (Continued)

Banking facilities and debt arrangements at 30 June 2010

	Expiry date	Currency	Rand equivalent	Utilisation
			Rm	**Rm**
Sasol Financing				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Rand	**4 681**	**32**
Commercial paper programme	None	Rand	**6 000**	
Committed facility				
Revolving credit facility (bilateral)	June 2013	US dollar	**1 151**	
Commercial banking facilities	Various (short-term)	Rand	**3 800**	
Sasol Financing International				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Euro	**161**	
Committed facility				
Revolving credit facility (bilateral)	June 2013	US dollar	**1 151**	
Other Sasol businesses				
Asset based finance				
Republic of Mozambique Pipeline Investments Company (Pty) Limited	December 2017	Rand	**2 471**	**2 271**
Sasol Petroleum Temane Limitada	June 2015	Rand and Euro	**671**	**671**
Debt arrangements				
Arya Sasol Polymer Company	March 2016	Euro	**2 634**	**2 575**
National Petroleum Refiners of South Africa (Pty) Limited	Various	Rand	**1 957**	**1 489**
Sasol Inzalo Groups Funding (Pty) Limited (preference shares)	October 2011 to October 2018	Rand	**2 422**	**2 422**
Sasol Inzalo Public Funding (Pty) Limited (preference shares)	October 2011 to October 2018	Rand	**4 538**	**4 538**
Property finance leases				
Sasol Oil (Pty) Limited and subsidiaries	Various	Rand	**733**	**733**
Other banking facilities and debt arrangements	Various	Various	**3 108**	**1 041**
			35 478	**15 772**
Comprising				
Long-term debt				**15 197**
Short-term debt				**456**
Bank overdraft (refer note 17)				**119**
				15 772

Financial covenants

There were no events of default during the current year. The group is in compliance with its debt covenants, none of which are expected to represent material restrictions on funding or investment policies in the foreseeable future.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

19 Long-term financial liabilities

	Note	2010	2009	2008
		Rm	Rm	Rm
Financial guarantees recognised		**35**	37	53
Forward exchange contracts recognised		**36**	110	
Interest rate derivates recognised		**13**		
Less amortisation of financial guarantees		**(5)**	(3)	(9)
		79	144	44
Less short-term portion of financial guarantees	25	**(4)**	(1)	(7)
Arising on long-term financial instruments		**75**	143	37

In terms of the sale of 25% in Sasol Oil (Pty) Limited to Tshwarisano LFB Investment (Pty) Limited during 2007, facilitation for the financing requirements has been provided. A financial liability for the fair value of this guarantee, amounting to R39 million was recognised. This liability is being amortised over the period of the guarantee using the effective interest rate method.

In terms of the sale of 25% in Republic of Mozambique Pipeline Investments Company (Pty) Limited to Companhia de Moçambicana de Gasoduto during 2007, facilitation for the financing requirements has been provided. A financial liability for the fair value of this guarantee, amounting to R17 million was recognised. This liability is being amortised over the period of the guarantee using the effective interest rate method.

	2010	2009	2008
	Rm	Rm	Rm
Fair value of financial liabilities	**73**	139	43

Fair value of long-term financial guarantees

The fair value of long-term financial guarantees were calculated based on the present value of future principal and interest cash flows of the related debt, discounted at the market rate of interest at the reporting date, consistent with the method of calculation at the inception of the guarantee. These interest rates used range between 10,23%-11,72%

Fair value of forward exchange contracts

The fair value of forward exchange contracts was calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values were then calculated using the appropriate currency specific discount curve.

Fair value of interest rate derivatives

The fair value of interest rate derivatives were determined by reference to quoted market prices for similar instruments.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

20 Long-term provisions

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Balance at beginning of year		**6 906**	5 614	4 568
Capitalised in property, plant and equipment and assets under construction		**109**	243	(56)
Operating income charge		**1 173**	1 377	880
increase for year		**1 105**	1 216	1 268
reversal of unutilised amounts		**(161)**	(277)	(65)
effect of change in discount rate		**229**	438	(323)
Notional interest	40	**373**	374	307
Utilised during year (cash flow)		**(904)**	(537)	(522)
Reclassification from/(to) held for sale		**16**	(25)	97
Reclassification from other payables		**54**		
Disposal of businesses		**(9)**		
Translation of foreign operations	47	**(131)**	(140)	340
Balance at end of year		**7 587**	6 906	5 614
Less short-term portion	26	**(574)**	(1 177)	(1 123)
Long-term provisions		**7 013**	5 729	4 491
Comprising				
Environmental		**6 109**	4 819	3 460
Other		**1 478**	2 087	2 154
provision against guarantees		**405**	1 104	874
restructuring costs		**6**	50	346
share appreciation rights		**304**	243	212
long-term supply obligation		**142**	142	135
foreign early retirement provisions		**214**		
other		**407**	548	587
		7 587	6 906	5 614

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Sasol Limited Group

Notes to the Financial Statements (Continued)

20 Long-term provisions (Continued)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Business segmentation			
South African energy cluster	**4 524**	3 299	2 235
Mining	**669**	567	491
Gas	**141**	112	77
Synfuels	**3 503**	2 441	1 515
Oil	**211**	179	152
International energy cluster	**619**	591	652
Synfuels International	**377**	352	535
Petroleum International	**242**	239	117
Chemical cluster	**1 727**	1 661	1 518
Polymers	**63**	50	87
Solvents	**144**	130	73
Olefins & Surfactants	**714**	666	794
Other	**806**	815	564
Other businesses	**143**	178	86
Total operations	**7 013**	5 729	4 491
Expected timing of future cash-flows			
Within one year	**574**	1 177	1 123
One to two years	**828**	370	604
Two to three years	**628**	688	560
Three to four years	**448**	552	338
Four to five years	**393**	261	185
More than five years	**4 716**	3 858	2 804
	7 587	6 906	5 614
Estimated undiscounted obligation	**27 215**	22 965	17 342

Representing the estimated actual cash flows in the period in which the obligation is settled.

In accordance with the group's published environmental policy and applicable legislation, a provision for rehabilitation is recognised when the obligation arises.

The environmental obligation includes estimated costs for the rehabilitation of coal mining, oil, gas and petrochemical sites. The amount provided is calculated based on currently available facts and applicable legislation.

The determination of long-term provisions, in particular environmental provisions, remain a key area where management's judgement is required. Estimating the future cost of these obligations is complex and requires management to make estimates and judgements because most of the obligations will only be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions could also be influenced by changing technologies and political, environmental, safety, business and statutory considerations.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

20 Long-term provisions (Continued)

It is envisaged that, based on the current information available, any additional liability in excess of the amounts provided will not have a material adverse effect on the group's financial position, liquidity or cash flow.

The following risk-free rates were used to discount the estimated cash flows based on the underlying currency and time duration of the obligation.

	2010	2009	2008
	%	%	%
South Africa	**6,6 to 8,4**	7,4 to 8,9	9,8 to 12,9
Europe	**1,0 to 3,8**	1,2 to 4,2	5,0 to 5,4
United States of America	**0,6 to 4,5**	0,8 to 4,2	3,4 to 5,2

A 1% change in the discount rate would have the following effect on the long-term provisions recognised

	2010	2009	2008
	Rm	Rm	Rm
Increase in the discount rate	**(739)**	(467)	(363)
amount capitalised to property, plant and equipment	**(139)**	(125)	(60)
amount recognised in income statement	**(600)**	(342)	(303)
Decrease in the discount rate	**911**	590	468
amount capitalised to property, plant and equipment	**174**	102	109
amount recognised in income statement	**737**	488	359

	Environmental 2010	Other 2010	Total 2010
	Rm	Rm	Rm
Balance at beginning of year	4 819	2 087	**6 906**
Capitalised in property, plant and equipment	109		**109**
Operating income charge	1 098	75	**1 173**
increase for year	910	195	**1 105**
reversal of unutilised amounts	(10)	(151)	**(161)**
effect of change in discount rate	198	31	**229**
Notional interest	345	28	**373**
Utilised during year (cash flow)	(189)	(715)	**(904)**
Reclassification from held for sale	8	8	**16**
Reclassification from other payables		54	**54**
Disposal of businesses	(8)	(1)	**(9)**
Translation of foreign operations	(73)	(58)	**(131)**
Balance at end of year	6 109	1 478	**7 587**

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Post-retirement healthcare benefits	21.1	**2 535**	2 315	2 246
Pension benefits	21.2	**1 992**	2 199	2 444
Total post-retirement benefit obligations		**4 527**	4 514	4 690
Less short-term portion				
post-retirement healthcare benefits	26		(16)	(24)
pension benefits	26	**(32)**	(44)	(88)
		4 495	4 454	4 578

21.1 Post-retirement healthcare benefits

The group provides post-retirement healthcare benefits to certain of its retirees, principally in South Africa and the United States of America. The method of accounting and the frequency of valuations for determining the liability are similar to those used for defined benefit pension plans.

South Africa

The post-retirement benefit plan provides certain healthcare and life assurance benefits to South African employees hired prior to 1 January 1998, who retire and satisfy the necessary requirements of the medical fund. Generally, medical coverage provides for a specified percentage of most medical expenses, subject to preset rules and maximum amounts. The cost of providing these contributions is shared with the retirees. The plan is unfunded. The accumulated post-retirement benefit obligation is accrued over the employee's working life until full eligibility age.

United States of America

Certain other healthcare and life assurance benefits are provided for personnel employed in the United States of America. Generally, medical coverage pays a specified percentage of most medical expenses, subject to preset maximum amounts and reduced for payments made by healthcare provider, Medicare. The cost of providing these benefits is shared with the retirees. The plan is also unfunded.

	South Africa	United States of America
For the year ended 30 June		
Last actuarial valuation	31 March 2010	30 June 2010
Full/interim valuation	Full	Full
Valuation method adopted	Projected unit credit	Projected unit credit

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuation determined in consultation with independent actuaries

	South Africa		United States of America	
	2010	**2009**	**2010**	**2009**
	%	**%**	**%**	**%**
At valuation date				
Healthcare cost inflation				
Initial	**7,9**	7,9	**7,0***	7,0*
Ultimate	**7,9**	7,9	**5,5***	5,5*
Discount rate	**8,9**	8,9	**5,3**	6,0

* The healthcare cost inflation rate in respect of the plans for the United States of America is capped. All future increases due to the healthcare cost inflation will be borne by the participants.

Reconciliation of projected benefit obligation to the amount recognised in the statement of financial position

	South Africa		United States of America		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
	Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
For the year ended 30 June						
Projected benefit obligation	**2 638**	2 387	**143**	145	**2 781**	2 532
Unrecognised past service cost			**(1)**	(1)	**(1)**	(1)
Unrecognised actuarial losses	**(231)**	(205)	**(14)**	(11)	**(245)**	(216)
Total post-retirement healthcare obligation	**2 407**	2 182	**128**	133	**2 535**	2 315
Less short-term portion				(16)		(16)
Non-current post-retirement healthcare obligation	**2 407**	2 182	**128**	117	**2 535**	2 299

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

Reconciliation of the total post-retirement healthcare obligation recognised in the statement of financial position

	South Africa		United States of America		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
	Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
For the year ended 30 June						
Total post-retirement healthcare obligation at beginning of year	**2 182**	1 963	**133**	283	**2 315**	2 246
Service cost	**76**	75	**3**	7	**79**	82
Interest cost	**208**	199	**8**	24	**216**	223
Recognised actuarial losses				4		4
Benefits paid	**(59)**	(52)	**(15)**	(28)	**(74)**	(80)
Translation of foreign operations			**(1)**	21	**(1)**	21
Curtailments and settlements		(3)		(178)		(181)
Total post-retirement healthcare obligation at end of year	**2 407**	2 182	**128**	133	**2 535**	2 315

Reconciliation of projected benefit obligation

	South Africa		United States of America		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
	Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
For the year ended 30 June						
Projected benefit obligations at beginning of year	**2 387**	2 181	**145**	357	**2 532**	2 538
Service cost	**76**	75	**3**	7	**79**	82
Interest cost	**208**	199	**8**	24	**216**	223
Actuarial losses/(gains)	**26**	(13)	**3**	(59)	**29**	(72)
Benefits paid	**(59)**	(52)	**(15)**	(28)	**(74)**	(80)
Translation of foreign operations			**(1)**	31	**(1)**	31
Curtailments and settlements		(3)		(187)		(190)
Projected benefit obligation at end of year	**2 638**	2 387	**143**	145	**2 781**	2 532

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

Net post-retirement healthcare costs recognised in the income statement

	South Africa		United States of America		Total	
	2010	2009	2010	2009	2010	2009
	Rm	Rm	Rm	Rm	Rm	Rm
For the year ended 30 June						
Service cost	**76**	75	**3**	7	**79**	82
Interest cost	**208**	199	**8**	24	**216**	223
Recognised net actuarial losses				4		4
Curtailments and settlements		(3)		(178)		(181)
Net periodic benefit cost	**284**	271	**11**	(143)	**295**	128

Sensitivity analysis

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the post-retirement healthcare benefits. A one percentage-point change in assumed healthcare cost trend rates could increase or decrease the relevant amount to:

	South Africa		United States of America	
	% point increase	% point decrease	% point increase	% point decrease
	Rm	Rm	Rm	Rm
2010				
Total service and finance expense components	**378**	**260**	**11***	**11***
Accumulated post-retirement benefit obligations	**3 163**	**2 236**	**143***	**143***
2009				
Total service and finance expense components	338	231	31*	31*
Accumulated post-retirement benefit obligations	2 871	2 016	145*	145*

* A change in the healthcare cost inflation for the United States of America will not have an effect on the above components or the obligation as the employer's cost is capped and all future increases due to the healthcare cost inflation are borne by the participants.

The effect shown is the current year charge for the service and interest cost and the current year projected benefit obligation.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

Non-current post-retirement healthcare obligation per statement of financial position

	2010	2009	2008	2007	2006
	Rm	Rm	Rm	Rm	Rm
For the year ended 30 June					
Projected benefit obligation	**2 781**	2 532	2 538	2 383	1 728
Unrecognised past service cost	**(1)**	(1)	(2)	3	
Unrecognised actuarial losses	**(245)**	(216)	(290)	(359)	(112)
Total post-retirement healthcare obligation	**2 535**	2 315	2 246	2 027	1 616
Less short-term portion		(16)	(24)	(24)	
Non-current post-retirement healthcare obligation	**2 535**	2 299	2 222	2 003	1 616

21.2 Pension benefits

The group operates or contributes to defined benefit pension plans and defined contribution plans in the countries in which it operates.

Contributions by the group and in some cases the employees are made for funds set up in South Africa and the United States of America whilst no contributions are made for plans established in other geographic areas.

Provisions for pension obligations are established for benefits payable in the form of retirement, disability and surviving dependent pensions. The benefits offered vary according to the legal, fiscal and economic conditions of each country.

South African operations

Background

Sasol contributes to a pension fund which provides defined post-retirement and death benefits based on final pensionable salary at retirement. Prior to 1 April 1994, this pension fund was open to all employees of the group in South Africa. In 1994, all members were given the choice to voluntarily transfer to the newly established defined contribution section of the pension fund and approximately 99% of contributing members chose to transfer to the defined contribution section. At that date the calculated actuarial surplus of approximately R1 250 million was apportioned to pensioners, members transferring to the defined contribution section and a R200 million balance was allocated within the pension fund to an employer's reserve.

The assets of the Sasol Pension Fund (the Fund) are held separately from those of the company in a trustee administered fund, registered in terms of the South African Pension Funds Act, 1956. Included in the Fund assets are 2 328 408 Sasol Limited shares valued at R639 million at year end (2009 2 095 208 shares at R566 million) purchased under terms of an approved investment strategy.

Contributions

The annual pension charge is determined in consultation with the pension fund's independent actuary and is calculated using assumptions consistent with those used at the last actuarial valuation of the pension fund. The pension fund assets have been valued at fair value.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

The prepayment of R178 million (2009 R147 million) in the statement of financial position represents the accumulated excess of the actual contributions paid to the pension fund in excess of the accumulated pension liability and the surplus that arose prior to 31 December 2002, to which the company is entitled in terms of the Surplus Apportionment Scheme as well as the rules of the fund.

Members of the defined benefit section are required to contribute to the pension fund at the rate of 7,5% of pensionable salary. Sasol meets the balance of the cost of providing benefits. Company contributions are based on the results of the actuarial valuation of the pension fund in terms of South African legislation and are agreed by Sasol Limited and the pension fund trustees.

Contributions, for the defined contributions section, are paid by the members and Sasol at fixed rates. Contributions to the defined contribution fund by the group for the year ended 30 June 2010 amounted to R936 million (comprising R615 million of contributions made by the employer and R321 million in respect of employees (2009 R859 million, comprising R511 million in respect of employer contributions and R348 in respect of employee contributions).

Limitation of asset recognition

In December 2001, the Pension Funds Second Amendment Act was promulgated. The Act generally provides for the payment of enhanced benefits to former members, minimum pension increases for pensioners and the apportionment of any actuarial surplus existing in the Fund, at the apportionment date, in an equitable manner between existing members including pensioners, former members and the employer in such proportions as the trustees of the Fund shall determine.

In terms of the Pension Funds Second Amendment Act 2001, the Fund undertook a surplus apportionment exercise as at December 2002. The surplus apportionment exercise, and the 31 December 2002 statutory valuation of the Fund, was approved by the Financial Services Board on 26 September 2006. Payments of benefits to former members in terms of the surplus apportionment scheme have been substantially completed and an amount of R108 million (2009 R103 million) has been set aside for members that have not claimed their benefits.

Based on the latest actuarial valuation of the fund and the approval of the trustees of the surplus allocation, the company has an unconditional entitlement to only the funds in the employer surplus account and the contribution reserve. The estimated surplus due to the company amounted to approximately R178 million as at 31 March 2010 and has been included in the pension asset recognised in the current year.

Membership

A significant number of employees are covered by union sponsored, collectively bargained, and in some cases, multi employer defined contribution pension plans. Information from the administrators of these plans offering defined benefits is not sufficient to permit the company to determine its share, if any, of any unfunded vested benefits.

The group occupies certain properties owned by the Sasol Pension Fund. The fair value of investment properties owned by the Sasol Pension Fund is R3 129 million as at 30 June 2010 (2009 R2 828 million).

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

Foreign operations

Pension coverage for employees of the group's international operations is provided through separate plans. The company systematically provides for obligations under such plans by depositing funds with trustees for those plans operating in the United States of America or by creation of accounting obligations for other plans.

Pension fund assets

The assets of the pension funds are invested as follows:

	South Africa		United States of America	
	2010	**2009**	**2010**	**2009**
	%	**%**	**%**	**%**
At 30 June				
Equities				
local	**57**	53	**34**	43
foreign	**9**	8	**14**	15
Fixed interest	**8**	10	**36**	25
Property	**19**	22		
Other	**7**	7	**16**	17
Total	**100**	100	**100**	100

Investment strategy

The investment objectives of the group's pension plans are designed to generate returns that will enable the plans to meet their future obligations. The precise amount for which these obligations will be settled depends on future events, including the life expectancy of the plan's members and salary inflation. The obligations are estimated using actuarial assumptions, based on the current economic environment.

The pension plans seek to achieve total returns both sufficient to meet expected future obligations as well as returns greater than their policy benchmark reflecting the target weights of the asset classes used in its targeted strategic asset allocation.

In evaluating the strategic asset allocation choices, an emphasis is placed on the long-term characteristics of each individual asset class, and the benefits of diversification among multiple asset classes. Consideration is also given to the proper long-term level of risk for the plan, particularly with respect to the long-term nature of the plan's liabilities, the impact of asset allocation on investment results, and the corresponding impact on the volatility and magnitude of plan contributions and expense and the impact certain actuarial techniques may have on the plan's recognition of investment experience.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

The trustees target the plans' asset allocation within the following ranges within each asset class

	South Africa[1]		United States of America	
	Minimum	Maximum	Minimum	Maximum
	%	%	%	%
Asset classes				
Equities				
local	50	60	25	75
foreign		15		25
Fixed interest	10	25	20	40
Property	10	25		
Other		10		20

(1) Members of the scheme have a choice of four investment portfolios. The targeted allocation disclosed represents the moderate balanced investment portfolio which the majority of the members of the scheme have adopted. The total assets of the fund under these investment portfolios are R113 million, R19 901 million, R322 million and R200 million for the low portfolio, moderate portfolio, aggressive portfolio and money market portfolio, respectively. Defined benefit members' funds are invested in the moderate balanced portfolio. The money market portfolio is restricted to pensioners only.

The trustees of the respective funds monitor investment performance and portfolio characteristics on a regular basis to ensure that managers are meeting expectations with respect to their investment approach. There are restrictions and controls placed on managers in this regard.

	South Africa	United States of America	Europe
For the year ended 30 June			
Last actuarial valuation	31 March 2010	30 June 2010	30 June 2010
Full/interim valuation	Full	Full	Full
Valuation method adopted	Projected unit credit	Projected unit credit	Projected unit credit

The plans have been assessed by the actuaries and have been found to be in sound financial positions.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuation determined in consultation with independent actuaries

			Foreign			
	South Africa		United States of America		Europe	
	2010	2009	2010	2009	2010	2009
	%	%	%	%	%	%
At valuation date						
Discount rate	**8,9**	8,9	**4,2**	6,3	**5,0**	6,2
Expected return on plan assets	**9,7**	9,8	**7,5**	7,8	**5,0**	6,6
Average salary increases	**7,0**	7,2	**4,2**	4,1	**2,9**	2,9
Average pension increases	**3,7**	3,7			**2,0**	2,0

Assumptions regarding future mortality are based on published statistics and mortality tables.

Reconciliation of the funded status to amounts recognised in the statement of financial position

	South Africa		Foreign		Total	
	2010	2009	2010	2009	2010	2009
	Rm	Rm	Rm	Rm	Rm	Rm
For the year ended 30 June						
Projected benefit obligation (funded obligation)	**5 835**	5 102	**1 028**	882	**6 863**	5 984
Plan assets	**(6 646)**	(5 261)	**(972)**	(824)	**(7 618)**	(6 085)
Projected benefit obligation (unfunded obligation)			**2 292**	2 132	**2 292**	2 132
Unrecognised actuarial net losses			**(967)**	(560)	**(967)**	(560)
Asset not recognised due to asset limitation	**633**	12			**633**	12
	(178)	(147)	**1 381**	1 630	**1 203**	1 483

Net liability/(asset) recognised						
Comprising						
Prepaid pension asset (refer note 9)	**(178)**	(147)	**(611)**	(569)	**(789)**	(716)
Pension benefit obligation			**1 992**	2 199	**1 992**	2 199
Long-term portion			**1 960**	2 155	**1 960**	2 155
Short-term portion			**32**	44	**32**	44
Net liability/(asset) recognised	**(178)**	(147)	**1 381**	1 630	**1 203**	1 483

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

Reconciliation of projected benefit obligation (funded obligation)

	South Africa		Foreign		Total	
	2010	2009	2010	2009	2010	2009
	Rm	Rm	Rm	Rm	Rm	Rm
For the year ended 30 June						
Projected benefit obligation at beginning of year	**5 102**	5 250	**882**	819	**5 984**	6 069
Acquisition of business				2		2
Service cost	**9**	8	**36**	39	**45**	47
Interest cost	**433**	468	**46**	53	**479**	521
Actuarial losses/(gains)	**513**	(882)	**234**	98	**747**	(784)
Member contributions	**3**	3			**3**	3
Benefits paid	**(455)**	(399)	**(159)**	(93)	**(614)**	(492)
Translation of foreign operations			**(3)**	(23)	**(3)**	(23)
Curtailments and settlements			**(8)**	(13)	**(8)**	(13)
Transfer from defined contribution plan[(1)]	**230**	654			**230**	654
Projected benefit obligation at end of year	**5 835**	5 102	**1 028**	882	**6 863**	5 984

(1) Amount represents retired employees from the defined contribution section of the plan, who, on retirement, have elected to participate in the defined benefit plan by purchasing a defined benefit pension from the fund.

Reconciliation of projected benefit obligation (unfunded obligation)

	Foreign		Total	
	2010	2009	2010	2009
	Rm	Rm	Rm	Rm
For the year ended 30 June				
Projected benefit obligation at beginning of year	**2 132**	2 453	**2 132**	2 453
Service cost	**62**		**62**	
Past service cost	**17**	67	**17**	67
Interest cost	**126**	143	**126**	143
Actuarial gains/(losses)	**380**	(105)	**380**	(105)
Benefits paid	**(89)**	(125)	**(89)**	(125)
Translation of foreign operations	**(342)**	(295)	**(342)**	(295)
Reclassification from/(to) held for sale	**6**	(6)	**6**	(6)

Projected benefit obligation at end of year	**2 292**	2 132	**2 292**	2 132

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

Reconciliation of plan assets of funded obligation

	South Africa		Foreign		Total	
	2010	2009	2010	2009	2010	2009
	Rm	Rm	Rm	Rm	Rm	Rm
For the year ended 30 June						
Fair value of plan assets at beginning of year	**5 261**	5 838	**824**	871	**6 085**	6 709
Acquisition of businesses				1		1
Actual return on plan assets	**1 603**	(838)	**189**	(213)	**1 792**	(1 051)
Plan participant contributions	**4**	2			**4**	2
Employer contributions	**3**	4	**129**	276	**132**	280
Benefit payments	**(455)**	(399)	**(159)**	(93)	**(614)**	(492)
Translation of foreign operations			**(3)**	(5)	**(3)**	(5)
Transfer from defined contribution plan[(1)]	**230**	654			**230**	654
Curtailments and settlements			**(8)**	(13)	**(8)**	(13)
Fair value of plan assets at end of year	**6 646**	5 261	**972**	824	**7 618**	6 085

(1) Amount represents retired employees from the defined contribution section of the plan, who, on retirement, have elected to participate in the defined benefit plan by purchasing a defined benefit pension from the fund.

Net periodic pension cost/(gain) recognised in the income statement

	South Africa		Foreign		Total	
	2010	2009	2010	2009	2010	2009
	Rm	Rm	Rm	Rm	Rm	Rm
Service cost	**9**	8	**98**	106	**107**	114
Past service cost			**17**		**17**	
Interest cost	**433**	468	**172**	196	**605**	664
Expected return on plan assets	**(494)**	(559)	**(65)**	(78)	**(559)**	(637)
Recognised actuarial (gains)/losses	**(596)**	328	**55**	32	**(541)**	360
Asset limitation cost/(gain)	**622**	(213)			**622**	(213)
Net pension cost/(gain)	**(26)**	32	**277**	256	**251**	288

Actual return on plan assets

1 603	(838)	**189**	(213)	**1 792**	(1 051)

Contributions

Funding is based on actuarially determined contributions. The following table sets forth the projected pension contributions for the 2011 financial year.

	South Africa	Foreign
	Rm	**Rm**
Pension contributions	10	71

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Sasol Limited Group

Notes to the Financial Statements (Continued)

21 Post-retirement benefit obligations (Continued)

Non-current post-retirement pension obligation per statement of financial position

	2010	2009	2008	2007	2006
	Rm	**Rm**	**Rm**	**Rm**	**Rm**
For the year ended 30 June					
Projected benefit obligation (funded obligation)	**6 863**	5 984	6 069	5 532	3 618
Plan assets	**(7 618)**	(6 085)	(6 709)	(6 223)	(4 663)
Projected benefit obligation (unfunded obligation)	**2 292**	2 132	2 453	2 034	1 068
Unrecognised actuarial net (losses)/gains	**(967)**	(560)	(165)	(130)	617
Asset not recognised due to asset limitation	**633**	12	225	221	130
Net liability recognised	**1 203**	1 483	1 873	1 434	770

22 Long-term deferred income

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Total deferred income		**476**	479	543
Short-term portion	27	**(203)**	(182)	(167)
		273	297	376

Amounts received in respect of capital investment, to be recognised in income over the useful lives of the underlying assets, as well as emission rights received to be recognised in the income statement as the emissions are generated.

Business segmentation

	2010	2009	2008
	Rm	**Rm**	**Rm**
South African energy cluster	**42**	44	31
Gas	**22**	25	27
Oil	**20**	19	4
Chemical cluster	**231**	253	345
Polymers	**168**	172	204
Solvents			34
Olefins & Surfactants	**63**	81	107
Total operations	**273**	297	376

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Sasol Limited Group

Notes to the Financial Statements (Continued)

23 Deferred tax

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Reconciliation				
Balance at beginning of year		**7 984**	6 993	7 459
Acquisition of businesses	55			(161)
Disposal of businesses	56			(1)
Current year charge		**1 375**	966	668
per the income statement	41	**1 383**	1 067	608
per the statement of comprehensive income	44	**(8)**	(101)	60
Net reclassification from/(to) held for sale			140	(1 262)
Translation of foreign operations	47	**(52)**	(115)	290
Balance at end of year		**9 307**	7 984	6 993
Comprising				
Deferred tax assets		**(1 099)**	(1 184)	(1 453)
Deferred tax liabilities		**10 406**	9 168	8 446
		9 307	7 984	6 993

Deferred tax assets and liabilities are determined based on the tax status and rates of the underlying entities.

Deferred tax is attributable to the following temporary differences

	2010	2009	2008
	Rm	**Rm**	**Rm**
Assets			
Property, plant and equipment	**244**	937	422
Short- and long-term provisions	**(557)**	(760)	(478)
Calculated tax losses	**(661)**	(1 142)	(1 054)
Other	**(125)**	(219)	(343)
	(1 099)	(1 184)	(1 453)
Liabilities			
Property, plant and equipment	**14 553**	12 147	10 688
Intangible assets	**34**	63	124
Current assets	**(308)**	(295)	(457)
Short- and long-term provisions	**(2 605)**	(2 145)	(1 782)
Calculated tax losses	**(1 030)**	(414)	(493)
Other	**(238)**	(188)	366
	10 406	9 168	8 446

Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the group's operations where, among other things, taxation losses can be carried forward

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Sasol Limited Group

Notes to the Financial Statements (Continued)

23 Deferred tax (Continued)

indefinitely and there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward.

Deferred tax assets are not recognised for carry forward of unused tax losses when it cannot be demonstrated that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Attributable to the following tax jurisdictions			
South Africa	**7 830**	6 764	6 038
United States of America	**592**	560	505
Germany	**361**	179	374
Mozambique	**694**	568	212
Italy	**(230)**	(81)	(104)
Other	**60**	(6)	(32)
	9 307	7 984	6 993

Calculated tax losses

(before applying the applicable tax rate)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Available for offset against future taxable income	**9 071**	10 621	10 762
Utilised against the deferred tax balance	**(4 016)**	(5 156)	(5 716)
Not recognised as a deferred tax asset	**5 055**	5 465	5 046

Deferred tax assets have been recognised to the extent that it is probable that the entities will generate future taxable income against which these tax losses can be utilised.

A portion of the estimated tax losses available may be subject to various statutory limitations as to its usage.

Calculated tax losses carried forward that have not been recognised

2010	2009	2008
Rm	**Rm**	**Rm**

Expiry between one and two years	**837**	787	668
Expiry between two and five years	**874**	823	1 407
Expiry thereafter	**2 846**	3 345	1 634
Indefinite life	**498**	510	1 337
	5 055	5 465	5 046

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Sasol Limited Group

Notes to the Financial Statements (Continued)

23 Deferred tax (Continued)

Unremitted earnings of foreign subsidiaries, foreign associates and foreign incorporated joint ventures

No provision is made for the income tax effect that may arise on the remittance of unremitted earnings by certain foreign subsidiaries, foreign associates and foreign incorporated joint ventures. It is management's intention that, where there is no double taxation relief, these earnings will be permanently re-invested in these entities.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Unremitted earnings at end of year	**6 580**	4 201	12 298
Europe	**1 389**	1 225	9 649
Rest of Africa	**778**	560	1 259
United States of America	**575**	425	575
Other	**3 838**	1 991	815
Tax effect if remitted	**131**	165	212
Europe	**67**	115	147
Rest of Africa	**3**	6	8
United States of America	**32**	10	29
Other	**29**	34	28

Secondary Taxation on Companies (STC)

STC is a tax levied on South African companies at a rate of 10,0% (before 1 October 2007 12,5%) on dividends distributed.

Current and deferred tax are measured at the tax rate applicable to undistributed income and therefore only take STC into account to the extent that dividends have been received or paid.

On declaration of a dividend, the company includes the STC on this dividend in its computation of the income tax expense in the period of such declaration.

STC is expected to be replaced by a dividend withholding tax during 2011 as announced by the South African Minister of Finance during 2009.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Undistributed earnings that would be subject to STC	**100 886**	92 054	95 395
Tax effect if distributed	**10 089**	9 205	8 672
Available STC credits at end of year	**162**	87	39

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Sasol Limited Group

Notes to the Financial Statements (Continued)

Current liabilities

	Note	2010	2009	2008
		Rm	Rm	Rm
Liabilities in disposal groups held for sale	12	**4**	65	142
Short-term debt	24	**1 542**	4 762	3 496
Short-term financial liabilities	25	**357**	354	67
Short-term provisions	26	**2 647**	3 592	1 951
Short-term deferred income	27	**266**	464	376
Tax payable	28	**550**	702	1 532
Trade payables and accrued expenses	29	**13 335**	12 921	15 583
Other payables	30	**4 049**	3 302	3 456
Bank overdraft	17	**119**	80	914
		22 869	26 242	27 517

24 Short-term debt

	Note	2010	2009	2008
		Rm	Rm	Rm
Bank loans		**411**	443	1 944
Revolving credit				358
Other		**45**	47	73
Short-term debt		**456**	490	2 375
Short-term portion of long-term debt	18	**1 086**	4 272	1 121
		1 542	4 762	3 496
Reconciliation				
Balance at beginning of year		**490**	2 375	2 546
Loans raised		**170**	280	1 942
Loans repaid		**(199)**	(2 091)	(2 292)
Translation effect of foreign currency loans			(52)	103
Translation of foreign operations	47	**(5)**	(22)	76
Balance at end of year		**456**	490	2 375
Currency analysis				
Euro				358
US dollar		**139**	134	111
Rand				1 313
Other currencies		**317**	356	593
		456	490	2 375

Interest bearing status			
Interest bearing debt	**442**	490	2 375
Non-interest bearing debt	**14**		
	456	490	2 375

Short-term debt bears interest at market related rates. The weighted average interest rate applicable to short-term debt for the year was approximately 18,19% (2009 17,98%).

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Sasol Limited Group

Notes to the Financial Statements (Continued)

24 Short-term debt (Continued)

Security

All short-term debt is unsecured.

	2010	2009	2008
	Rm	Rm	Rm
Business segmentation			
Synfuels International	**14**		
Polymers	**300**	291	590
Olefins & Surfactants	**31**	87	17
Financing			1 645
Other chemical businesses	**111**	112	123
	456	490	2 375

Fair value of short-term debt

The carrying value of short-term external debt approximates fair value because of the short period to maturity. The fair value of the short-term portion of long-term debt is disclosed in note 18.

25 Short-term financial liabilities

	Note	2010	2009	2008
		Rm	Rm	Rm
Forward exchange contracts		**339**	350	55
Cross currency swaps				5
Interest rate derivatives		**13**		
Commodity derivatives		**1**	3	
Short-term portion of financial guarantees	19	**4**	1	7
Arising on short-term financial instruments		**357**	354	67
used for cash flow hedging		**131**	9	29
held for trading		**226**	345	38

Short-term financial liabilities include the revaluation of out-of-the-money derivative instruments, refer note 64.

Fair value of derivative financial instruments

The fair value of derivatives was based upon market valuations.

Forward exchange contracts and cross currency swaps

The fair value losses were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts and cross currency swaps at year end were calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present values of these net market values were then determined using the appropriate currency specific discount curve.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

25 Short-term financial liabilities (Continued)

Interest rate and commodity derivatives

The fair value of interest rate and commodity derivatives were determined by reference to quoted market prices for similar instruments.

26 Short-term provisions

	Note	2010	2009	2008
		Rm	Rm	Rm
Employee provisions		**160**	173	130
Insurance related provisions		**128**	238	119
Restructuring provisions		**111**	78	13
Provision in respect of EGTL		**1 274**	1 280	
Other provisions		**368**	586	454
		2 041	2 355	716
Short-term portion of				
long-term provisions	20	**574**	1 177	1 123
post-retirement benefit obligations	21	**32**	60	112
		2 647	3 592	1 951
Reconciliation				
Balance at beginning of year		**2 355**	716	558
Acquisition of businesses	55		1	2
Disposal of businesses	56		1 280	
Income statement charge and provisions utilised, net*		**(274)**	446	15
Translation of foreign operations	47	**(40)**	(88)	141
Balance at end of year		**2 041**	2 355	716

* Included in the movement of short-term provisions are changes relating to the increase in emission obligations for the year as well as the utilisation of emission rights in reducing these provisions.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

26 Short-term provisions (Continued)

	2010	2009	2008
	Rm	Rm	Rm
Business segmentation			
South African energy cluster	**224**	161	134
Mining	**62**	46	47
Gas	**1**	1	4
Synfuels	**141**	79	31
Oil	**20**	35	52
International energy cluster	**1 387**	2 118	441
Synfuels International	**1 326**	2 085	419
Petroleum International	**61**	33	22
Chemical cluster	**682**	1 004	1 194
Polymers	**65**	70	62
Solvents	**141**	144	139
Olefins & Surfactants	**275**	504	733
Other	**201**	286	260
Other businesses	**354**	309	182
Total operations	**2 647**	3 592	1 951

27 Short-term deferred income

	Note	2010	2009	2008
		Rm	Rm	Rm
Short-term portion of long-term deferred income	22	**203**	182	167
Short-term deferred income		**63**	282	209
		266	464	376

Short-term deferred income relates mainly to amounts received in respect of the sale of fuel, to be recognised in income when ownership of inventory passes, as well as emission rights received to be recognised in income as the emissions are generated.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

28 Tax paid

	Note	2010	2009	2008
		Rm	Rm	Rm
Amounts unpaid at beginning of year		**(675)**	(1 522)	(1 465)
Net interest and penalties on tax		**22**	(14)	(18)
Income tax per income statement	41	**(5 602)**	(9 413)	(9 521)
Acquisition of businesses	55		(1)	(1)
Disposal of businesses	56			2
Translation of foreign operations	47	**21**	23	(91)
		(6 234)	(10 927)	(11 094)
Net tax payable per statement of financial position		**194**	675	1 522
Tax payable		**550**	702	1 532
Tax receivable		**(356)**	(27)	(10)
Per the statement of cash flows		**(6 040)**	(10 252)	(9 572)
Comprising				
Normal tax				
South Africa		**(4 924)**	(8 802)	(8 073)
foreign		**(513)**	(631)	(875)
STC		**(603)**	(819)	(624)
		(6 040)	(10 252)	(9 572)

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Sasol Limited Group

Notes to the Financial Statements (Continued)

29 Trade payables and accrued expenses

	Note	2010	2009	2008
		Rm	Rm	Rm
Trade payables	1.1	**9 132**	8 537	11 172
Accrued expenses	1.1	**573**	1 069	813
Related party payables		**970**	1 080	1 317
third parties		**467**	490	773
joint ventures		**503**	590	544
		10 675	10 686	13 302
Duties payable to revenue authorities		**2 348**	2 044	1 692
Value added tax		**312**	191	589
		13 335	12 921	15 583
Currency analysis				
Euro		**2 277**	1 793	3 166
US dollar		**2 284**	2 747	3 528
Rand		**5 262**	5 381	5 555
Other currencies		**852**	765	1 053
		10 675	10 686	13 302
Age analysis of trade payables				
Not past due date		**8 113**	7 619	10 077
Past due 0 30 days		**611**	553	743
Past due 31 150 days		**314**	292	296
Past due 151 days 1 year		**40**	49	24
More than 1 year		**54**	24	32
		9 132	8 537	11 172

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Sasol Limited Group

Notes to the Financial Statements (Continued)

29 Trade payables and accrued expenses (Continued)

Fair value of trade payables and accrued expenses

The carrying value approximates fair value because of the short period to settlement of these obligations.

	2010	2009	2008
	Rm	Rm	Rm
Business segmentation			
South African energy cluster	**6 124**	5 931	6 737
Mining	**592**	746	603
Gas	**128**	104	133
Synfuels	**1 426**	969	1 113
Oil	**3 978**	4 112	4 888
International energy cluster	**443**	803	819
Synfuels International	**383**	526	698
Petroleum International	**60**	277	121
Chemical cluster	**5 488**	4 858	7 246
Polymers	**902**	1 131	895
Solvents	**864**	851	1 023
Olefins & Surfactants	**2 475**	1 711	3 434
Other	**1 247**	1 165	1 894
Other businesses	**1 280**	1 329	781
Total operations	**13 335**	12 921	15 583

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Sasol Limited Group

Notes to the Financial Statements (Continued)

30 Other payables

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Employee related payables		**2 950**	2 426	2 590
Insurance related payables		**196**	198	380
Fuel related payables*		**169**	192	
Other payables		**734**	486	486
	1.1	**4 049**	3 302	3 456

* Relates to the overrecovery by Sasol Oil on regulated fuel prices, which will be settled by future changes in the regulated fuel price.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Currency analysis			
Euro	**503**	589	640
US dollar	**435**	482	549
Rand	**2 881**	1 908	1 785
Other currencies	**230**	323	482
	4 049	3 302	3 456
Business segmentation			
South African energy cluster	**1 161**	717	622
Mining	**229**		126
Gas	**41**	39	25
Synfuels	**428**	324	327
Oil	**463**	354	144
International energy cluster	**113**	79	70
Synfuels International	**65**	34	38
Petroleum International	**48**	45	32
Chemical cluster	**1 479**	1 293	1 419
Polymers	**465**	251	375
Solvents	**127**	124	167
Olefins & Surfactants	**423**	336	534
Other	**464**	582	343
Other businesses	**1 296**	1 213	1 345
Total operations	**4 049**	3 302	3 456

Fair value of other payables

The carrying value approximates fair value because of the short period to maturity.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

Results of operations

	Note	2010	2009	2008
		Rm	Rm	Rm
Turnover	31	**122 256**	137 836	129 943
Cost of sales and services rendered	32	**(79 183)**	(88 508)	(74 634)
Other operating income	33	**854**	1 021	635
Translation (losses)/gains	34	**(1 007)**	(166)	300
Operating profit	35	**23 937**	24 666	33 816
Financial instruments (expenses)/income	36	**(442)**	4 131	(1 436)
Auditors' remuneration	37	**(78)**	(86)	(83)
Finance income	38	**1 332**	1 790	735
Share of profit of associates (net of tax)	39	**217**	270	254
Finance expenses	40	**(2 114)**	(2 531)	(1 148)
Taxation	41	**(6 985)**	(10 480)	(10 129)
Remeasurement items affecting operating profit	42	**65**	(1 504)	(473)

		Rand	Rand	Rand
Earnings per share	**43**	**26,68**	22,90	37,30

		Rm	Rm	Rm
Other comprehensive income	**44**	**(777)**	(2 881)	3 652

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Sasol Limited Group

Notes to the Financial Statements (Continued)

31 Turnover

	2010	2009	2008
	Rm	**Rm**	**Rm**
Sale of products	**120 820**	136 482	128 492
Services rendered	**889**	777	889
Other trading income	**547**	577	562
	122 256	137 836	129 943
Comprising			
Within South Africa	**61 597**	68 256	66 836
Exported from South Africa	**16 100**	19 348	15 331
Outside South Africa	**44 559**	50 232	47 776
	122 256	137 836	129 943

Turnover generated within South Africa includes sales of products manufactured and sold, or services rendered, to customers inside South Africa. Exported from South Africa relates to sales of products manufactured in South Africa and sold elsewhere, while outside South Africa relates to goods manufactured outside South Africa, irrespective of where they are sold as well as services rendered outside South Africa.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Business segmentation			
South African energy cluster	**53 493**	58 167	58 515
Mining	**1 696**	2 885	2 470
Gas	**2 986**	2 829	2 563
Synfuels	**879**	1 367	982
Oil	**47 932**	51 086	52 500
International energy cluster	**3 198**	4 183	3 016
Synfuels International	**2 282**	3 027	1 788
Petroleum International	**916**	1 156	1 228
Chemical cluster	**65 386**	75 315	68 187
Polymers	**14 236**	15 326	11 162
Solvents	**14 425**	16 317	15 585
Olefins & Surfactants	**24 774**	28 867	28 125
Other	**11 951**	14 805	13 315
Other businesses	**179**	171	225
Total operations	**122 256**	137 836	129 943

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Sasol Limited Group

Notes to the Financial Statements (Continued)

32 Cost of sales and services rendered

	2010	2009	2008
	Rm	**Rm**	**Rm**
Cost of sales of products	**78 886**	87 995	74 160
Cost of services rendered	**297**	513	474
	79 183	88 508	74 634
Business segmentation			
South African energy cluster	**39 187**	37 727	33 689
Mining	**5 833**	5 438	4 551
Gas	**784**	734	796
Synfuels	**9 734**	6 006	9 515
Oil	**22 836**	25 549	18 827
International energy cluster	**1 371**	1 638	1 080
Synfuels International	**609**	957	608
Petroleum International	**762**	681	472
Chemical cluster	**36 819**	47 998	39 072
Polymers	**4 346**	4 951	2 185
Solvents	**4 538**	6 651	5 488
Olefins & Surfactants	**18 920**	24 922	22 625
Other	**9 015**	11 474	8 774
Other businesses	**1 806**	1 145	793
Total operations	**79 183**	88 508	74 634

33 Other operating income

	2010	2009	2008
	Rm	**Rm**	**Rm**
Emission rights received	**143**	182	133
Gain on hedging activities	**218**	187	128
Bad debts recovered	**1**	3	9
Insurance proceeds	**25**	111	5
Other	**467**	538	360
	854	1 021	635

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Sasol Limited Group

Notes to the Financial Statements (Continued)

34 Translation (losses)/gains

	Note	2010	2009	2008
		Rm	Rm	Rm
(Losses)/gains on foreign exchange transactions				
realised		**(334)**	549	(533)
unrealised		**(673)**	(715)	833
		(1 007)	(166)	300
Comprising				
Forward exchange contracts		**(314)**	(406)	(133)
Trade receivables		**(141)**	245	477
(Loss)/gain on translation of foreign currency loans		**(463)**	(157)	365
Realisation of foreign currency translation reserve	42			(557)
Other		**(89)**	152	148
		(1 007)	(166)	300

35 Operating profit

	Note	2010	2009	2008
		Rm	Rm	Rm
Operating profit includes				
Amortisation of other intangible assets	6	**(203)**	(186)	(192)
Auditors' remuneration	37	**(78)**	(86)	(83)
Depreciation of property, plant and equipment	3	**(6 509)**	(6 059)	(5 020)
Effect of remeasurement items	42	**46**	(1 469)	(698)
Employee costs (including employee related share-based payment expenses)		**(17 546)**	(17 532)	(14 443)
Exploration expenditure		**(482)**	(426)	(248)
Operating lease charges				
buildings		**(390)**	(434)	(324)
plant and equipment		**(625)**	(677)	(563)

Research expenditure		**(908)**	(922)	(761)
Restructuring costs		**(92)**	(117)	(220)
Technical and other fees		**(214)**	(304)	(348)
European Commission penalty on Sasol Wax			(3 678)	
Administration penalty on Sasol Nitro			(251)	
Write-down of inventories to net realisable value	13	**(172)**	(965)	(105)
Reversal of write-down of inventories to net realisable value	13	**54**		

Included in operating profit are other expenses, which include share-based payment expenses (refer note 46), remeasurement items (refer note 42), the effect of crude oil hedging (refer note 36), administrative penalties in respect of competition matters (refer above) and exploration expenditure (refer above).

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Sasol Limited Group

Notes to the Financial Statements (Continued)

36 Financial instruments (expenses)/income

	Note	2010	2009	2008
		Rm	Rm	Rm
Financial instruments (expenses)/income recognised in the income statement				
Net (loss)/gain on derivative instruments held for trading		**(318)**	4 296	(1 409)
realised effect of crude oil hedging			4 605	(2 428)
revaluation of crude oil derivatives		**(87)**	(2)	227
revaluation of cross currency swaps		**(231)**	(307)	792
Impairment of investments available-for-sale	42	**(1)**	(8)	
Impairment of trade receivables				
raised during year	14	**(138)**	(198)	(60)
released during year	14	**15**	41	33
		(442)	4 131	(1 436)

37 Auditors' remuneration

	2010	2009	2008
	Rm	Rm	Rm
Audit fees	**72**	79	75
KPMG	**71**	78	74
other external auditors	**1**	1	1
Other fees paid to auditors for advisory services	**1**		2
Tax advisory fees	**2**	3	2
Expenses	**3**	4	4
	78	86	83

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Sasol Limited Group

Notes to the Financial Statements (Continued)

38 Finance income

	Note	2010	2009	2008
		Rm	Rm	Rm
Dividends received from investments available-for-sale		**31**	27	10
South Africa		**5**	1	
outside South Africa		**26**	26	10
Interest received		**1 288**	1 760	716
South Africa		**988**	1 461	274
outside South Africa		**300**	299	442
Notional interest received	19	**13**	3	9
		1 332	1 790	735
Interest received on				
investments available-for-sale				1
investments held-to-maturity		**30**	41	35
loans and receivables		**273**	275	416
cash and cash equivalents		**985**	1 444	264
		1 288	1 760	716

39 Share of profit of associates (net of tax)

	2010	2009	2008
	Rm	Rm	Rm
Profit before tax	**289**	365	335
Taxation	**(72)**	(95)	(81)
Share of profit of associates (net of tax)	**217**	270	254
Dividends received from associates	**53**	480	235
Business segmentation			
Synfuels	**4**	3	3
Polymers	**220**	273	251
Olefins & Surfactants	**(1)**	(9)	(1)
Other	**(6)**	3	1
Total operations	**217**	270	254

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Sasol Limited Group

Notes to the Financial Statements (Continued)

40 Finance expenses

	Note	2010	2009	2008
		Rm	Rm	Rm
Bank overdraft		**7**	16	56
Debt		**899**	1 192	1 979
Preference share dividends		**636**	614	3
Finance leases		**72**	85	86
Other		**167**	263	284
		1 781	2 170	2 408
Amortisation of loan costs	18	**18**	21	19
Notional interest	20	**373**	374	307
Total finance expenses		**2 172**	2 565	2 734
Amounts capitalised		**(58)**	(34)	(1 586)
property, plant and equipment	3			(6)
assets under construction	4	**(58)**	(34)	(1 580)
Income statement charge		**2 114**	2 531	1 148
Total finance expenses comprise				
South Africa		**1 513**	1 692	1 263
Outside South Africa		**659**	873	1 471
		2 172	2 565	2 734
Average capitalisation rate applied for general borrowings				8,5%
Total finance expenses before amortisation of loan costs and notional interest		**1 781**	2 170	2 408
Less interest paid on tax payable			(2)	(3)
Per the statement of cash flows		**1 781**	2 168	2 405

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Sasol Limited Group

Notes to the Financial Statements (Continued)

41 Taxation

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
South African normal tax		**4 270**	8 067	8 497
current year		**4 431**	8 276	8 476
prior years		**(161)**	(209)	21
STC		**606**	831	637
Foreign tax		**726**	515	387
current year		**735**	511	459
prior years		**(9)**	4	(72)
Income tax	28	**5 602**	9 413	9 521
Deferred tax South Africa	23	**1 105**	826	345
current year		**1 191**	653	527
prior years		**(86)**	173	18
tax rate change				(200)
Deferred tax foreign	23	**278**	241	263
current year		**552**	(5)	381
prior years		**(15)**	246	(17)
recognition of deferred tax assets*		**(259)**		
tax rate change				(101)
		6 985	10 480	10 129

* included in the charge per the income statement is the recognition of an amount of R259 million relating to a deferred tax asset not previously recognised due to the uncertainty surrounding the utilisation thereof in future years.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

41 Taxation (Continued)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Business segmentation			
South African energy cluster	**5 296**	8 395	8 329
Mining	**229**	416	332
Gas	**722**	677	547
Synfuels	**4 042**	7 389	5 905
Oil	**303**	(87)	1 545
International energy cluster	**(36)**	824	225
Synfuels International	**(345)**	192	(191)
Petroleum International	**309**	632	416
Chemical cluster	**968**	433	1 385
Polymers	**153**	(75)	422
Solvents	**291**	331	474
Olefins & Surfactants	**192**	(37)	195
Other	**332**	214	294
Other businesses	**757**	828	190
Total operations	**6 985**	10 480	10 129

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Sasol Limited Group

Notes to the Financial Statements (Continued)

41 Taxation (Continued)

Reconciliation of effective tax rate

Total income tax expense differs from the amount computed by applying the South African normal tax rate to profit before tax. The reasons for these differences are

	2010	2009	2008
	%	%	%
South African normal tax rate	**28,0**	28,0	28,0
Increase in rate of tax due to			
STC	**2,6**	3,4	2,0
disallowed preference share dividend	**2,7**	2,5	
disallowed expenditure	**2,2**	0,9	3,2
disallowed share-based expenses	**1,1**	3,8	1,3
disallowed expenditure on fines		5,3	
prior year adjustments		0,8	
other adjustments		1,8	
	36,6	46,5	34,5
Decrease in rate of tax due to			
exempt income	**(0,4)**		(0,8)
reduction in tax rate			(0,9)
different foreign tax rate	**(2,5)**	(3,2)	(1,3)
recognition of deferred tax assets	**(1,1)**		(0,7)
utilisation of tax losses	**(0,8)**		(0,2)
prior year adjustments	**(1,2)**		
other adjustments	**(0,8)**		(0,5)
Effective tax rate	**29,9**	43,3	30,1

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Sasol Limited Group

Notes to the Financial Statements (Continued)

42 Remeasurement items affecting operating profit

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Impairment of		**(110)**	(458)	(821)
property, plant and equipment	3	**(47)**	(294)	(447)
assets under construction	4	**(61)**	(19)	(371)
other intangible assets	6	**(1)**	(137)	(3)
investments in securities	7	**(1)**	(8)	
Reversal of impairment of		**365**		381
property, plant and equipment	3	**348**		381
assets under construction		**2**		
other intangible assets		**15**		
Profit/(loss) on disposal of		**5**	(761)	440
property, plant and equipment		**4**	11	79
other intangible assets		**(1)**	(2)	12
investment in associate	56	**7**		
investments in businesses	56	**(5)**	(770)	349
Loss on repurchase of participation rights in GTL project				(34)
Scrapping of property, plant and equipment		**(124)**	(133)	(96)
Scrapping of assets under construction		**(32)**	(101)	(11)
Write off of unsuccessful exploration wells		**(58)**	(16)	
Realisation of foreign currency translation reserve	34			(557)
		46	(1 469)	(698)
Tax effect thereon		**19**	(35)	229
Non-controlling interests effect thereon				(4)
		65	(1 504)	(473)
Business segmentation				
South African energy cluster		**(69)**	(141)	(116)
Mining		**(1)**	(3)	(7)
Gas			(4)	(104)
Synfuels		**(58)**	(137)	(25)
Oil		**(10)**	3	20
International energy cluster		**(112)**	(794)	(369)
Synfuels International		**(4)**	(777)	(396)
Petroleum International		**(108)**	(17)	27
Chemical cluster		**251**	(510)	(294)
Polymers		**(14)**	1	12
Solvents		**(58)**	(158)	(104)
Olefins & Surfactants		**344**	(106)	27
Other		**(21)**	(247)	(229)
Other businesses		**(24)**	(24)	81

Total operations	**46**	(1 469)	(698)

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Sasol Limited Group

Notes to the Financial Statements (Continued)

42 Remeasurement items affecting operating profit (Continued)

	Gross 2010	Tax 2010	Non-controlling interest 2010	Net 2010
	Rm	Rm	Rm	Rm
Earnings effect of remeasurement items				
Impairment of	**(110)**	**8**		**(102)**
property, plant and equipment	**(47)**	**6**		**(41)**
assets under construction	**(61)**	**1**		**(60)**
other intangible assets	**(1)**	**1**		
investments in securities	**(1)**			**(1)**
Reversal of impairment of	**365**	**(16)**		**349**
property, plant and equipment	**348**	**(15)**		**333**
assets under construction	**2**			**2**
other intangible assets	**15**	**(1)**		**14**
(Loss)/profit on disposal of	**5**	**(2)**		**3**
property, plant and equipment	**4**	**(2)**		**2**
other intangible assets	**(1)**			**(1)**
investment in associate	**7**	**(2)**		**5**
investments in businesses	**(5)**	**2**		**(3)**
Scrapping of property, plant and equipment	**(124)**	**29**		**(95)**
Scrapping of assets under construction	**(32)**			**(32)**
Write off of unsuccessful exploration wells	**(58)**			**(58)**
	46	**19**		**65**

(Impairment)/reversal of impairments

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash inflows independently, the recoverable amount is determined for the larger cash generating unit to which it belongs.

Value-in-use calculations

The recoverable amount of the assets reviewed for impairment is determined based on value-in-use calculations. Key assumptions relating to this valuation include the discount rate and cash flows used to determine the value in use. Future cash flows are estimated based on financial budgets approved by management covering a three, five and ten year period and are extrapolated over the useful life of the assets to reflect the long-term plans for the group using the estimated growth rate for the specific business or project. The estimated future cash flows and discount rates used are post-tax based on an assessment of the current risks applicable to the specific entity and country in which it operates. Discounting post-tax cash flows at a post-tax discount rate yields the same result as discounting pre-tax cash flows at a pre-tax discount rate.

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Notes to the Financial Statements (Continued)

42 Remeasurement items affecting operating profit (Continued)

Management determines the expected performance of the assets based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the increase in the geographic segment long-term Producer Price Index. Estimations are based on a number of key assumptions such as volume, price, product mix which will create a basis for future growth and gross margin. These assumptions are set in relation to historic figures and external reports on market growth. If necessary, these cash flows are then adjusted to take into account any changes in assumptions or operating conditions that have been identified subsequent to the preparation of the budgets.

The weighted average cost of capital rate (WACC) is derived from a pricing model based on credit risk and the cost of the debt. The variables used in the model are established on the basis of management judgement and current market conditions. Management judgement is also applied in estimating the future cash flows of the cash generating units. These values are sensitive to the cash flows projected for the periods for which detailed forecasts are not available and to the assumptions regarding the long-term sustainability of the cash flows thereafter.

Main assumptions used for value-in-use calculations

		South Africa	North America	Europe
		%	%	%
Growth rate long-term Producer Price Index (PPI)	**2010**	**4,80**	**1,50**	**1,50**
Discount rate Weighted Average Cost of Capital (WACC)	**2010**	**13,25**	**7,75**	**7,75**
Growth rate long-term Producer Price Index (PPI)	2009	4,80	1,50	1,50
Discount rate Weighted Average Cost of Capital (WACC)	2009	13,25	7,75	7,75

Sensitivity to changes in assumptions

Management has considered the sensitivity of the values in use determined above to various key assumptions such as crude oil prices, commodity prices and exchange rates. These sensitivities have been taken into consideration in determining the required impairments and reversals of impairments.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

42 Remeasurement items affecting operating profit (Continued)

Significant reversal/(impairments) of assets

		Property, plant and equipment	Assets under construction	Other intangible assets	Total
	Business unit	2010	2010	2010	2010
		Rm	Rm	Rm	Rm
Chemical cluster		**324**	**(56)**	**15**	**283**
Sasol Italy Organics business	Olefins & Surfactants	**348**	**2**		**350**
Emission rights	Olefins & Surfactants			**15**	**15**
Paraffin Sulfonate plant in Marl	Olefins & Surfactants	**(7)**			**(7)**
Solvents Germany (Herne site)	Solvents	**(12)**	**(1)**		**(13)**
Exploration assets in Nigeria	Petroleum International		**(50)**		**(50)**
Secunda packaged emulsion plant	Nitro	**(5)**			**(5)**
Secunda granulation plant	Nitro		**(7)**		**(7)**
Other		**(23)**	**(3)**	**(1)**	**(27)**
		301	**(59)**	**14**	**256**

Reversal of impairment of the Sasol Italy Organics business

During 2007, the Sasol Italy Organics business was fully impaired due to a decline in the economics of the business. In 2008, management commenced with the implementation of a rigorous turnaround strategy regarding this business which was focused on the reduction of cash fixed costs, improved asset utilisation and a reduction in headcount. Based on the current indicators from the turnaround process, management has concluded that the turnaround would be sufficiently sustainable to the extent that a partial reversal of R350 million of the previous impairment was recognised during 2010.

Impairment of property, plant and equipment and other intangible assets

During the year, certain upstream exploration assets in Nigeria relating to Sasol Petroleum International were evaluated for impairment due to recent market transactions of similar assets and the Nigerian governments proposed new bill, which introduces changes to the fiscal regime of existing and new oil and gas licenses. This evaluation resulted in an impairment of R50 million in 2010.

The above impairments were the main contributors to the impairment of property, plant and equipment and assets under construction during the year. Other smaller impairments are in respect of assets which are subject to reduced utilisation.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

43 Earnings per share

Earnings per share is derived by dividing attributable earnings by the weighted average number of shares, after taking the share repurchase programme and the Sasol Inzalo share transaction into account. Appropriate adjustments are made in calculating diluted earnings per share.

Diluted earnings per share reflect the potential dilution that could occur if all of the group's outstanding share options were exercised and the effects of all dilutive potential ordinary shares resulting from the Sasol Inzalo share transaction. The number of shares outstanding is adjusted to show the potential dilution if employee share options and Sasol Inzalo share rights are converted into ordinary shares and the ordinary shares that will be issued to settle the A and B preference shares in the Sasol Inzalo share transaction.

	Number of shares		
	2010	**2009**	**2008**
	million	**million**	**million**
Weighted average number of shares	**597,6**	596,1	601,0
Potential dilutive effect of outstanding share options	**4,7**	6,1	8,5
Potential dilutive effect of Sasol Inzalo transaction	**13,2**	11,8	
Diluted weighted average number of shares	**615,5**	614,0	609,5

The diluted weighted average number of shares in issue for the year ended 30 June 2010 does not include the effect of ordinary shares issuable upon the conversion of Sasol Inzalo share rights in respect of the Sasol Inzalo Employee Trust and Sasol Inzalo Management Trust, as their effect is currently not dilutive.

	2010	**2009**	**2008**
	Rm	**Rm**	**Rm**
Diluted earnings is determined as follows			
Earnings attributable to owners of Sasol Limited	**15 941**	13 648	22 417
Finance expense on potentially dilutive shares (Sasol Inzalo share transaction)	**395**	350	
Diluted earnings	**16 336**	13 998	22 417

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Sasol Limited Group

Notes to the Financial Statements (Continued)

43 Earnings per share (Continued)

	2010	2009	2008
	Rand	**Rand**	**Rand**
Profit attributable to shareholders			
Basic earnings per share	**26,68**	22,90	37,30
Diluted earnings per share	**26,54**	22,80	36,78
Effect of share repurchase programme	**0,39**	0,80	1,73
Dividends per share			
Ordinary shares of no par value			
Interim	**2,80**	2,50	3,65
Final*	**7,70**	6,00	9,35
	10,50	8,50	13,00

* Declared subsequent to 30 June 2010 and has been presented for information purposes only. No accrual regarding the final dividend has been recognised.

Potential dilutive effect of options issued in terms of the Sasol Share Incentive Scheme

		2010	2009	2008
Number of options granted at year end	thousand	**12 103**	14 127	16 212
Average issue price of options	Rand	**177,34**	174,46	171,92
Value at issue price	Rm	**2 147**	2 465	2 787
Average closing share price during year on JSE	Rand	**289,81**	305,81	360,27
Equivalent shares at closing share price	thousand	**7 406**	8 059	7 736
Potential dilutive effect of outstanding share options	thousand	**4 697**	6 068	8 476

Potential dilutive effect of shares to be issued to settle debt of the Sasol Inzalo share transaction

Sasol Inzalo Groups Funding debt (A and B preference shares)	Rm	**1 290**	1 292	*
Sasol Inzalo Public Funding debt (A and B preference shares)	Rm	**2 325**	2 336	*
Closing share price on JSE	Rand	**274,60**	269,98	*
Potential dilutive effect of the Sasol Inzalo share transaction		**13 166**	13 437	*

	thousand shares			
Potential dilutive weighted effect of Sasol Inzalo share transaction	thousand shares	**13 166**	11 777	*

*

The potential dilutive effect of share rights issued in terms of the Sasol Inzalo share transaction in 2008 is insignificant as the transaction was concluded only at the end of that year.

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44 Other comprehensive income

	Note	2010	2009	2008
		Rm	Rm	Rm
Components of other comprehensive income				
Effect of translation of foreign operations		**(802)**	(2 485)	3 452
Effect of cash flow hedges		**13**	(497)	261
gains/(losses) on effective portion of cash flow hedges		**13**	(430)	40
(gains)/losses on cash flow hedges transferred to hedged items			(67)	221
Gain/(loss) on fair value of investments		**4**		(1)
Tax on other comprehensive income	23	**8**	101	(60)
Other comprehensive income for year, net of tax		**(777)**	(2 881)	3 652

Tax and non-controlling interest on other comprehensive income

	Gross	Tax	Non-controlling interest	Net
	Rm	Rm	Rm	Rm
2010				
Effect of translation of foreign operations	**(802)**			**(802)**
Gain on effective portion of cash flow hedges	**13**	**9**	**7**	**29**
Gain on fair value of investments	**4**	**(1)**		**3**
Other comprehensive income	**(785)**	**8**	**7**	**(770)**
2009				
Effect of translation of foreign operations	(2 485)	1	3	(2 481)
Losses on effective portion of cash flow hedges	(430)	89	26	(315)
Gain on cash flow hedges transferred to hedged items	(67)	10		(57)
Gain on fair value of investments		1		1
Other comprehensive income	(2 982)	101	29	(2 852)
2008				
Effect of translation of foreign operations	3 452	(1)	(2)	3 449
Gains on effective portion of cash flow hedges	40	(4)	(5)	31
Losses on cash flow hedges transferred to hedged items	221	(55)		166
Loss on fair value of investments	(1)			(1)
Other comprehensive income	3 712	(60)	(7)	3 645

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Notes to the Financial Statements (Continued)

Equity Structure

	Note
Share capital	**45**
Share-based payments	**46**
Foreign currency translation reserve	**47**
Share repurchase programme	**48**

45 Share capital

	Number of shares		
	2010	**2009**	**2008**
Authorised[1]			
Ordinary shares of no par value	**1 127 690 590**	1 127 690 590	1 127 690 590
Sasol preferred ordinary shares of no par value	**28 385 646**	28 385 646	28 385 646
Sasol BEE ordinary shares of no par value	**18 923 764**	18 923 764	18 923 764
	1 175 000 000	1 175 000 000	1 175 000 000

(1) During May 2008, special resolutions were passed whereby 47 309 410 of the authorised but unissued ordinary shares of no par value of the capital of Sasol Limited were converted into 28 385 646 Sasol preferred ordinary shares of no par value and 18 923 764 Sasol BEE ordinary shares of no par value, respectively.

	Number of shares		
	2010	**2009**	**2008**
Issued			
Shares issued at beginning of year	**665 880 862**	676 711 298	627 696 148
Issued in terms of the Sasol Share Incentive Scheme	**1 792 600**	1 745 800	4 859 700
Issued in terms of the Sasol Inzalo share transaction[2]		18 923 764	44 155 450
Shares cancelled during year		(31 500 000)	
Shares issued at end of year	**667 673 462**	665 880 862	676 711 298
Comprising			
Ordinary shares of no par value	**639 287 816**	637 495 216	667 249 416
Sasol preferred ordinary shares of no par value	**25 547 081**	25 547 081	9 461 882
Sasol BEE ordinary shares of no par value	**2 838 565**	2 838 565	
	667 673 462	665 880 862	676 711 298

(2) In 2009, 16 085 199 Sasol preferred ordinary shares were issued, at an issue price of R366,00 per share, for R5 888 million to the Black Public pursuant to the funded invitation. 2 838 565 Sasol BEE ordinary shares were issued, at an issue price of R366,00 per

share, for R1 039 million to the Black Public pursuant to the cash invitation.

In 2008, 34 693 568 Sasol ordinary shares with a value of R12 698 million were issued at a nominal value of R0,01 per share to the Sasol Inzalo Employee and Management Trusts and the Sasol Inzalo Foundation, with the remaining amount being facilitated by Sasol. In addition, 9 461 882 Sasol preferred ordinary shares were issued, at an issue price of R366,00 per share, for R3 463 million to the selected participants.

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Notes to the Financial Statements (Continued)

45 Share capital (Continued)

	Number of shares		
	2010	**2009**	**2008**
Held in reserve			
Allocated to the Sasol Share Incentive Scheme	**14 551 900**	16 257 400	18 005 500
Unissued shares	**492 774 638**	492 861 738	480 283 202
Ordinary shares of no par value	**473 850 874**	473 937 974	442 435 674
Sasol preferred ordinary shares of no par value	**2 838 565**	2 838 565	18 923 764
Sasol BEE ordinary shares of no par value	**16 085 199**	16 085 199	18 923 764
	507 326 538	509 119 138	498 288 702

Conditions attached to share classifications

The Sasol ordinary shares issued have no conditions attached to them.

The Sasol preferred ordinary shares have voting rights attached to them and will be Sasol ordinary shares at the end of the term of the Sasol Inzalo share transaction. The Sasol preferred ordinary shares rank pari passu with the Sasol ordinary shares and differ only in the fact that they are not listed and trading is restricted.

Further, the Sasol preferred ordinary shares carry a cumulative preferred dividend right where a dividend has been declared during the term of the Sasol Inzalo share transaction, with the dividends set out as follows:

R16,00 per annum for each of the three years until 30 June 2011;

R22,00 per annum for the next three years until 30 June 2014; and

R28,00 per annum for the last four years until 30 June 2018.

The Sasol BEE ordinary shares have voting rights attached to them and will be Sasol ordinary shares at the end of the term of the Sasol Inzalo share transaction. The Sasol BEE ordinary shares rank pari passu with the Sasol ordinary shares and differ only in the fact that they are not listed and trading is restricted.

The Sasol BEE ordinary shares receive dividends per share simultaneously with, and equal to, the Sasol ordinary shares.

Capital management

The group's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk, to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to provide sustainable returns for shareholders and benefits to the stakeholders.

The group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to shareholders, return

capital to

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Sasol Limited Group

Notes to the Financial Statements (Continued)

45 Share capital (Continued)

shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity. The gearing level takes into account the group's substantial capital investment and susceptibility to external market factors such as crude oil prices, exchange rates and commodity chemical prices. In 2009, the targeted gearing ratio was lowered to 20% 40% from the previous range of 30% 50%. The group's gearing level for 2010 of 1,0% (2009 negative 1,2%) remained low as a result of improved operating results. The gearing ratio is expected to return to the targeted range as the capital expansion programme progresses in the medium- to long-term horizon.

46 Share-based payments

	Note	2010	2009	2008
		Rm	Rm	Rm
During the year the following share-based payment expenses were recognised in the income statement regarding share-based payment arrangements that existed:				
Equity settled recognised directly in equity		**880**	3 293	1 574
Sasol Share Incentive Scheme	46.1	**56**	91	140
Sasol Inzalo share transaction	46.2	**824**	3 202	1 434
Cash settled recognised in long-term provisions				
Sasol Share Appreciation Rights Scheme	46.3	**57**	32	208
Share Appreciation Rights with no corporate performance targets		**51**	32	208
Share Appreciation Rights with corporate performance targets		**6**		
Sasol Medium-term Incentive Scheme	46.4	**6**		
		943	3 325	1 782

46.1 The Sasol Share Incentive Scheme

In 1988, the shareholders approved the adoption of the Sasol Share Incentive Scheme. The scheme was introduced to provide an incentive for senior employees (including executive directors) of the group who participate in management and also non-executive directors from time to time.

The objective of the Sasol Share Incentive Scheme is to recognise the contributions of senior staff to the value added to the group's financial position and performance and to retain key employees. Allocations are linked to the performance of both the group and the individual. Options are granted for a period of nine years and vest as follows

2 years 1st third

4 years 2nd third

6 years	final third	

The offer price of these options equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the option. These options are settled by means of

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Sasol Limited Group

Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

the issue of ordinary shares of no par value by Sasol Limited. The fair value of the equity settled expense is calculated at grant date.

In terms of the scheme, options to a maximum of 60 000 000 ordinary shares may be offered by the trustees to eligible group employees. Each employee is limited to holding a maximum of 1 000 000 options to acquire Sasol Limited shares.

On resignation, share options which have not yet vested will lapse and share options which have vested may be taken up at the employee's election before their last day of service. Payment on shares forfeited will therefore not be required. On death, all options vest immediately and the deceased estate has a period of twelve months to exercise these options. On retrenchment, all share options vest immediately and the employee has a period of twelve months to exercise these options. On retirement the options vest immediately and the nine year expiry period remains unchanged.

Following the introduction of the Sasol Share Appreciation Rights Scheme in March 2007, no further options have been issued in terms of the Sasol Share Incentive Scheme. Unimplemented share options will not be affected by the Sasol Share Appreciation Rights Scheme.

It is group policy that employees should not deal in Sasol Limited shares for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results and at any other time during which they have access to price sensitive information.

	Number of shares		
	2010	**2009**	**2008**
Shares allotted	**45 448 100**	43 742 600	41 994 500
Share options granted	**12 275 800**	14 215 500	16 212 000
Unallocated share options	**2 276 100**	2 041 900	1 793 500
	60 000 000	60 000 000	60 000 000
Vesting periods of options granted			
Already vested	**8 225 300**	7 369 600	5 595 800
Within one year	**1 893 900**	2 484 100	3 331 400
One to two years	**1 368 300**	2 005 000	2 643 300
Two to three years	**788 300**	1 512 500	2 129 600
Three to four years		844 300	1 615 200
Four to five years			896 700
	12 275 800	14 215 500	16 212 000

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Sasol Limited Group

Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

	Number of shares	Weighted average option price
		Rand
Movements in the number of options granted		
Balance at 30 June 2007	**21 439 100**	**142,75**
Options converted to shares	**(4 859 700)**	**(96,80)**
Options lapsed	**(367 400)**	**(189,07)**
Balance at 30 June 2008	**16 212 000**	**155,47**
Options converted to shares	**(1 745 800)**	**(91,16)**
Options lapsed	**(250 700)**	**(170,70)**
Balance at 30 June 2009	**14 215 500**	**163,10**
Options converted to shares	**(1 792 600)**	**(114,18)**
Options lapsed	**(147 100)**	**(204,33)**
Balance at 30 June 2010	**12 275 800**	**169,75**

	2010	2009	2008
	Rand	Rand	Rand
Average market price of options traded during year	**295,70**	295,44	366,71
Average fair value of share options vested during year	**49,84**	43,82	39,29

	2010	2009	2008
	Rm	Rm	Rm
Total intrinsic value of share options exercised during year	**325**	357	1 312
Share-based payment expense recognised*	**56**	91	140

* The unrecognised share-based payment expense related to non-vested share options, expected to be recognised over a weighted average period of 0,9 years, amounted to R49 million at 30 June 2010 (2009 R106 million; 2008 R197 million)

Following the introduction of the Sasol Share Appreciation Rights Scheme in 2007, no further options have been granted in terms of the Sasol Share Incentive Scheme. The share-based payment expense recognised in the current year relates to options granted in previous years and is calculated based on the assumptions applicable to the year in which the options were granted.

There was no income tax recognised as a consequence of Sasol Share Incentive Scheme.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

Range of exercise prices

	Number of shares	Weighted average option	Aggregate intrinsic value	Weighted average remaining life
		Rand	Rm	years
Details of unimplemented share options granted up to 30 June 2010				
R60,01 R90,00	**1 653 200**	**86,12**	**312**	**1,70**
R90,01 R120,00	**3 452 100**	**111,35**	**564**	**2,31**
R120,01 R150,00	**421 000**	**133,81**	**59**	**3,28**
R150,01 R180,00	**318 900**	**158,26**	**37**	**3,80**
R180,01 R210,00	**866 300**	**195,44**	**69**	**4,04**
R210,01 R240,00	**4 665 100**	**225,04**	**231**	**4,65**
R240,01 R270,00	**683 500**	**251,58**	**16**	**5,25**
R270,01 R300,00	**215 700**	**274,71**		**4,93**
	12 275 800	**169,75**	**1 288**	
Details of unimplemented share options vested at 30 June 2010				
R30,01 R60,00	**7 000**	**54,00**	**2**	
R60,01 R90,00	**1 656 400**	**86,11**	**312**	
R90,01 R120,00	**2 713 600**	**111,31**	**443**	
R120,01 R150,00	**218 000**	**134,36**	**31**	
R150,01 R180,00	**165 800**	**157,94**	**19**	
R180,01 R210,00	**661 300**	**194,98**	**53**	
R210,01 R240,00	**2 469 900**	**223,59**	**126**	
R240,01 R270,00	**225 900**	**252,77**	**5**	
R270,01 R300,00	**107 400**	**274,64**		
	8 225 300	**154,20**	**991**	

46.2 The Sasol Inzalo share transaction

In May 2008, the shareholders approved the Sasol Inzalo share transaction, a broad-based Black Economic Empowerment (BEE) transaction, which resulted in the transfer of beneficial ownership of 10% (63,1 million shares) of Sasol Limited's issued share capital before the implementation of this transaction to its employees and a wide spread of BEE participants. The transaction was introduced to assist Sasol, as a major participant in the South African economy, in meeting its empowerment objectives.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

Components of the transaction

	Note	2010 allocated	Value of shares issued 2010	Share-based payment expense recognised 2010
		%	Rm	Rm
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[1]	i	**4,0**	**9 235**	**824**
The Sasol Inzalo Foundation[2]	ii	**1,5**	**3 463**	
Selected Participants	iii	**1,5**	**3 463**	
Black Public Invitations	iv	**3,0**	**6 927**	
		10,0	**23 088**	**824**

Components of the transaction

	Note	2009 allocated	Value of shares issued 2009	Share-based payment expense recognised 2009
		%	Rm	Rm
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[1]	i	4,0	9 235	767
The Sasol Inzalo Foundation[2]	ii	1,5	3 463	
Selected Participants	iii	1,5	3 463	
Black Public Invitations	iv	3,0	6 927	2 435
		10,0	23 088	3 202

Components of the transaction

	Note	2008 allocated	Value of shares issued 2008	Share-based payment expense recognised 2008
		%	Rm	Rm
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[1]	i	4,0	9 235	77
The Sasol Inzalo Foundation[2]	ii	1,5	3 463	
Selected Participants	iii	1,5	3 463	1 357
Black Public Invitations	iv	3,0		

	10,0	16 161	1 434

(1) The unrecognised share-based payment expense related to non-vested Employee and Management Trusts' share rights, expected to be recognised over a weighted average period of 2,3 years amounted to R2 285 million at 30 June 2010 (2009 R2 889 million; 2008 R4 872 million).

(2) No share-based payment expense has been recognised for The Sasol Inzalo Foundation.

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Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

i The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust (the Trusts)

On 3 June 2008, staff members that were South African residents or who were migrant workers that did not participate in the Sasol Share Incentive Scheme and the Sasol Share Appreciation Rights Scheme participated in The Sasol Inzalo Employee Trust (Employee Scheme), while all senior black staff that are South African residents participated in The Sasol Inzalo Management Trust (Management Scheme).

The share rights, which entitled the employees from the inception of the scheme to receive ordinary shares at the end of ten years, vest according to unconditional entitlement as follows:

after three years: 30%

thereafter: 10% per year until maturity

Participants in the Employee Scheme were granted share rights to 850 Sasol ordinary shares. The allocation of the shares in the Management Scheme was based on seniority and range from 5 000 to 25 000. 12% of the allocated shares has been set aside for new employees appointed during the first five years of the transaction. On resignation, within the first three years from the inception of the transaction, share rights granted will be forfeited. For each year thereafter, 10% of such share rights will be forfeited for each year or part thereof remaining until the end of the transaction period. On retirement, death or retrenchment the rights will remain with the participant.

The fair value of the equity settled share-based payment expense is calculated at grant date and expensed over the vesting period of the share rights.

The Sasol ordinary shares were issued to the Trusts, funded by contributions from Sasol, which collectively subscribed for 25,2 million Sasol ordinary shares at a nominal value of R0,01 per share, subject to pre-conditions regarding the right to receive only 50% of ordinary dividends paid on ordinary shares and Sasol's right to repurchase a number of shares at a nominal value of R0,01 per share at the end of year ten in accordance with a pre-determined formula. The participant has the right to all ordinary dividends received by the Trusts for the duration of the transaction.

After Sasol has exercised its repurchase right and subject to any forfeiture of share rights, each participant will receive a number of Sasol ordinary shares in relation to their respective share rights.

Any shares remaining in the Trusts after the distribution to participants may be distributed to The Sasol Inzalo Foundation.

ii The Sasol Inzalo Foundation

On 3 June 2008, The Sasol Inzalo Foundation, which was incorporated as a trust and in the process of being registered as a public benefit organisation, subscribed for 9,5 million Sasol ordinary shares at nominal value of R0,01 per share.

The primary focus of The Sasol Inzalo Foundation is skills development and capacity building of black South Africans, predominantly in the fields of mathematics, science and technology.

The conditions of subscription for Sasol ordinary shares by The Sasol Inzalo Foundation includes the right to receive dividends equal to 5% of the ordinary dividends declared in respect of Sasol ordinary shares held by the Foundation. Sasol is entitled to repurchase a number of Sasol ordinary

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Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

shares from the Foundation at a nominal value of R0,01 per share at the end of ten years in accordance with a pre-determined formula.

After Sasol has exercised its repurchase right, the Foundation will receive 100% of dividends declared on the Sasol ordinary shares owned by the Foundation.

iii Selected Participants

In 2008, selected BEE groups (Selected Participants) which included Sasol customers, Sasol suppliers, Sasol franchisees, women's groups, trade unions and other professional associations, through a funding company, which is consolidated as part of the Sasol group, subscribed in total for 9,5 million Sasol preferred ordinary shares. A portion of these shares have not yet been allocated to Selected Participants and have been subscribed for by a facilitation trust, which is funded by Sasol. As at 30 June 2010, 1,1 million (2009 1,1 million; 2008 1,1 million) Sasol preferred ordinary shares were issued to the facilitation trust.

The Selected Participants contributed equity between 5% to 10% of the value of their underlying Sasol preferred ordinary shares allocation, with the balance of the contribution funded through preference share debt (refer note 18), including preference shares subscribed for by Sasol.

The fair value of the equity settled share-based payment expense relating to the share rights issued to the Selected Participants is calculated at grant date and is expensed immediately as all vesting conditions had been met at that date.

The Selected Participants are entitled to receive a dividend of up to 5% of the dividend declared on the Sasol preferred ordinary shares in proportion to their effective interest in Sasol's issued share capital, from the commencement of the fourth year of the transaction term of ten years, subject to the financing requirements of the preference share debt.

At the end of the transaction term, the Sasol preferred ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE Limited. The Sasol ordinary shares remaining in the funding company after redeeming the preference share debt and paying costs may then be distributed to the Selected Participants in proportion to their shareholding.

The funding company, from inception, has full voting and economic rights with regard to its shareholding of Sasol's total issued share capital.

iv Black Public Invitations

The Sasol Inzalo Black Public Invitations aimed to provide as many black people (Black Public) as possible with an opportunity to acquire shares in Sasol. The Black Public owns 3% of Sasol's issued share capital, through their participation in the Funded and Cash Invitations described below.

The Black Public invitations closed on 9 July 2008 and were included in the results for 2009. On 8 September 2008, the Black Public indirectly subscribed for 16 085 199 preferred ordinary shares and directly for 2 838 565 Sasol BEE ordinary shares.

The fair value of the equity settled share-based payment expense relating to the share rights issued to the Black Public calculated at grant date is expensed immediately as all vesting conditions would have been met at that date. At 30 June 2010, 56 452 (2009 57 254) Sasol preferred ordinary shares

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Sasol Limited Group

Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

and 17 405 (2009 16 097) Sasol BEE ordinary shares were issued to a facilitation trust funded by Sasol.

Funded Invitation

The members of the Black Public participating in the Funded Invitation through a funding company, which is consolidated as part of the Sasol group, subscribed for 16,1 million Sasol preferred ordinary shares. The Black Public contributed equity between 5% to 10% of their underlying Sasol preferred ordinary shares allocation, with the balance of the contribution being funded through preference share debt, (refer note 18), including preference shares subscribed for by Sasol.

Participants in the Funded Invitation may not dispose of their shares for the first three years after inception. Thereafter, for the remainder of the transaction term, trading in the shares will be allowed with other Black People or Black Groups through an over-the-counter trading mechanism. Participants in the Funded Invitation may not encumber the shares held by them before the end of the transaction term.

The Black Public are entitled to receive a dividend of up to 5% of the dividend on the Sasol preferred ordinary shares in proportion to their effective interest in Sasol's issued share capital, from the commencement of the fourth year of the transaction term of ten years, subject to the financing requirements of the preference share debt.

At the end of the transaction term, the Sasol preferred ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE Limited. The Sasol ordinary shares remaining in the funding company after redeeming the preference share debt and paying costs may then be distributed to the Black Public in proportion to their shareholding.

The funding company has, from inception, full voting and economic rights with regard to its interest in Sasol's issued share capital.

Cash Invitation

The Cash Invitation allowed members of the Black Public to invest directly in Sasol BEE ordinary shares. As at 30 June 2010, the Black Public held 2,8 million (2009 2,8 million) Sasol BEE ordinary shares. Participants in the Cash Invitation receive dividends per share simultaneously with, and equal to, Sasol ordinary shareholders. In addition, they are entitled to exercise full voting rights attached to their Sasol BEE ordinary shares.

The Sasol BEE ordinary shares cannot be traded for the first two years of the transaction term of ten years and, for the remainder of the transaction term, can only be traded between Black People and Black Groups.

Participants in the Cash Invitation are entitled to encumber their Sasol BEE ordinary shares, provided that these shares continue to be owned by members of the Black Public for the duration of the transaction term.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

At the end of the transaction term, the Sasol BEE ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE Limited.

	Total	(i) Employee and Management Trusts	(ii) Sasol Inzalo Foundation	(iii) Selected Participants	(iv) Black Public Invitations
at 30 June 2010					
Shares and share rights granted	**61 211 846**	**24 512 080**	**9 461 882**	**8 387 977**	**18 849 907**
Shares and share rights available for allocation	**1 867 368**	**719 606**		**1 073 905**	**73 857**
	63 079 214	**25 231 686**	**9 461 882**	**9 461 882**	**18 923 764**
Vesting periods of shares and share rights granted					
Already vested	**36 699 766**		**9 461 882**	**8 387 977**	**18 849 907**
Within three years	**7 353 624**	**7 353 624**			
Three to five years	**4 902 416**	**4 902 416**			
Five to ten years	**12 256 040**	**12 256 040**			
	61 211 846	**24 512 080**	**9 461 882**	**8 387 977**	**18 849 907**

	Total	(i) Employee and Management Trusts	(ii) Sasol Inzalo Foundation	(iii) Selected Participants	(iv) Black Public Invitations
at 30 June 2009					
Shares and share rights granted	58 333 322	21 633 050	9 461 882	8 387 977	18 850 413
Shares and share rights available for allocation	4 745 892	3 598 636		1 073 905	73 351
	63 079 214	25 231 686	9 461 882	9 461 882	18 923 764
Vesting periods of shares and share rights granted					
Already vested	36 700 272		9 461 882	8 387 977	18 850 413
Within three years	6 489 915	6 489 915			
Three to five years	4 326 610	4 326 610			
Five to ten years	10 816 525	10 816 525			
	58 333 322	21 633 050	9 461 882	8 387 977	18 850 413

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Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

	Total	(i) Employee and Management Trusts	(ii) Sasol Inzalo Foundation	(iii) Selected Participants	(iv) Black Public Invitations
at 30 June 2008					
Shares and share rights granted	40 151 859	22 302 000	9 461 882	8 387 977	
Shares and share rights available for allocation	4 003 591	2 929 686		1 073 905	
Shares and share rights unissued at year end	18 923 764				18 923 764
	63 079 214	25 231 686	9 461 882	9 461 882	18 923 764
Vesting periods of shares and share rights granted					
Already vested	17 849 859		9 461 882	8 387 977	
Within three years	6 690 600	6 690 600			
Three to five years	4 460 400	4 460 400			
Five to ten years	11 151 000	11 151 000			
	40 151 859	22 302 000	9 461 882	8 387 977	

The share-based payment expense was calculated using an option pricing model reflective of the underlying characteristics of each part of the transaction. It is calculated using the following assumptions at grant date.

	Employee and Management Trusts 2010	Selected Participants 2010	Black Public Invitation Funded 2010	Black Public Invitation Cash 2010
Valuation model	**Monte Carlo model**	**Black-Scholes model**	**Black-Scholes model**	*
Exercise price **Rand**	**366,00**	*	*	
Risk-free interest rate **(%)**	**11,8**	*	*	
Expected volatility **(%)**	**33,5**	*	*	
Expected dividend yield **(%)**	**2,67 4,5**	*	*	
Vesting period	**7 to 8 years****	*	*	

* There were no further grants made during the year

**

Rights granted during the current year vest over the remaining period until tenure of the transaction until 2018

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46 Share-based payments (Continued)

	Employee and Management Trusts 2009	Selected Participants 2009	Black Public Invitation Funded 2009	Black Public Invitation Cash 2009
Valuation model	Monte Carlo model	Black-Scholes model	Black-Scholes model	***
Exercise price Rand	366,00	*	366,00	
Risk-free interest rate (%)	11,8	*	10,3	
Expected volatility (%)	56,0	*	34,0	
Expected dividend yield (%)	2,67 4,5	*	3,0	
Vesting period	10 years	*	10 years	

***

The share-based payment expense was calculated as the difference between the market value of R437,99 per share and the issue price of R366 per share on grant date.

	Employee and Management Trusts 2008	Selected Participants 2008
Valuation model	Monte Carlo model	Black-Scholes model
Exercise price Rand	366,00	366,00
Risk-free interest rate (%)	11,8	10,7
Expected volatility (%)	34,0	34,0
Expected dividend yield (%)	2,67 4,5	3,0
Vesting period	10 years	10 years

The risk-free rate for periods within the contractual term of the share rights is based on the South African government bonds in effect at the time of the grant.

The expected volatility in the value of the share rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the share rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

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Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

	Number of shares/ share rights	Weighted average value	Aggregate intrinsic value	Weighted average remaining life
		Rand	Rm	years
Movements in the number of shares and share rights granted				
(i) Sasol Inzalo Employee and Management Trusts				
Shares and share rights granted	22 302 000	366,00	(2 038)	
Balance at 30 June 2008	22 302 000	366,00	(2 038)	10,0
Shares and share rights granted	236 132	366,00	(22)	
Shares and share rights forfeited	(905 082)		(249)	
Balance at 30 June 2009	21 633 050	366,00	(2 309)	9,0
Shares and share rights granted	**2 921 059**	**366,00**	**(267)**	
Shares and share rights forfeited	**(42 029)**		**(12)**	
Balance at 30 June 2010	**24 512 080**	**366,00**	**(2 588)**	**8,0**
(ii) Sasol Inzalo Foundation				
Shares and share rights granted	9 461 882	366,00	(865)	
Balance at 30 June 2008	9 461 882	366,00	(865)	10,0
Shares and share rights granted				
Balance at 30 June 2009	9 461 882	366,00	(865)	9,0
Shares and share rights granted				
Shares and share rights forfeited				
Balance at 30 June 2010	**9 461 882**	**366,00**	**(865)**	**8,0**
(iii) Selected Participants				
Shares and share rights granted	8 387 977	366,00	(767)	
Balance at 30 June 2008	8 387 977	366,00	(767)	10,0
Shares and share rights granted				
Balance at 30 June 2009	8 387 977	366,00	(767)	9,0
Shares and share rights granted				
Shares and share rights forfeited				
Balance at 30 June 2010	**8 387 977**	**366,00**	**(767)**	**8,0**
(iv) Black Public Invitations				
Shares and share rights granted	18 850 413	366,00	(1 723)	

Balance at 30 June 2009	18 850 413	366,00	(1 723)	9,0
Shares and share rights granted				
Shares and share rights forfeited	**(506)**			
Balance at 30 June 2010	**18 849 907**	**366,00**	**(1 723)**	**8,0**

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Sasol Limited Group

Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

	(i) Employee and Management Trusts 2010	(ii) Sasol Inzalo Foundation 2010	(iii) Selected Participants 2010	(iv) Black Public Invitations Funded 2010	(iv) Black Public Invitations Cash 2010
At 30 June 2010					
Average price at which shares/share rights were granted during year	**366***				
Average fair value of shares/share rights issued during year	**71,89**				

	(i) Employee and Management Trusts 2009	(ii) Sasol Inzalo Foundation 2009	(iii) Selected Participants 2009	(iv) Black Public Invitations Funded 2009	(iv) Black Public Invitations Cash 2009
At 30 June 2009					
Average price at which shares/share rights were granted during year	366*			366*	366*
Average fair value of rights issued during year	121,22			137,24	71,99

	(i) Employee and Management Trusts 2008	(ii) Sasol Inzalo Foundation 2008	(iii) Selected Participants 2008	(iv) Black Public Invitations Funded 2008	(iv) Black Public Invitations Cash 2008
At 30 June 2008					
Average price at which shares/share rights were granted during year	366*	366*	366*		
Average fair value of rights issued during year	221,88		161,82		

*

Underlying value at 60 day volume weighted average price on 18 March 2008, although the shares were issued at a nominal value of R0,01 per share.

No unimplemented share rights relating to the Employee and Management Trusts have vested at year end.

46.3 The Sasol Share Appreciation Rights Scheme

During March 2007, the group introduced the Sasol Share Appreciation Rights Scheme. This scheme replaces the Sasol Share Incentive Scheme. The objectives of the scheme are similar to that of the Sasol Share Incentive Scheme. The Share Appreciation Rights Scheme allows certain senior employees to earn a long-term incentive amount calculated with reference to the increase in the Sasol Limited share price between the offer date of share appreciation rights to vesting and exercise of such rights. With effect from September 2009, certain qualifying senior management receive only share appreciation rights that contain corporate performance targets (refer 46.3.2). These qualifying

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Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

employees will retain the share appreciation rights with no corporate performance targets that have been previously granted to them.

	Number of share appreciation rights		
	2010	**2009**	**2008**
Rights and MTIs granted	**11 505 326**	8 193 300	3 839 200
Available for allocation*	**8 494 674**	11 806 700	16 160 800
	20 000 000	20 000 000	20 000 000

* In terms of the new Share Appreciation Rights Scheme and the Sasol Medium-term Incentive Scheme (MTIs) (refer 46.4), the number of rights available through the scheme together with the number of share options available under the previous Sasol Share Incentive Scheme shall not at any time exceed 80 million shares/rights.

46.3.1 Share Appreciation Rights with no corporate performance targets

The Share Appreciation Rights Scheme with no corporate performance targets allows certain senior employees to earn a long-term incentive amount calculated with reference to the increase in the Sasol Limited share price between the offer date of share appreciation rights to vesting and exercise of such rights.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Share Appreciation Rights Scheme will be settled in cash.

Rights are granted for a period of nine years and vest as follows:

2 years 1st third
4 years 2nd third
6 years final third

The offer price of these appreciation rights equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the right. The fair value of the cash settled expense is calculated at each reporting date.

On resignation, share appreciation rights which have not yet vested will lapse and share appreciation rights which have vested may be taken up at the employee's election before their last day of service. Payment on shares forfeited will therefore not be required. On death, all appreciation rights vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retrenchment, all appreciation rights vest immediately and the employee has a period of twelve months to exercise these rights. On retirement the appreciation rights vest immediately and the nine year expiry period remains unchanged.

It is group policy that employees should not deal in Sasol Limited shares (and this is extended to the Sasol Share Appreciation Rights) for the periods from 1 January for half year end and 1 July for

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Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

year end until 2 days after publication of the results and at any other time during which they have access to price sensitive information.

	Number of share appreciation rights		
	2010	**2009**	**2008**
Vesting periods of rights granted			
Already vested	**1 202 600**	261 300	4 300
Within one year	**1 740 500**	954 600	310 400
One to two years	**1 917 600**	1 779 300	974 300
Two to three years	**1 728 200**	961 400	296 800
Three to four years	**1 927 500**	1 790 400	974 300
Four to five years	**1 425 700**	971 300	295 000
More than five years	**984 800**	1 475 000	984 100
	10 926 900	8 193 300	3 839 200

	Number of share appreciation rights	**Weighted average share price**
		Rand
Movements in the number of rights granted		
Rights granted	931 800	242,08
Rights forfeited	(14 400)	(257,06)
Balance at 30 June 2007	917 400	241,85
Rights granted	3 037 600	332,77
Rights forfeited	(30 700)	(310,33)
Rights lapsed	(85 100)	(275,98)
Balance at 30 June 2008	3 839 200	249,31
Rights granted	4 712 600	320,85
Rights exercised	(27 500)	(231,06)
Rights forfeited	(50 100)	(352,10)
Rights lapsed	(280 900)	(326,71)
Balance at 30 June 2009	8 193 300	287,24
Rights granted	**3 044 200**	**296,54**
Rights exercised	**(40 700)**	**(268,68)**
Rights forfeited	**(900)**	**(299,90)**
Rights lapsed	**(269 000)**	**(324,81)**

Balance at 30 June 2010	**10 926 900**	**288,97**

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Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

	2010	2009	2008
	Rand	Rand	Rand
Average price at which share appreciation rights were granted during year	**296,54**	320,85	332,77
Average market price of share appreciation rights traded during the year	**303,37**	291,88	
Average fair value of share appreciation rights vested during year	**47,23**	106,31	211,13
Average fair value of share appreciation rights issued during year	**75,20**	110,17	211,56

	2010	2009	2008
	Rm	Rm	Rm
Average intrinsic value of share appreciation rights exercised during the year	**1**	2	
Share-based payment expense recognised*	**51**	32	208

* The unrecognised share-based payment expense related to non-vested share appreciation rights, expected to be recognised over a weighted average period of 1,6 years, amounted to R327 million at 30 June 2010 (2009 R502 million; 2008 R651 million).

	2010	2009	2008
The share-based payment expense is calculated using the binomial tree model based on the following assumptions at 30 June			
Risk free interest rate (%)	**7,87 8,22**	8,79 8,86	11,12 11,26
Expected volatility (%)	**28,69**	54,32	35,73
Expected dividend yield (%)	**3,35**	3,37	3,44
Expected forfeiture rate (%)	**5,00**	5,00	3,30
Vesting period	**2,4,6 years**	2,4,6 years	2,4,6 years

The risk-free rate for periods within the contractual term of the rights is based on the South African government bonds in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

Range of exercise prices

	Number of shares	Weighted average price per right	Aggregate intrinsic value	Weighted average remaining life
		Rand	Rm	years
Details of unimplemented rights granted up to 30 June 2010				
R210,01 R240,00	**348 500**	**222,50**	**18**	**5,68**
R240,01 R270,00	**1 452 700**	**257,29**	**25**	**7,09**
R270,01 R300,00	**5 476 700**	**294,57**	**(109)**	**7,56**
R300,01 R330,00	**93 700**	**327,20**	**(5)**	**6,28**
R330,01 R360,00	**2 923 500**	**351,04**	**(223)**	**7,13**
R390,01 R420,00	**242 600**	**407,50**	**(32)**	**6,70**
R420,01 R450,00	**197 000**	**444,00**	**(33)**	**6,82**
R450,01 R480,00	**148 200**	**475,10**	**(30)**	**6,93**
R480,01 R510,00	**44 000**	**496,75**	**(10)**	**6,91**
	10 926 900	**311,17**	**(399)**	
Details of unimplemented rights vested at 30 June 2010				
R210,01 R240,00	**106 900**	**222,50**	**6**	
R240,01 R270,00	**127 600**	**258,27**	**2**	
R270,01 R300,00	**619 000**	**294,46**	**(12)**	
R300,01 R330,00	**29 600**	**327,20**	**(2)**	
R330,01 R360,00	**112 700**	**343,09**	**(8)**	
R390,01 R420,00	**79 600**	**407,50**	**(11)**	
R420,01 R450,00	**64 400**	**444,00**	**(11)**	
R450,01 R480,00	**48 400**	**475,10**	**(10)**	
R480,01 R510,00	**14 400**	**496,75**	**(3)**	
	1 202 600	**314,77**	**(49)**	

46.3.2 Share Appreciation Rights with corporate performance targets

During September 2009, the group introduced the Sasol Medium-term Incentive Scheme (refer note 46.4). Senior management, who participate in the Sasol Medium-term Incentive Scheme receive share appreciation rights that contain corporate performance targets. The corporate performance targets are share price performance versus the JSE all share index, Sasol earnings growth and Sasol production volumes growth. The corporate performance targets determine how many shares will vest. Qualifying employees will retain the share appreciation rights with no corporate performance targets that have been previously granted to them.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Share Appreciation Rights Scheme will be settled in cash.

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46 Share-based payments (Continued)

Rights are granted for a period of nine years and vest as follows:

2 years	1st third
4 years	2nd third
6 years	final third

The vesting period of these rights are the same as the Share Appreciation Rights with no performance targets.

The offer price of these appreciation rights equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the right. The fair value of the cash settled expense is calculated at each reporting date.

On resignation, share appreciation rights which have not yet vested will lapse and share appreciation rights which have vested may be taken up at the employee's election before their last day of service. Payment on shares forfeited will therefore not be required. On death, all appreciation rights vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retrenchment, all appreciation rights vest immediately and the employee has a period of twelve months to exercise these rights. On retirement the appreciation rights vest immediately and the nine year expiry period remains unchanged.

It is group policy that employees should not deal in Sasol Limited shares (and this is extended to the Sasol Share Appreciation Rights) for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results and at any other time during which they have access to price sensitive information.

	Number of share appreciation rights 2010
Vesting periods of rights granted	
Already vested	
Within one year	
One to two years	**157 600**
Two to three years	
Three to four years	**157 600**
Four to five years	
More than five years	**157 600**
	472 800

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Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

	Number of Share appreciation rights	Weighted average share price
		Rand
Movements in the number of rights granted		
Rights granted	**472 800**	**296,49**
Balance at 30 June 2010	**472 800**	**296,49**

	2010
	Rand
Average price at which share appreciation rights were granted during year	**296,49**
Average market price of share appreciation rights traded during the year	
Average fair value of share appreciation rights vested during year	**51,91**
Average fair value of share appreciation rights issued during year	**68,47**

	2010
	Rm
Average intrinsic value of share appreciation rights exercised during the year	
Share-based payment expense recognised*	**6**

* The unrecognised share-based payment expense related to non-vested share appreciation rights with corporate performance targets, expected to be recognised over a weighted average period of 2,0 years, amounted to R25 million at 30 June 2010.

	2010
The share-based payment expense is calculated using the binomial tree model based on the following assumptions at 30 June	
Risk free interest rate (%)	**7,87 8,22**
Expected volatility (%)	**28,69**
Expected dividend yield (%)	**3,35**
Expected forfeiture rate (%)	**5,00**
Vesting period	**2,4,6 years**

The risk-free rate for periods within the contractual term of the rights is based on the South African government bonds in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

46.4 The Sasol Medium-term Incentive Scheme

During September 2009, the group introduced the Sasol Medium-term Incentive Scheme (MTI). The objective of the MTI Scheme is to provide qualifying employees which participate in the Share Appreciation Rights Scheme with corporate performance targets (refer note 46.3.2) the opportunity of receiving incentive payments based on the value of ordinary shares in Sasol Limited. The MTI Scheme allows certain senior employees to earn a medium-term incentive amount in addition to the Share Appreciation Rights Scheme, which is linked to certain corporate performance targets. These corporate performance targets are based on the share price performance versus the JSE all share index, Sasol earnings growth and Sasol production volumes growth. Allocations of the MTI are linked to the performance of both the group and the individual. The MTI is also intended to complement existing incentive arrangements, to retain and motivate key employees and to attract new key employees.

Vesting conditions

Rights are granted for a period of three years and vest at the end of the third year. The MTIs are automatically encashed at the end of the third year.

On resignation, MTIs which have not yet vested will lapse and MTIs which have vested may be taken up at the employee's election before their last day of service. Payment on MTIs forfeited will therefore not be required. On death, all MTIs vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retrenchment, the MTI's vest immediately and the employee has a period of twelve months to exercise these rights. On retirement the MTIs vest immediately.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Medium-term Incentive Scheme will be settled in cash. The MTI carries no issue price. The fair value of the cash settled expense is calculated at each reporting date.

It is group policy that employees should not deal in Sasol Limited shares (and this is extended to the Sasol Share Appreciation Rights and MTIs) for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results and at any other time during which they have access to price sensitive information.

	Number of rights 2010
Vesting periods of rights granted	
Already vested	
Within one year	
One to two years	
Two to three years	
Three to four years	**105 626**
More than four years	
	105 626

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Notes to the Financial Statements (Continued)

46 Share-based payments (Continued)

	Number of rights
Movements in the number of rights granted	
Rights granted	**105 626**
Balance at 30 June 2010	**105 626**

	2010
	Rand
Average price at which MTIs were granted during year	
Average fair value of MTI's issued during year	**202,57**

	2010
	Rm
Average intrinsic value of share appreciation rights exercised during the year	
Share-based payment expense recognised*	**6**

* The unrecognised share-based payment expense related to MTIs, expected to be recognised over a weighted average period of 1,2 years, amounted to R20 million at 30 June 2010.

	2010
The share-based payment expense is calculated using the Monte Carlo simulation model based on the following assumptions at 30 June	
Risk free interest rate (%)	**7,87 8,22**
Expected volatility (%)	**28,69**
Expected dividend yield (%)	**3,35**
Expected forfeiture rate (%)	**5,00**

The risk-free rate for periods within the contractual term of the rights is based on the South African government bonds in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

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47 Foreign currency translation reserve

	Note	2010	2009	2008
		Rm	Rm	Rm
Translation of foreign operations				
Property, plant and equipment		**(652)**	(1 414)	2 082
cost	3	**(2 873)**	(3 923)	7 031
accumulated depreciation	3	**2 221**	2 509	(4 949)
Assets under construction	4	**(84)**	88	1 066
Goodwill	5	**(67)**	(69)	144
Intangible assets		**(69)**	(110)	119
cost	6	**(173)**	(209)	315
accumulated amortisation	6	**104**	99	(196)
Investments in securities	7	**(25)**	(25)	54
Investments in associates		**(9)**	(284)	117
Post-retirement benefit assets		**(3)**	(36)	37
Long-term receivables		**(51)**	(43)	97
Long-term financial assets			(3)	
Assets held for sale		**(5)**		
Inventories		**(521)**	(394)	1 558
Trade receivables		**(609)**	(373)	1 530
Other receivables and prepaid expenses		**(30)**	(17)	208
Short-term financial assets		**(1)**		4
Cash and cash equivalents		**(124)**	(870)	324
Non-controlling interest			3	(1)
Long-term debt	18	**55**	(173)	(518)
Long-term provisions	20	**131**	140	(340)
Long-term financial liabilities		**1**		
Post-retirement benefit obligations		**306**	280	(556)
Long-term deferred income		**40**	(51)	(423)
Deferred tax	23	**52**	115	(290)
Liabilities in disposal groups held for sale		**2**		
Short-term debt	24	**5**	22	(76)
Short-term financial liabilities		**4**	1	(2)
Short-term provisions	26	**40**	88	(141)
Tax payable	28	**21**	23	(91)
Trade payables and accrued expenses		**355**	224	(1 015)
Other payables		**1 037**	1 018	(230)
		(201)	(1 860)	3 657
Arising from net investment in foreign operations		**(601)**	(621)	(764)
Less deferred tax effect thereon				(1)
Movement for year		**(802)**	(2 481)	2 892
				557

Realisation of foreign currency translation reserve			
Disposal of businesses		414	
Balance at beginning of year	**939**	3 006	(443)
Balance at end of year	**137**	939	3 006

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Notes to the Financial Statements (Continued)

47 Foreign currency translation reserve (Continued)

	2010	2009	2008
	Rm	Rm	Rm
Business segmentation			
South African energy cluster	**(3)**	(4)	(4)
International energy cluster	**(1 050)**	(932)	(337)
Synfuels International	**(1 070)**	(959)	(399)
Petroleum International	**20**	27	62
Chemical cluster	**1 118**	1 192	2 007
Polymers	**105**	36	398
Solvents	**554**	830	956
Olefins & Surfactants	**(189)**	189	689
Wax	**986**	1 012	1 354
Other	**(338)**	(875)	(1 390)
Other businesses	**72**	683	1 340
Financing	**38**	640	1 282
Other	**34**	43	58
	137	939	3 006

48 Share repurchase programme

	Number of shares		
	2010	2009	2008
Held by the wholly owned subsidiary, Sasol Investment Company (Pty) Limited			
Balance at beginning of year	**8 809 886**	37 093 117	14 919 592
Shares cancelled		(31 500 000)	
Shares repurchased		3 216 769	22 173 525
Balance at end of year	**8 809 886**	8 809 886	37 093 117
Percentage of issued share capital (excluding Sasol Inzalo share transaction)	**1,46%**	1,46%	5,86%

	2010	2009	2008
	Rand	Rand	Rand
Average cumulative purchase price	**299,77**	299,77	295,73
Average purchase price during year		346,45	329,23

As at 30 June 2010, a total of 8 809 886 shares (2009 8 809 886 shares; 2008 37 093 117 shares), representing 1,46% (2009 1,46%; 2008 5,86%) of the issued share capital of the company, excluding shares issued in relation to the Sasol Inzalo share transaction, had been repurchased by Sasol Investment Company (Pty) Limited since 7 March 2007 at an average price of R346,45 per share at 30 June 2009 (2008 R329,23). There were no further shares repurchased during 2010. These shares are held as treasury shares and do not carry any voting rights. In terms of a specific authority granted

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48 Share repurchase programme (Continued)

at a general meeting of shareholders held on 28 November 2008, the company repurchased 31 500 000 of these shares on 4 December 2008, whereupon they were cancelled and restored to authorised share capital.

At the annual general meeting held on 28 November 2008, shareholders renewed the directors' authority, subject to the provisions of the Companies Act and the requirements of the JSE Limited, to repurchase up to 4% of the issued ordinary shares of the company. At the annual general meeting held on 27 November 2009, shareholders again renewed the authority to buy back up to 4% of the issued share capital for a further 12 months. No shares have been repurchased under this authority.

Liquidity and capital resources

	Note	2010	2009	2008
		Rm	Rm	Rm
Cash generated by operating activities	49	**27 338**	48 187	34 740
Cash flow from operations	50	**30 762**	37 194	42 558
(Increase)/decrease in working capital	51	**(3 424)**	10 993	(7 818)
Finance income received	52	**1 372**	2 264	957
Dividends paid	53	**(5 360)**	(7 193)	(5 766)
Non-current assets sold	54	**208**	697	184
Acquisition of businesses	55		(30)	(431)
Disposal of businesses	56		3 486	693

49 Cash generated by operating activities

	Note	2010	2009	2008
		Rm	Rm	Rm
Cash flow from operations	50	**30 762**	37 194	42 558
(Increase)/decrease in working capital	51	**(3 424)**	10 993	(7 818)
		27 338	48 187	34 740

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Notes to the Financial Statements (Continued)

50 Cash flow from operations

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Operating profit		**23 937**	24 666	33 816
Adjusted for				
amortisation of intangible assets	35	**203**	186	192
equity settled share-based payment expense	46	**880**	3 293	1 574
deferred income		**(387)**	(279)	964
depreciation of property, plant and equipment	35	**6 509**	6 059	5 020
effect of remeasurement items	42	**(46)**	1 469	698
movement in impairment of trade receivables		**70**	132	13
movement in long-term prepaid expenses		**(61)**	17	(34)
movement in long-term provisions				
income statement charge	20	**1 173**	1 377	880
utilisation	20	**(904)**	(537)	(522)
movement in short-term provisions		**(274)**	446	15
movement in post-retirement benefit				
assets		**(76)**	(181)	(171)
obligations		**319**	104	294
translation effect of foreign currency loans		**(94)**	83	459
translation of net investment in foreign operations		**(601)**	(621)	(764)
penalties paid on tax		**1**	15	19
write-down of inventories to net realisable value	35	**118**	965	105
other non cash movements		**(5)**		
		30 762	37 194	42 558

	2010	2009	2008
	Rm	**Rm**	**Rm**
Business segmentation			
South African energy cluster	**22 166**	32 784	30 513
Mining	**1 727**	2 437	2 077
Gas	**2 793**	2 778	2 192
Synfuels	**15 754**	27 346	20 185

Oil	**1 917**	393	6 112
Other	**(25)**	(170)	(53)
International energy cluster	**515**	2 453	2 401
Synfuels International	**(349)**	1 113	1 157
Petroleum International	**864**	1 340	1 244
Chemical cluster	**7 937**	2 545	9 303
Polymers	**2 056**	2 211	2 479
Solvents	**1 894**	1 348	2 979
Olefins & Surfactants	**2 746**	1 020	2 204
Other	**1 241**	(2 034)	1 641
Other businesses	**144**	(588)	341
Total operations	**30 762**	37 194	42 558

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Sasol Limited Group

Notes to the Financial Statements (Continued)

51 (Increase)/decrease in working capital

	Note	2010	2009	2008
		Rm	Rm	Rm
(Increase)/decrease in inventories				
Per the statement of financial position		**(1 883)**	5 499	(5 689)
Acquisition of businesses	55			96
Write-down of inventories to net realisable value		**(118)**	(965)	(105)
Transfer from other assets		**13**	45	96
Reclassification to held for sale			(42)	(226)
Effect of cash flow hedge accounting				7
Translation of foreign operations	47	**(521)**	(394)	1 558
Disposal of businesses	56			2
		(2 509)	4 143	(4 261)
(Increase)/decrease in trade receivables				
Per the statement of financial position		**(3 448)**	7 662	(8 105)
Acquisition of businesses	55		(7)	110
Movement in impairment		**(70)**	(132)	(13)
Reclassification to held for sale			(23)	(1)
Translation of foreign operations	47	**(609)**	(373)	1 530
Disposal of businesses	56			(12)
		(4 127)	7 127	(6 491)
Decrease/(increase) in other receivables and prepaid expenses				
Per the statement of financial position		**447**	543	(223)
Movement in short-term portion of long-term receivables		**(243)**	245	154
Acquisition of businesses	55			12
Reclassification to held for sale			(2)	(421)
Translation of foreign operations	47	**(30)**	(17)	208
Disposal of businesses	56			(1)
		174	769	(271)
Increase/(decrease) in trade payables and accrued expenses				
Per the statement of financial position		**414**	(2 662)	6 207
Acquisition of businesses	55			(152)
Reclassification to held for sale			28	525
Effect of cash flow hedging			(1)	
Translation of foreign operations	47	**355**	224	(1 015)
Disposal of businesses	56			(4)
		769	(2 411)	5 561
Increase/(decrease) increase in other payables				
Per the statement of financial position		**747**	(154)	(1 321)
Acquisition of businesses	55			(1)

Reclassification to held for sale			15	159
Reclassification to long-term provisions		**54**		
Effect of cash flow hedging		**(18)**		
Translation of foreign operations	47	**1 037**	1 018	(230)
		1 820	879	(1 393)
Movement in financial assets and liabilities				
Long-term financial assets		**13**	674	(393)
Short-term financial assets		**459**	(424)	(239)
Long-term financial liabilities		**(54)**	103	
Short-term financial liabilities		**31**	133	(331)
		449	486	(963)
(Increase)/decrease in working capital		**(3 424)**	10 993	(7 818)

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Sasol Limited Group

Notes to the Financial Statements (Continued)

52 Finance income received

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Interest received	38	**1 288**	1 760	716
Interest received on tax			(3)	(4)
Dividends received from investments	38	**31**	27	10
Dividends received from associates	8	**53**	480	235
		1 372	2 264	957

53 Dividends paid

	2010	2009	2008
	Rm	**Rm**	**Rm**
Final dividend prior year	**(3 653)**	(5 674)	(3 597)
Interim dividend current year	**(1 707)**	(1 519)	(2 169)
	(5 360)	(7 193)	(5 766)
Forecast cash flow on final dividend current year	**4 682**	3 629	
Forecast STC charge on final dividend current year	**452**	354	

The forecast cash flow on the final dividend is calculated based on the net number of ordinary shares in issue at 30 June 2010 of 639,2 million. The actual dividend payment will be determined on the record date of 15 October 2010.

54 Non-current assets sold

	2010	2009	2008
	Rm	**Rm**	**Rm**
Property, plant and equipment	**49**	54	128
Assets under construction	**7**	507	8
Other intangible assets	**152**	136	48
Non-current assets sold	**208**	697	184

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Sasol Limited Group

Notes to the Financial Statements (Continued)

55 Acquisition of businesses

	Note	2010	2009	2008
		Rm	Rm	Rm
Property, plant and equipment			(17)	(305)
Assets under construction				(6)
Intangible assets			(3)	(27)
Investment in associates				
Inventories				(93)
Trade receivables			7	(110)
Other receivables and prepaid expenses				(12)
Short-term financial assets				(19)
Cash and cash equivalents			(19)	(19)
Long-term debt				257
Post-retirement benefit obligations				16
Deferred taxation				(66)
Short-term provisions	26		1	2
Tax payable	28		1	1
Trade payables and accrued expenses				152
Other payables				1
			(30)	(228)
Non-controlling interest				(59)
			(30)	(287)
Goodwill				(144)
Total consideration per the statement of cash flows			(30)	(431)
Comprising				
Oil Exelem Aviation (Pty) Limited			(13)	
Solvents Sasol Dia Acrylates (Pty) Limited				(229)
Oil Tosas Holdings (Pty) Limited				(110)
Wax Luxco & Merkur				(87)
Polymers Peroxide Chemicals (Pty) Limited				(5)
Other			(17)	
Total consideration			(30)	(431)

Acquisitions in 2009

In July 2008, Exel Petroleum (Pty) Limited acquired the remaining 50,1% of Exelem Aviation (Pty) Limited for a purchase consideration of US$1,7 million.

During 2009, Sasol acquired a hotel in Secunda, South Africa for a purchase consideration of R17 million as part of a cost savings initiative to accommodate staff members and other personnel working on the Sasol Synfuels growth initiative.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

55 Acquisition of businesses (Continued)

Acquisitions in 2008

With effect from 24 January 2008, Sasol Chemical Industries Limited and Mitsubishi Chemical Corporation dissolved their Acrylates joint venture in South Africa, Sasol Dia Acrylates (Pty) Limited, in terms of which Sasol Chemical Industries Limited acquired effective control thereof for a consideration of R229 million.

With effect from 31 March 2008, Sasol Oil (Pty) Limited acquired the remaining 30% of Tosas Holdings (Pty) Limited for a purchase consideration of R110 million.

During 2008, Sasol Wax acquired the remaining 50% of both Lux International Corporation and Merkur Vaseline GmbH & Co. KG for a total consideration of R87 million.

With effect from 1 January 2008, Sasol Chemical Industries Limited acquired the remaining 40% of Peroxide Chemicals (Pty) Limited for a total consideration of R5 million.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

56 Disposal of businesses

	Note	2010	2009	2008
		Rm	**Rm**	**Rm**
Property, plant and equipment				
cost		**517**		2
accumulated depreciation		**(516)**		
Assets held for sale		**66**	3 833	334
Inventories				(2)
Trade receivables				12
Other receivables and prepaid expenses				1
Cash and cash equivalents				31
Long-term provisions		**(9)**		
Deferred taxation				(1)
Liabilities in disposal groups held for sale		**(60)**	(2)	(35)
Tax payable	28			(2)
Trade payables and accrued expenses				4
		(2)	3 831	344
Non-controlling interest				
		(2)	3 831	344
Investment in associate retained			(1 269)	
		(2)	2 562	344
Total consideration			3 486	693
		2	924	349
Provision in respect of business disposed			(1 280)	
Realisation of accumulated translation effects			(414)	
Profit/(loss) on disposal of businesses	42	**2**	(770)	349
Total consideration comprising				
Sasol Synfuels International Escravos GTL			3 486	
Nitro Sasol Dyno Nobel (Pty) Limited				275
Wax Paramelt RMC BV		**7**		251
Other businesses FFS Refiners (Pty) Limited				147
Other		**(7)**		20

Total consideration	3 486	693

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Sasol Limited Group

Notes to the Financial Statements (Continued)

56 Disposal of businesses (Continued)

Disposals in 2010

On 10 July 2007, Sasol Wax disposed of its 31% investment in Paramelt RMC BV, operating in The Netherlands, for a consideration of R251 million, realising a profit of R129 million. During 2010, the additional conditions precedent were met resulting in the receipt of additional consideration of R7 million.

In 2010, the group also disposed of other smaller investments realising a loss of R7 million.

Disposals in 2009

During 2008, Sasol decided in principle that it would not continue with its 37,5% participation in the EGTL project. Following negotiations with Chevron Nigeria Limited, Sasol reduced its economic interest from 37,5% to 10% for which a consideration of R3 486 million (US$360 million) was received. Due to uncertainties that have recently arisen from the fiscal arrangements for the project, management reassessed the impact on its commitments relating to the project. This resulted in a provision of R1 280 million being recognised. The loss on the disposal as at 30 June 2009 amounted to R771 million. Sasol's retained 10% economic interest in EGTL has been recognised as an investment in an associate at its fair value on the disposal date plus additional investments and loans advanced (refer note 8).

In 2009, Sasol also disposed of other smaller investments realising a profit of R1 million.

Disposals in 2008

With effect from 17 September 2007, Sasol Nitro disposed of 50% of its investment in Sasol Dyno Nobel (Pty) Limited in South Africa to form a joint venture, realising a profit of R114 million. The investment was classified as an asset held for sale at 30 June 2007.

On 10 July 2007, Sasol Wax disposed of its 31% investment in Paramelt RMC BV, operating in The Netherlands, for a consideration of R251 million, realising a profit of R129 million. The investment was classified as an asset held for sale at 30 June 2007.

In August 2007, Sasol Investment Company (Pty) Limited disposed of its investment in FFS Refiners (Pty) Limited in South Africa, for a consideration of R147 million, realising a profit of R108 million. The investment was classified as an asset held for sale at 30 June 2007.

On 13 November 2007, Sasol Chemical Industries Limited disposed of its joint venture investment in African Amines (Pty) Limited in South Africa, realising a loss of R3 million. The investment was classified as an asset held for sale at 30 June 2007.

On 30 April 2008, Chemcity (Pty) Limited disposed of its Cirebelle business in South Africa, realising a profit of R2 million.

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Sasol Limited Group

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Other disclosures

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57 Guarantees and contingent liabilities

57.1 Guarantees

	Note	Guarantees 2010	Liability included on statement of financial position 2010	Guarantees 2009	Liability included on statement of financial position 2009
		Rm	**Rm**	**Rm**	**Rm**
Performance guarantees					
In respect of EGTL	**i**	**3 779**	**1 759**	3 455	1 728
In respect of GTL ventures	**ii**	**1 444**		2 920	
Other performance guarantees	**iii**	**444**	**73**	1 529	638
Other guarantees					
In respect of the natural gas project	**iv**	**2 471**	**2 070**	3 708	2 454
In respect of letter of credit	**v**	**2 184**		1 884	11
In favour of BEE partners	**vi**	**519**	**16**	508	19
Subsidiaries' financial obligations	**vii**	**3 285**	**32**	5 141	21
Guarantee in favour of Sasol Inzalo share transaction	**viii**	**3 345**	**3 345**	3 103	3 103
In respect of Natref debt	**ix**	**1 325**	**1 325**	1 160	1 159
In respect of crude oil purchases	**x**	**921**	**921**		
In respect of development of retail convenience centres	**xi**	**736**	**736**	1 500	408
To RWE-DEA AG	**xii**	**283**		325	
Eurobond	**xiii**			3 253	3 253
Other guarantees and claims	**xiv**	**1 267**	**11**	1 059	1
		22 003	**10 288**	29 545	12 795

i. Sasol Limited has issued the following significant guarantees for the obligations of its associate Escravos GTL in Nigeria, including inter alia:

A performance guarantee has been issued in respect of the construction of Escravos GTL for the duration of the investment in the associate to an amount of US$250 million (R1 918 million).

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Sasol Limited Group

Notes to the Financial Statements (Continued)

57 Guarantees and contingent liabilities (Continued)

A guarantee has been issued for Sasol's portion of its commitments in respect of the fiscal arrangements relating to the Escravos GTL project to an amount of US$166 million (R1 274 million). An amount of R1 274 million has been recognised as a provision in this regard.

A provision has been recognised in respect of a performance guarantee related to the construction of Escravos GTL plant for an amount of US$16 million (R123 million).

A guarantee has been issued in respect of the catalyst performance to an amount of €29 million (R272 million).

ii. Sasol Limited has issued the following significant guarantees for the obligations of various of its subsidiaries in respect of the GTL Ventures. These guarantees relate to the construction and funding of Oryx GTL Limited in Qatar, including inter alia:

A guarantee for the take-or-pay obligations of a wholly owned subsidiary has been issued under the gas sale and purchase agreement (GSPA) entered into between Oryx GTL Limited, Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited, by virtue of this subsidiary's 49% shareholding in Oryx GTL Limited. Sasol's exposure is limited to the amount of US$123 million (R944 million). In terms of the GSPA, Oryx GTL Limited is contractually committed to purchase minimum volumes of gas from Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited on a take-or-pay basis. Should Oryx GTL terminate the GSPA prematurely, Sasol Limited's wholly owned subsidiary will be obliged to take or pay for its 49% share of the contracted gas requirements. The term of the GSPA is 25 years from the date of commencement of operations. The project was commissioned in April 2007.

Sasol Limited issued a performance guarantee for the obligations of its subsidiaries in respect of and for the duration of the investment in Sasol Chevron Holdings Limited, limited to an amount of US$60 million (R460 million). Sasol Chevron Holdings Limited is a joint venture between a wholly owned subsidiary of Sasol Limited and Chevron Corporation.

All guarantees listed above are issued in the normal course of business.

iii. Various performance guarantees issued by subsidiaries. Provisions have been recognised in relation to certain performance guarantees that were issued as part of the licensing of Sasol's GTL technology and catalyst performance in respect of Oryx GTL. The events that gave rise to these provisions are not expected to have a material effect on the economics of the group's GTL ventures.

Included are performance guarantees for the development of the coal blocks in India and for a lease agreement in respect of a mobile offshore drilling rig.

iv. Guarantees have been issued to various financial institutions in respect of the obligations of its subsidiaries (Sasol Petroleum International (Pty) Limited (SPI) and Republic of Mozambique Pipeline Investment Company (Pty) Limited (Rompco)) for the natural gas project. The guarantee in respect of Rompco's obligations to the financial institutions has been reduced to 50% of the outstanding obligation upon selling a 25% interest each in Rompco to Companhia de Moçambicana de Gasoduto, S.A.R.L (CMG) and South African Gas Development Company (Pty) Limited (iGas). The liability on the statement of financial position of R2 070 million represents the gross amount owing by SPI and Rompco to the financial institutions at 30 June 2010.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

57 Guarantees and contingent liabilities (Continued)

v. Various guarantees issued in respect of letters of credit issued by subsidiaries.

vi. In terms of the sale of 25% in Sasol Oil (Pty) Limited to Tshwarisano LFB Investment (Pty) Limited (Tshwarisano), facilitation for the financing requirements of Tshwarisano has been provided. The undiscounted exposure at 30 June 2010 amounted to R519 million. A liability for this guarantee at 30 June 2010, amounting to R16 million, has been recognised.

vii. Guarantees issued to financial institutions in respect of subsidiaries' debt obligations. Included are guarantees of $300 million (R2 302 million) and €62 million (R581 million) in respect of rolling credit facilities with various banks (debt of R32 million at 30 June 2010).

viii. As part of the Sasol Inzalo share transaction, the C Preference shares issued by the Sasol Inzalo Groups Funding (Pty) Limited and Sasol Inzalo Public Funding (Pty) Limited to the financing institutions are secured against a guarantee of R3 345 million.

ix. Guarantees issued in favour of various financial institutions in respect of the debt facilities of R1 325 million for the National Petroleum Refiners of South Africa (Pty) Limited (Natref) crude oil refinery. The outstanding debt on the statement of financial position was R1 325 million at 30 June 2010.

x. Sasol Limited issued a guarantee for Sasol Oil International Limited's term crude oil contract for the Natref crude oil refinery. The outstanding debt on the statement of financial position was R921 million at 30 June 2010.

xi. Guarantees issued to various financial institutions in respect of debt facilities for the establishment of the retail convenience centres network of R733 million. The outstanding debt on the statement of financial position was R733 million at 30 June 2010.

xii. Various performance guarantees issued in favour of RWE-DEA AG.

xiii. A guarantee has been issued in respect of the Eurobond which is listed on the Luxembourg Stock Exchange issued by its wholly owned subsidiary, Sasol Financing International plc. The outstanding debt on the statement of financial position was repaid on 29 June 2010.

xiv. Included in other guarantees are customs and excise guarantees of R133 million, R188 million in respect of feedstock purchases, R322 million relating to guarantees in respect of product shipments and environmental guarantees of R127 million.

57.2 Product warranties

The group provides product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products sold will conform to specifications. The group generally does not establish a liability for product warranty based on a percentage of turnover or other formula. The group accrues a warranty liability on a transaction-specific basis depending on the individual facts and circumstances related to each sale. Both the liability and the annual expense related to product warranties are immaterial to the consolidated financial statements.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

57 Guarantees and contingent liabilities (Continued)

57.3 Other contingencies

Subsidiaries

Sasol Limited has guaranteed the fulfilment of various subsidiaries' obligations in terms of contractual agreements.

Sasol Limited has guaranteed the borrowing facilities of certain of its subsidiaries. Further details of major banking facilities and debt arrangements at 30 June 2010 are provided in note 18.

Mineral rights

As a result of the promulgation of legislation in South Africa, the common law (mineral rights) and associated statutory competencies of Sasol Mining have been converted to interim statutory rights (Old Order Rights). Sasol Mining is entitled to convert these Old Order Rights to statutory mining and prospecting rights (New Order Rights) after complying with certain statutory requirements. As at 30 June 2010, all applications to acquire prospecting and mining rights were granted by the Department of Minerals Resources (DMR). These rights cover all the prospecting rights in the Free State and Waterberg as well as the prospecting and mining rights in Secunda. No value has been attributed to these rights in the financial statements.

Legal costs

Legal costs expected to be incurred in connection with loss contingencies are expensed as incurred.

57.4 Litigation

Fly Ash Plant

Sasol Synfuels was in legal proceedings with regard to the operation of a plant in Secunda. Ashcor claimed damages of R313 million relating to their inability to develop their business and a projected loss of future cash flows. In January 2010, Sasol Synfuels was granted absolution from the instance with a cost order in its favour. Ashcor filed an application for leave to appeal which was dismissed by the court with costs on 18 May 2010. The prospect of future loss is deemed to be remote.

Sasol Nitro

In 2004, the South African Competition Commission (Commission) commenced with investigations against Sasol Nitro, a division of Sasol Chemical Industries Limited, based on complaints levelled against Sasol Nitro by two of its customers, Nutri-Flo and Profert. Both complaints were subsequently referred to the Competition Tribunal (Tribunal) by the Commission. The Nutri-Flo complaint was referred in May 2005, alleging findings of prohibited horizontal practices (namely, price fixing and the prevention or lessening of competition) and abuses of dominance (namely, charging excessive prices and engaging in exclusionary conduct) in the fertiliser industry. The Profert complaint was referred in May 2006, alleging prohibited horizontal practices (namely, entering into agreements which divided the relevant market and which substantially lessened or prevented competition in that market) and abuses of dominance (namely, refusing to supply scarce goods to competitors, discriminating between customers in relation to sale prices and engaging in other exclusionary acts).

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Sasol Limited Group

Notes to the Financial Statements (Continued)

57 Guarantees and contingent liabilities (Continued)

During this time Sasol Nitro was also advised by the Commission that it was investigating whether or not there were any other unlawful agreements amounting to contraventions of the Competition Act's prohibitions against restrictive horizontal practices between Foskor and Sasol Nitro relating to toll manufacturing arrangements concluded between the parties in 2004, pending consideration of a merger application to the Commission relating to the intended sale by Sasol Nitro of its phosphoric acid production facilities to Foskor. In terms of the toll manufacturing agreements Sasol Nitro would toll manufacture phosphoric acid for Foskor.

Sasol Nitro initially defended all three matters, but in late 2008 and early 2009, Sasol Nitro became aware of certain facts which necessitated that it engage with the Commission in order to negotiate a settlement with regard to the complaints relating to price fixing and market sharing. In the settlement agreement concluded with the Commission, and which was confirmed by the Tribunal on 20 May 2009, Sasol Nitro, acknowledged that, in the period from 1996 to 2005, it had contravened the Competition Act by fixing prices of certain fertilisers with its competitors, by agreeing with its competitors on the allocation of customers and suppliers and to collusively tendering for supply contracts. Sasol Nitro, as part of the settlement agreement, acknowledged that the toll manufacturing agreement and related interactions and communications between Sasol and Foskor on various levels amounted to a division of markets by allocating customers and territories with regard to phosphoric acid and its derivatives. Sasol Nitro subsequently paid an administrative penalty of R250,7 million.

Civil claims and law suits may be instituted against Sasol arising from the admissions made in the settlement agreement. It is currently not possible to make an estimate of such contingent liability and accordingly, no provision was made as at 30 June 2010.

Sasol Nitro did not at the time, as part of the settlement agreement, admit to engaging in price discrimination, excessive pricing or exclusionary practices as it does not believe it engaged in price discrimination, excessive pricing and exclusionary practices and these matters were to proceed to trial in due course. Subsequent to the settlement agreement, the Tribunal consolidated the hearing of the remaining Nutri-Flo and Profert complaints.

Sasol Nitro, however, continued with its engagement of the Commission and on 5 July 2010, Sasol Nitro concluded a further settlement agreement with the Commission. In terms of this settlement, Sasol Nitro will restructure its fertiliser business. Sasol Nitro believes the restructuring will address the Commission's concerns regarding Sasol's position within the nitrogen based fertiliser value chain, while also opening the industry to more competition. Sasol Nitro will withdraw from certain downstream fertiliser activities with increased focus on the core activities of its fertiliser business.

Sasol Nitro approached the Commission with this structural solution and has undertaken the following salient changes to its fertiliser business model:

Divesting its regional blending capacity in Bellville, Durban, Kimberley, Potchefstroom and Endicott whilst retaining its full production activities in Secunda.

Altering Sasol Nitro's fertiliser sales approach to a Secunda ex-works model. All fertiliser retail agent contracts will be phased out and a new fertiliser sales operating model formulated.

Pricing all ammonium nitrate based fertilisers on an ex-Secunda basis.

Phasing out ammonia imports on behalf of customers in South Africa.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

57 Guarantees and contingent liabilities (Continued)

The agreement is a full and final settlement of the alleged contraventions of excessive pricing and exclusionary practices, which were the subject of the Nutri-Flo and Profert referrals. As the Commission is of the view that the settlement will address their competition concerns, the Commission did not seek an administrative penalty.

On 20 July 2010, the Tribunal confirmed the settlement agreement. No finding was made relating to abuse of dominance and accordingly no administrative penalty was imposed. Sasol also did not make any admissions as to abuse of dominance.

Sasol Nitro has also concluded confidential settlement agreements with Profert and Nutri-Flo in terms of which any and all of the complaints arising from the Commission's investigations were settled without admission of any liability or admission of any anti-competitive or unlawful conduct as alleged by Profert and Nutri-Flo. A non-material liability has been recognised in this respect at 30 June 2010.

The settlement confirmed by the Tribunal on 14 July 2010, together with the changes to the Sasol Nitro business will not have a material adverse impact on the Sasol group. With the decrease in the price of phosphoric acid following the economic downturn, Sasol elected to cease the manufacturing of phosphoric acid and closed its plant at Phalaborwa on 31 October 2009. Sasol has commenced a process to dispose of this plant and is currently in discussion with a prospective purchaser.

Sasol Wax

On 1 October 2008, following an investigation by the European Commission, the European Union found that members of the European paraffin wax industry, including Sasol Wax GmbH, formed a cartel and violated antitrust laws. A fine of €318,2 million was imposed by the European Commission on Sasol Wax GmbH (of which Sasol Wax International AG, Sasol Holding in Germany GmbH and Sasol Limited would be jointly and severally liable for €250 million). According to the decision of the European Commission, an infringement of antitrust laws commenced in 1992 or even earlier. In 1995, Sasol became a co-shareholder in an existing wax business located in Hamburg, Germany owned by the Schümann group. In July 2002, Sasol acquired the remaining shares in the joint venture and became the sole shareholder of the business. Sasol was unaware of these infringements before the European Commission commenced their investigation at the wax business in Hamburg in April 2005.

On 15 December 2008, all Sasol companies affected by the decision lodged an appeal with the European Union's General Court against the decision of the European Commission on the basis that the fine is excessive and should be reduced. The fine has been paid in accordance with the legal requirements on 7 January 2009. As a result of the fine imposed on Sasol Wax GmbH, it is possible that customers may institute court proceedings against Sasol Wax for compensation of damages. The result of such proceedings cannot be determined at present and accordingly, no provision was made at 30 June 2010.

Veolia Water Systems

On 15 July 2008, Veolia Water Systems (Veolia) issued summons against Sasol Synfuels arising from a contract concluded between Sasol Synfuels and Veolia in June 2004. The contract entailed the detailed engineering, construction and commissioning of a water desalination plant at Unit 544 of Sasol Synfuels' facilities at Secunda. Veolia claimed an amount of R438,6 million, including interest, for breach of contract, from Sasol Synfuels. The claim was originally defended. A counterclaim against

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Sasol Limited Group

Notes to the Financial Statements (Continued)

57 Guarantees and contingent liabilities (Continued)

Veolia was also made by Sasol. The parties underwent mediation proceedings during April 2010 and on 29 June 2010, a settlement agreement between Veolia and Sasol Synfuels was reached. Sasol Synfuels has agreed to settle the claim with Veolia by the payment of an amount of R160 million (including interest) to Veolia. This is in full and final settlement of all claims and the amount has been provided for at 30 June 2010.

Sasol Polymers

As previously disclosed by Sasol, the Commission has been investigating the South African polymers industry. On 12 August 2010, the Commission announced that it has referred its findings to the Tribunal for adjudication.

The complaints that the Commission has referred to the Tribunal allege that Sasol Chemical Industries Limited (SCI) has in the pricing of polypropylene and propylene in the domestic South African market contravened section 8(a) of the Competition Act (the Act) in that its prices for each of the products are excessive. The referral further alleges that in regard to a formula employed and information exchanged between SCI and Safripol (Pty) Limited (Safripol) to determine the price of propylene which SCI sells to Safripol, SCI and Safripol have contravened section 4(1)(b)(i) of the Act by engaging in price fixing. The Commission also announced that it has simultaneously reached a settlement with Safripol in which Safripol admits that the supply agreement between SCI and Safripol and its implementation amounted to the indirect fixing of a price or trading condition in contravention of the Act. This settlement agreement was confirmed by the Tribunal on 25 August 2010.

The Commission's allegation of collusion relates to an agreement of the Sasol Polymers division of SCI with Safripol, which was structured at the behest of the former Competition Board following the formation of Polifin (the Sasol/AECI joint venture) in 1994. The agreement was structured to ensure Safripol's ongoing access to propylene supply at a market-related price. South African propylene and polypropylene prices are comparable to international prices and hence Sasol believes that there is no legitimate basis for the Commission's excessive pricing allegations.

At this time, there is no reasonable certainty as to whether or not SCI will be found to have contravened the Act as alleged, whether a penalty will be imposed and the quantum thereof. SCI intends defending the matter before the Tribunal should an amicable resolution of the matter with the Commission not be achieved and accordingly, no provision was made at 30 June 2010.

The Commission has indicated that it is seeking an administrative penalty of 10% of SCI's annual turnover for each of these alleged contraventions and an order compelling SCI to sell polypropylene and propylene on an ex-works basis without discriminating in price between customers on the basis of their location. SCI houses a number of Sasol's South African chemical businesses such as Sasol Nitro, Sasol Polymers, Sasol Solvents and Sasol Wax. In Sasol Limited's public disclosures, Sasol has reported on a business segment basis and has not provided the turnover of SCI as a legal entity. The turnover of SCI excluding transfers to the Sasol group for the 2009 financial year was R22,13 billion. There is, however, no certainty that SCI is the correct base from which to calculate a potential administrative penalty.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

57 Guarantees and contingent liabilities (Continued)

Bitumen Pricing

A review of competition law compliance at Sasol Oil and Tosas identified a competition compliance concern related to the use of a bitumen pricing methodology agreement reached within the South African Bitumen and Tar Association (SABITA), of which Sasol Oil and Tosas are members, along with other oil companies. Sasol Oil and Tosas thereupon approached the Commission for leniency in terms of the Commission's corporate leniency policy and were granted conditional leniency by the Commission in April 2009. On 4 March 2010, the Commission announced that it had referred the findings of its investigation into bitumen pricing to the Tribunal for adjudication.

Sasol Oil and Tosas, as leniency applicants, have been granted conditional immunity from prosecution and no penalty will be sought by the Commission against Sasol or its subsidiaries subject to the leniency becoming unconditional. Sasol Oil and Tosas are cooperating with the Commission in its preparation for the hearing of the referral against those respondents who have not yet concluded settlement agreements with the Commission.

Sasol Gas

On 30 October 2009, after being advised that certain provisions in a suite of agreements concluded between Sasol Gas, Coal, Energy and Power Resources Limited (CEPR) and Spring Lights Gas (Pty) Ltd (Spring Lights) constituted contraventions of the Act, Sasol Gas applied for leniency in terms of the Commission's corporate leniency policy and obtained conditional leniency. Subsequent to Sasol Gas' leniency application, the Commission investigated the matter and found that provisions in the agreements resulted in fixing of prices and had the effect of dividing the piped gas market by allocating customers and territories. The suite of agreements related to the establishment of Spring Lights as a broad-based black economic empowerment (BBBEE) company for the purpose of acquiring a portion of the business of Sasol Gas as part of Sasol's BBBEE strategy at the time.

On 20 August 2010, Spring Lights concluded a settlement agreement with the Commission in terms of which Spring Lights acknowledged the mentioned contraventions and agreed to pay an administrative penalty of R10,8 million. A provision was made for this amount in 2009. Spring Lights has also made an application to the Competition Commission to exempt the conduct permitted in terms of these agreements, on the basis that it promotes the ability of small businesses, or firms controlled or owned by historically disadvantaged persons, to become competitive, in terms of section 10 (3)(b)(ii) of the Act.The settlement agreement was considered by the Tribunal on 1 September 2010 but the matter was postponed sine die to enable the Commission to make a ruling on the exemption application of Spring Lights.

Other

From time to time Sasol companies are involved in other litigation and administrative proceedings in the normal course of business. Although the outcome of these proceedings and claims cannot be predicted with certainty, the company does not believe that the outcome of any of these cases would have a material effect on the group's financial results.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

57 Guarantees and contingent liabilities (Continued)

57.5 Competition matters

Sasol is continuously evaluating and enhancing its compliance programmes and controls in general, and its competition law compliance programme and controls in particular. As a consequence of these compliance programmes and controls, including monitoring and review activities, Sasol has also adopted appropriate remedial and/or mitigating steps, where necessary or advisable, lodged leniency applications and made disclosures on material findings as and when appropriate. As reported previously, these compliance activities have already revealed, and the implementation of certain close-out actions arising there from, may still reveal competition law contraventions or potential contraventions in respect of which we have taken, or will take, appropriate remedial and/or mitigating steps including lodging leniency applications.

The Commission is conducting investigations into the South African piped gas, coal mining, petroleum, fertilisers, wax and polymer industries. Sasol continues to interact and co-operate with the Commission in respect of the subject matter of current leniency applications brought by Sasol, conditional leniency agreements concluded with the Commission, as well as in the areas that are subject to the Commission's investigations. To the extent appropriate, further announcements will be made in future.

During 2010, Sasol received two notices of non-referral in regard to investigations that were conducted by the Commission into the South African candle wax industry. Sasol is not aware of any further investigations by the Commission in respect of this industry.

57.6 Environmental orders

Sasol is subject to loss contingencies pursuant to numerous national and local environmental laws and regulations that regulate the discharge of materials into the environment or that otherwise relate to the protection of human health and the environment in all locations in which Sasol operates. These laws and regulations may, in future, require Sasol to remediate or rehabilitate the effects of its operations on the environment. The contingencies may exist at a number of sites, including, but not limited to, sites where action has been taken to remediate soil and groundwater contamination. These future costs are not fully determinable due to factors such as the unknown extent of possible contamination, uncertainty regarding the timing and extent of remediation actions that may be required, the allocation of the environmental obligation among multiple parties, the discretion of regulators and changing legal requirements.

Sasol's environmental obligation accrued at 30 June 2010 was R6 109 million compared to R4 819 million in 2009. Included in this balance is an amount accrued of approximately R3 328 million in respect of the costs of remediation of soil and groundwater contamination and similar environmental costs. These costs relate to the following activities: site assessments, soil and groundwater clean-up and remediation, and ongoing monitoring. Due to uncertainties regarding future costs the potential loss in excess of the amount accrued cannot be reasonably determined

Under the agreement for the acquisition of Sasol Chemie, Sasol received an indemnification from RWE-DEA AG for most of the costs of remediation and rehabilitation of environmental contamination existing at Condea Vista Company located in the United States on or before 1 March 2001.

Although Sasol has provided for known environmental obligations that are probable and reasonably estimable, the amount of additional future costs relating to remediation and rehabilitation

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Sasol Limited Group

Notes to the Financial Statements (Continued)

57 Guarantees and contingent liabilities (Continued)

may be material to results of operations in the period in which they are recognised. It is not expected that these environmental obligations will have a material effect on the financial position of the group.

As with the oil and gas and chemical industries generally, compliance with existing and anticipated environmental, health, safety and process safety laws and regulations increases the overall cost of business, including capital costs to construct, maintain, and upgrade equipment and facilities. These laws and regulations have required, and are expected to continue to require, the group to make significant expenditures of both a capital and expense nature.

57.7 Augusta Bay pollution investigation

The local prosecutor's office in Augusta, Italy, is investigating a pollution incident at Augusta Bay, allegedly caused by the infiltration of pollutants into the sea. The investigation involves all the companies located within the Melilli-Priolo-Augusta industrial area, which includes Sasol Italy. The Prosecutor's office and the involved companies have each appointed experts to evaluate the environmental situation which includes a broad range of ecological impacts. It is currently not clear what product is the cause of the pollution and Sasol Italy's potential involvement will only be able to be determined after collection and analysis of samples, sea sediments and sea water. Experts have, at the request of the judge, filed their opinions on the cause of the pollution. Depending upon the final determination of environmental impacts resulting from the investigation, administrative fines or criminal penalties may be imposed on the guilty party or parties.

The judge requested the court for an extension of the preliminary investigation. According to our expert, there is not a clear connection between the pollution and Sasol Italy's operations. Consequently, no provisions have been raised.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

58 Commitments under leases

Minimum future lease payments operating leases

The group rents buildings under long-term non-cancellable operating leases and also rents offices and other equipment under operating leases that are cancellable at various short-term notice periods by either party.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Buildings and offices			
Within one year	**252**	206	173
One to two years	**212**	203	180
Two to three years	**176**	161	177
Three to four years	**158**	134	143
Four to five years	**139**	127	118
More than five years	**812**	844	799
	1 749	1 675	1 590
Equipment			
Within one year	**444**	510	545
One to two years	**298**	324	383
Two to three years	**232**	228	257
Three to four years	**211**	189	189
Four to five years	**198**	175	177
More than five years	**845**	985	1 023
	2 228	2 411	2 574

Included in operating leases for equipment is the rental of a pipeline for the transportation of gas products. The rental payments are determined based on the quantity of gas transported. The lease may be extended by either party to the lease for a further three year period prior to the expiry of the current lease term of 17 years.

Water reticulation for Sasol Synfuels			
Within one year	**87**	70	32
One to two years	**106**	91	71
Two to three years	**115**	100	84
Three to four years	**124**	107	92
Four to five years	**132**	113	102
More than five years	**2 618**	2 660	2 971
	3 182	3 141	3 352

The water reticulation commitments of Sasol Synfuels relate to a long-term water supply agreement. The rental payments are determined based on the quantity of water consumed over the 20 year period of the lease.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

58 Commitments under leases (Continued)

	2010	2009	2008
	Rm	**Rm**	**Rm**
Total minimum future lease payments	**7 159**	7 227	7 516

These leasing arrangements do not impose any significant restrictions on the group or its subsidiaries.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Business segmentation minimum future operating lease payments			
South African energy cluster	**4 908**	4 945	4 909
Mining	**1**		1
Gas	**1 412**	1 495	1 388
Synfuels	**3 188**	3 145	3 352
Oil	**307**	305	168
International energy cluster	**720**	651	779
Synfuels International	**431**	372	456
Petroleum International	**289**	279	323
Chemical cluster	**1 227**	1 296	1 422
Polymers	**198**	202	125
Solvents	**316**	285	387
Olefins & Surfactants	**404**	459	591
Other	**309**	350	319
Other businesses	**304**	335	406
	7 159	7 227	7 516

Contingent rentals

The group has contingent rentals in respect of operating leases that are linked to market related data such as the rand/US dollar exchange rate and inflation.

	2010	2009	2008
	Rm	**Rm**	**Rm**
Minimum future lease payments finance leases			
Within one year	**161**	145	169
One to two years	**203**	146	143
Two to three years	**149**	189	143
Three to four years	**136**	135	141
Four to five years	**110**	122	135
More than five years	**807**	773	733
Less amounts representing finance charges	**(658)**	(715)	(711)

	908	795	753

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Sasol Limited Group

Notes to the Financial Statements (Continued)

58 Commitments under leases (Continued)

Contingent rentals

The group has no contingent rentals in respect of finance leases.

59 Related party transactions

Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates and joint ventures. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions are determined on an arm's length basis.

Disclosure in respect of joint ventures is provided in note 64 and of associates in note 8.

Material related party transactions were as follows

	2010	2009	2008
	Rm	Rm	Rm
Sales and services rendered to related parties			
joint ventures	**209**	286	1 975
associates	**1 606**	1 241	742
third parties	**2 770**	3 188	944
	4 585	4 715	3 661
Purchases from related parties			
joint ventures	**184**	306	88
associates	**696**	923	795
third parties	**1 352**	1 820	1 056
retirement funds	**432**	408	338
	2 664	3 457	2 277

Amounts owing (after eliminating intercompany balances) to related parties are disclosed in the respective notes to the financial statements for those statement of financial position items. No impairment of receivables related to the amount of outstanding balances is required.

Included in the above amounts are a number of transactions with related parties which are individually insignificant.

Identity of related parties with whom material transactions have occurred

Except for the group's interests in joint ventures and associates, there are no other related parties with whom material individual transactions have taken place.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

59 Related party transactions (Continued)

Directors and senior management

Remuneration and other payments received by executive directors' and former executive directors for the 2010 financial year were as follows:

Executive directors	Salary	Retirement funding	Other benefits	Annual incentives[1]	Total 2010[2][3]	Total 2009[4]
	R'000	R'000	R'000	R'000	R'000	R'000
LPA Davies	7 264	1 777	1 453	10 074	20 568	10 280
VN Fakude	3 612	745	548	3 914	8 819	5 423
AM Mokaba[5]	2 026	420	6 871		9 317	5 990
KC Ramon	3 739	773	441	4 099	9 052	5 555
Total	**16 641**	**3 715**	**9 313**	**18 087**	**47 756**	**27 248**

(1) Incentives approved on the group results for the 2010 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package. The difference between the total amount approved as at 9 September 2010 and the total amount accrued as at 30 June 2010 represents an over provision of R0,6 million. The over provision for 2009 (R3,4m) was reversed in 2010.

(2) Total remuneration for the financial year excludes gains derived from the long-term incentive schemes, details of which are disclosed in note 46.

(3) Year-on-year increase in total earnings resulted primarily from the increase in the short-term incentive awarded. In 2009, the incentive was significantly lower as a result of the financial performance of the organisation which improved markedly in 2010.

(4) Includes incentives approved on the group results for the 2009 financial year and paid in 2010.

(5) Resigned as a director of Sasol Limited on 14 October 2009.

The aggregate remuneration of members of the group executive committee (GEC) for the year (excluding that of the executive directors as disclosed separately above) was as follows:

Group executive committee	Salary	Retirement funding	Other benefits[2]	Annual incentive[1]	Total 2010[3]	Total 2009[2][4]
	R'000	R'000	R'000	R'000	R'000	R'000
Total	19 768	3 836	4 305	16 655	44 564	49 936

Number of members[3]	6	7

(1) Incentives approved on the group results for the 2010 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package. The difference between the total amount approved as at 9 September 2010 and the total amount accrued as at 30 June 2010 represents an over provision of R0,5 million. The over provision for 2009 (R7,3 million) was reversed in 2010.

(2) Other benefits include vehicle benefits, medical benefits, vehicle insurance fringe benefits and exchange rate fluctuations.

(3) Two members resigned as GEC members with effect from 30 June 2009 and 31 December 2009, respectively, and one member was appointed as a GEC member with effect from 1 September 2009.

(4) Includes incentives approved on the group results for the 2009 financial year and paid in 2010.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

59 Related party transactions (Continued)

Non-executive directors' remuneration for the year was as follows:

Non-executive directors	Board meeting fees[9]	Lead director fees	Committee fees	Share incentive trustee fees	Total 2010	Total 2009
	R'000	R'000	R'000	R'000	R'000	R'000
E le R Bradley[1]	n/a	n/a	n/a	n/a	n/a	400
C Beggs[2]	366		167		533	
BP Connellan	366		539	134	1 039	989
PV Cox[3]	n/a	n/a	n/a	n/a	n/a	1 562
HG Dijkgraaf[4]	939		412	67	1 418	1 494
MSV Gantsho	366		227		593	477
A Jain[4]	862				862	1 038
GA Lewin[5]	220				220	
IN Mkhize	366		103	59	528	446
S Montsi[6]	n/a	n/a	n/a	n/a	n/a	65
MJN Njeke[7]	366		167		533	214
TH Nyasulu (Chairman)[8]	3 647		103		3 750	2 361
JE Schrempp (Lead independent director)[4]	973	288	167		1 428	1 432
TA Wixley	366		270		636	605
Total	**8 837**	**288**	**2 155**	**260**	**11 540**	**11 083**

(1) Retired as director of Sasol Limited on 31 December 2008.

(2) Appointed as a director of Sasol Limited on 9 July 2009.

(3) Retired as chairman of Sasol Limited on 28 November 2008.

(4) Board meeting fees paid in US dollars. Board fee rand equivalent of US$115 500 at actual exchange rates. Lead independent director fee rand equivalent of US$34 700 at actual exchange rates.

(5) Appointed as director of Sasol Limited on 18 March 2010.

(6) Resigned as a director of Sasol Limited on 31 July 2008.

(7) Appointed as a director of Sasol Limited on 4 February 2009.

(8) Appointed as chairman of Sasol Limited on 28 November 2008.

(9) Includes fees for ad hoc meetings attended during the year.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

59 Related party transactions (Continued)

Details of the directors' and group executive committee shareholding in Sasol Limited are disclosed as follows:

Beneficial shareholding	2010 Number of shares		2010 Number of share options[2]	2010 Total beneficial shareholding	2009 Number of shares		2009 Number of share options[2]	2009 Total beneficial shareholding
	Direct	Indirect			Direct	Indirect		
Executive directors								
LPA Davies[1]	86 700	228	396 500	483 428	86 700	221	385 400	472 321
VN Fakude	1 500		41 200	42 700	1 500		41 200	42 700
AMB Mokaba[4]							31 300	31 300
KC Ramon[3]	21 500	41 556	27 200	90 256	21 500	41 556	27 200	90 256
Non-executive directors								
BP Connellan	10 500			10 500	10 500			10 500
IM Mkhize[3]	1 313	18 626		19 939	1 313	18 626		19 939
TH Nyasulu[3]		1 450		1 450		1 450		1 450
TA Wixley	2 500			2 500	2 500			2 500
Total	**124 013**	**61 860**	**464 900**	**650 773**	**124 013**	**61 853**	**485 100**	**670 966**

(1) The indirect number of shares includes units held in the Sasol Share Savings Trust.

(2) Including share options which have vested or which vest within sixty days of 30 June 2010.

(3) The indirect number of shares includes shares held through Sasol Inzalo Public Limited.

(4) Resigned as a director of Sasol Limited on 14 October 2009.

Beneficial shareholding	2010 Number of shares[1]	2010 Number of share options[2]	2010 Total beneficial shareholding	2009 Number of shares[1]	2009 Number of share options[2]	2009 Total beneficial shareholding
Group executive committee[3]	15 611	214 700	230 311	8 985	374 900	383 885

(1)

Includes units held in the Sasol Share Savings Trust.

(2) Including share options which have vested or which vest within sixty days of 30 June 2010.

(3) Excluding the executive directors disclosed separately in the table above.

60 Inflation reporting

The financial statements have not been restated to a current cost basis as the group does not operate in a hyperinflationary economy.

	2010	2009	2008
	%	%	%
Consumer Price Index South Africa	**5,7**	10,2	9,3
Producer Price Index South Africa	**1,4**	9,1	11,5

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Sasol Limited Group

Notes to the Financial Statements (Continued)

61 Subsidiaries with a year end different to that of the group

Sasol Italy SpA, a wholly owned subsidiary, has a statutory year end of 31 May and is included in the consolidated financial statements up to that date. The different year end would not result in a significant effect on the consolidated annual financial statements.

62 Subsequent events

The following non-adjusting events occurred subsequent to 30 June 2010:

Sasol Nitro, a division of Sasol Chemical Industries Limited concluded a settlement agreement with the Competition Commission of South Africa. Refer note 57.4 for more detail.

The Competition Commission of South Africa referred its complaints on collusion and excessive pricing in the polymers market to the Competition Tribunal. Refer note 57.4 for more detail.

On 24 August 2010, SPI and Petronas announced the joint assignment of a 15% participating interest in the offshore M-10 Block, in Mozambique to Empresa Naçional de Hidrocarbonetos (ENH), the Mozambique national hydrocarbon exploration company. This results in an equity split in the M-10 Block of a 42,5% participating interest to each of SPI and Petronas with the remaining 15% to be held by ENH.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

63 Interest in joint ventures

In accordance with the group's accounting policy, the results of joint ventures are proportionately consolidated on a line-by-line basis. The information provided below includes intercompany transactions and balances.

	Sasol GTL	Polymers*	Merisol	Spring Lights Gas	Other**	2010	2009 Total	2008 Total
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Statement of financial position								
External non-current assets	4 003	5 737	271	46	692	**10 749**	10 912	11 664
Property, plant and equipment	3 799	5 516	237		400	**9 952**	10 231	8 969
Assets under construction	180	55	10		253	**498**	373	2 514
Other non-current assets	24	166	24	46	39	**299**	308	181
Intercompany non-current assets	1					**1**		
External current assets	1 193	1 676	366	80	428	**3 743**	3 032	2 878
Intercompany current assets	110	364	60		98	**632**	545	565
Total assets	5 307	7 777	697	126	1 218	**15 125**	14 489	15 107
Shareholders' equity	4 882	3 153	424	116	480	**9 055**	8 262	5 613
Long-term debt (interest bearing)	3	1 981	5		252	**2 241**	2 151	4 924
Intercompany long-term debt	1	1 215	5		3	**1 224**	1 518	1 115
Long-term provisions	74	16	8		15	**113**	83	58
Other non-current liabilities	75	148	49		27	**299**	247	324
Interest bearing current liabilities	14	594	111		79	**798**	823	1 273
Non-interest bearing current liabilities	227	663	57	2	314	**1 263**	1 278	1 550
Intercompany current liabilities	31	7	38	8	48	**132**	127	250
Total equity and liabilities	5 307	7 777	697	126	1 218	**15 125**	14 489	15 107
Income statement								
Turnover	2 350	3 059	759	187	1 123	**7 478**	8 168	4 784
Operating profit	1 711	833	23	80	71	**2 718**	2 853	877
Other income/(expenses)	15	(274)	(1)	4	(9)	**(265)**	(502)	(218)
Net profit/(loss) before tax	1 726	559	22	84	62	**2 453**	2 351	659
Taxation	(27)	(39)	(9)	(29)	(29)	**(133)**	(112)	(123)
Attributable profit	1 699	520	13	55	33	**2 320**	2 239	536
Statement of cash flows								
Cash flow from operations	2 006	1 130	58	88	135	**3 417**	3 692	1 552
	10	(881)	(12)	(2)	34	**(851)**	(302)	(596)

Movement in working capital								
Taxation paid		(1)	(4)	(29)	(22)	**(56)**	(114)	(55)
Other expenses		(276)	(4)		(23)	**(303)**	(542)	(891)
Cash available from operations	2 016	(28)	38	57	124	**2 207**	2 734	10
Dividends paid	(75)	(52)	(23)	(43)	(92)	**(285)**	(364)	(134)
Cash retained from operations	1 941	(80)	15	14	32	**1 922**	2 370	(124)
Cash flow from investing activities	(251)	(92)	(8)		(209)	**(560)**	(743)	(659)
Cash flow from financing activities	(1 809)	78	(19)		173	**(1 577)**	(949)	938
(Increase)/decrease in cash requirements	(119)	(94)	(12)	14	(4)	**(215)**	678	155

*
Comprising Arya Sasol Polymer Company and Petlin.

**
Includes Sasol Dyno Nobel, Sasol Fibres, Sasol Huntsman, Sasol Lurgi, Sasol Oil Petromoc, Sasol Yihai and Sasol Uzbekistan.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

63 Interest in joint ventures (Continued)

At 30 June 2010, the group's share of the total capital commitments of joint ventures amounted to R444 million (2009 R590 million; 2008 R675 million).

The GTL businesses results are associated with the GTL project in Qatar and the evaluation of other projects in accordance with the group's strategy.

64 Financial risk management and financial instruments

Introduction

The group is exposed to liquidity, credit, foreign currency, interest rate and commodity price risks arising from its financial instruments. The group executive committee (GEC) has the overall responsibility for the establishment and oversight of the group's risk management framework. The GEC established the risk and safety, health and environment committee, which is responsible for providing the board with the assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels. A comprehensive risk management process has been developed to continuously monitor and control these risks. The Sasol group has a central treasury function that manages the financial risks relating to the group's operations. The group business committee, a sub-committee of the GEC consisting of the managing directors of the business units and functional core representatives, meets regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of financial risks. The committee reports on a regular basis to the GEC on its activities.

Risk profile

Risk management and measurement relating to each of these risks is discussed under the headings below (subcategorised into liquidity risk, credit risk, and market risk) which entails an analysis of the types of risk exposure, the way in which such exposure is managed and quantification of the level of exposure in the statement of financial position. The group's objective in using derivative instruments is for hedging purposes to reduce the uncertainty over future cash flows arising from foreign currency, interest rate and commodity price risk exposures.

a) Liquidity risk

Liquidity risk is the risk that an entity in the group will be unable to meet its obligations as they become due. The group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a central treasury function to manage pooled business unit cash investments and borrowing requirements. Currently the group is maintaining a positive cash position, conserving the group's cash resources through renewed focus on working capital improvement and capital reprioritisation. The group meets its financing requirements through a mixture of cash generated from its operations and, short- and long-term borrowings. Adequate banking facilities and reserve borrowing capacities are maintained (refer note 18). The Sasol group is in compliance with all of the financial covenants per its loan agreements, none of which is expected to present a material restriction on funding or its investment policy in the near future. The group has sufficient undrawn borrowing facilities, which could be utilised to settle obligations.

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Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

The maturity profile of the contractual cash flows of financial instruments at 30 June were as follows:

	Note	Contractual cash flows*	Within one year	One to two years	Two to three years	Three to four years	Four to five years	More than five years
		Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
2010								
Financial assets								
Loans and receivables		**34 068**	32 920	325	320	164	9	330
Long-term receivables	10	**1 317**	169	325	320	164	9	330
Trade receivables	14	**15 296**	15 296					
Other receivables	15	**744**	744					
Cash restricted for use	17	**1 841**	1 841					
Cash	17	**14 870**	14 870					
Investments available-for-sale								
Investments in securities	7	**245**	77					168
Investments held-to-maturity								
Investments in securities	7	**417**						417
Non-derivative instruments		**34 730**	32 997	325	320	164	9	915
Derivative instruments								
Forward exchange contracts		**4 059**	4 058	1				
Cross currency swaps		**469**	469					
		39 258	37 524	326	320	164	9	915
Financial liabilities								
Non-derivative instruments		**(28 204)**	(13 516)	(1 825)	(1 483)	(1 433)	(998)	(8 949)
Long-term debt		**(15 855)**	(1 167)	(1 825)	(1 483)	(1 433)	(998)	(8 949)
Short-term debt	24	**(456)**	(456)					
Trade payables and accrued expenses	29	**(10 675)**	(10 675)					
Other payables	30	**(1 099)**	(1 099)					
Bank overdraft	17	**(119)**	(119)					
Financial guarantees[(1)]		**(749)**	(749)					
		(28 953)	(14 265)	(1 825)	(1 483)	(1 433)	(998)	(8 949)
Derivative instruments								
Forward exchange contracts		**(4 382)**	(4 052)	(326)	(4)			
Cross currency swaps		**(469)**	(469)					
Interest rate derivatives		**(26)**	(20)	(6)				
Commodity derivatives		**(1)**	(1)					
		(33 831)	(18 807)	(2 157)	(1 487)	(1 433)	(998)	(8 949)

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Sasol Limited Group

Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

	Note	Contractual cash flows*	Within one year	One to two years	Two to three years	Three to four years	Four to five years	More than five years
		Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
2009								
Financial assets								
Loans and receivables		**35 913**	34 490	13	8	8	350	1 044
Long-term receivables	10	**1 835**	412	13	8	8	350	1 044
Trade receivables	14	**12 499**	12 499					
Other receivables	15	**907**	907					
Cash restricted for use	17	**1 247**	1 247					
Cash	17	**19 425**	19 425					
Investments available-for-sale								
Investments in securities	7	**264**	77					187
Investments held-to-maturity								
Investments in securities	7	**387**						387
Non-derivative instruments		**36 564**	34 567	13	8	8	350	1 618
Derivative instruments								
Forward exchange contracts		**6 581**	6 351	222	5			3
Cross currency swaps		**1 647**	1 647					
Interest rate derivatives		**1**			1			
		44 793	42 565	235	14	8	350	1 621
Financial liabilities								
Non-derivative instruments		**(30 736)**	(16 484)	(984)	(1 247)	(1 164)	(1 223)	(9 634)
Long-term debt		**(18 604)**	(4 352)	(984)	(1 247)	(1 164)	(1 223)	(9 634)
Short-term debt	24	**(490)**	(490)					
Trade payables and accrued expenses	29	**(10 686)**	(10 686)					
Other payables	30	**(876)**	(876)					
Bank overdraft	17	**(80)**	(80)					
Financial guarantees[(1)]		**(733)**	(733)					
		(31 469)	(17 217)	(984)	(1 247)	(1 164)	(1 223)	(9 634)
Derivative instruments								
Forward exchange contracts		**(6 933)**	(6 605)	(320)	(5)			(3)
Cross currency swaps		**(1 209)**	(1 209)					
Commodity derivatives		**(3)**	(3)					
		(39 614)	(25 034)	(1 304)	(1 252)	(1 164)	(1 223)	(9 637)

* The amount disclosed is the contractual cash flows excluding finance expenses. Where a derivative is linked to an index, the amount payable or receivable has been based on the estimated forward exchange rates at the settlement date. Foreign exchange contracts and cross currency swaps are settled on a gross basis, while all other derivatives are net settled. For gross settled derivatives, the cash outflow has been included in financial liabilities, while the cash inflow is included in financial assets.

(1) Issued financial guarantees contracts are all repayable on demand, however the likelihood of default is considered remote. Refer to note 57.1.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

The expected future timing of the recycling of derivatives used for hedging on the income statement at 30 June were as follows:

	Carrying value	Within one year	One to two years	Two to three years	Three to four years	Four to five years	More than five years
	Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
2010							
Derivative instruments cash flow hedges							
Financial assets	**2**	2					
Financial liabilities	**174**	88	22	6	5	4	49
2009							
Derivative instruments cash flow hedges							
Financial assets	**15**	14		1			
Financial liabilities	**26**	25					1

b) Credit risk

Credit risk, or the risk of financial loss due to counterparties not meeting their contractual obligations, is managed by the application of credit approvals, limits and monitoring procedures. Where appropriate, the group obtains collateral to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary credit management committees. The central treasury function provides credit risk management for the group-wide exposure in respect of a diversified group of banks and other financial institutions. These are evaluated regularly for financial robustness especially in the current global economic environment. Management has evaluated treasury counterparty risk and does not expect any treasury counterparties to fail in meeting their obligations.

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Sasol Limited Group

Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

The carrying value of financial assets as detailed below represents the maximum credit risk exposure.

	Note	Carrying value 2010	Carrying value 2009
		Rm	**Rm**
Long-term receivables	10	**1 317**	1 835
Trade receivables	14	**15 296**	12 499
Other receivables	15	**744**	907
Cash restricted for use	17	**1 841**	1 247
Cash	17	**14 870**	19 425
Investments available-for-sale			
Investments in securities	7	**245**	264
Investments held-to-maturity			
Investments in securities	7	**417**	387
Non-derivative instruments		**34 730**	36 564
Derivative instruments			
Forward exchange contracts		**4 059**	6 581
Cross currency swaps		**469**	1 647
Commodity derivatives			1
		39 258	44 793

Trade and other receivables consist of a large number of customers spread across diverse industries and geographical areas. The exposure to credit risk is influenced by the individual characteristics, the industry and geographical area of the counterparty with whom we have transacted. Trade and other receivables are carefully monitored for impairment. An allowance for impairment of trade receivables is made where there is an identified loss event, which based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Details of the credit quality of trade receivables and the associated provision for impairment is disclosed in note 14.

No single customer represents more than 10% of the group's total turnover or more than 10% of total trade receivables for the years ended 30 June 2010 and 2009. Approximately 51% (2009 50%; 2008 52%) of the group's total turnover is generated from sales within South Africa, while about 22% (2009 23%; 2008 22%) relates to European sales. Approximately 51% (2009 and 2008 53%) of the amount owing in respect of trade receivables is from counterparties in South Africa, while European receivables amount to about 24% (2009 25%; 2008 29%). The group does not typically renegotiate terms of trade receivables, however if renegotiation does take place, the outstanding balance is included in the analysis based on renegotiated payment terms.

Credit risk exposure in respect of long-term receivables and trade receivables is further analysed in notes 10 and 14, respectively. The carrying value represents the maximum credit risk exposure.

The group has provided guarantees for the financial obligations of subsidiaries, joint-ventures and third parties. The outstanding guarantees at 30 June 2010 are provided in note 57.1.

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Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

c) Market risk

Market risk is the risk arising from possible market price movements and their impact on the future cash flows of the business. The market price movements that the group is exposed to include foreign currency exchange rates, interest rates and oil and natural gas prices (commodity price risk). The group has developed policies aimed at managing the volatility inherent in these exposures which are discussed in the risks below.

1) Foreign currency risk

The group's transactions are predominantly entered into in the respective functional currency of the individual operations. However, the group's operations utilise various foreign currencies on sales, purchases and borrowings and consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. These operations are exposed to foreign currency risk in connection with contracted payments in currencies not in their individual functional currency. The translation of foreign operations to the presentation currency of the group is not taken into account when considering foreign currency risk. Foreign currency risks are managed through the group's financing policies and the selective use of forward exchange contracts, cross currency swaps and cross currency options.

Forward exchange contracts are utilised primarily to reduce foreign currency exposure arising from imports into South Africa. Forward cover is required on both capital expenditure and imports (payables) in excess of US$ 50 000. This is an established policy of our group based on anticipated long-term trends and is designed to hedge our exposure in South Africa to exchange rate-based volatility in cash flows on both operating and capital expenditure. This policy enables us to more accurately forecast our cash flows for purchases of both capital items and operating materials thereby improving our management of both working capital and debt.

The Sasol group executive committee sets intervention levels to specifically assess large forward cover amounts for long periods into the future which has the potential to materially affect Sasol's financial position. These limits are reviewed from time to time. The group also makes use of customer foreign currency accounts, where needed.

The following significant exchange rates applied during the year:

	Average rate		**Closing rate**	
	2010	**2009**	**2010**	**2009**
Rand/Euro	**10,55**	12,31	**9,39**	10,84
Rand/US dollar	**7,59**	9,04	**7,67**	7,73
Rand/Pound sterling	**12,01**	14,42	**11,47**	12,72

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Sasol Limited Group

Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

The exposure of the group's financial assets and liabilities to currency risk is as follows:

	2010					
	Total	**Euro**	**US dollar**	**Pound sterling**	**Rand**	**Other**
	Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
Long-term receivables	944	920	24			
Trade receivables	3 842	417	3 005	106	11	303
Other receivables	100	3	58	2	1	36
Cash restricted for use	799	576	54	29		140
Cash	2 597	73	1 872	55	171	426
Long-term debt	(2 492)	(2 379)	(101)	(3)		(9)
Short-term debt	(91)	(78)	(13)			
Trade payables and accrued expenses	(1 314)	(176)	(858)	(36)	(10)	(234)
Other payables	(108)	(1)	(55)	(17)	(4)	(31)
Bank overdraft	(12)		(4)		(5)	(3)
Exposure on external balances	**4 265**	**(645)**	**3 982**	**136**	**164**	**628**
Net exposure on balances between group companies	372	1 167	(563)	34	(242)	(24)
Exposure on non-derivative instruments	**4 637**	**522**	**3 419**	**170**	**(78)**	**604**
Foreign exchange contracts	(2 763)	(1 603)	(993)	(55)		(112)
Cross currency swaps	(475)		(475)			
Total exposure	**1 399**	**(1 081)**	**1 951**	**115**	**(78)**	**492**

	2009					
	Total	**Euro**	**US dollar**	**Pound sterling**	**Rand**	**Other**
	Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
Long-term receivables	1 450	1 017	432			1
Trade receivables	2 603	304	1 792	94	17	396
Other receivables	124	3	75	10		36
Cash restricted for use	697	468	203	3		23
Cash	3 445	979	2 061	39	145	221
Long-term debt	(2 623)	(2 476)	(131)	(3)	(13)	
Short-term debt	(3 271)	(3 249)	(22)			
Trade payables and accrued expenses	(1 134)	(120)	(967)	(31)	(16)	
Other payables	(365)	(160)	(162)	(34)	(9)	
Bank overdraft	(3)	(1)				(2)
Exposure on external balances	**923**	**(3 235)**	**3 281**	**78**	**124**	**675**
	9 062	8 301	986	(3)	(208)	(14)

Net exposure on balances between group companies						
Exposure on non-derivative instruments	**9 985**	**5 066**	**4 267**	**75**	**(84)**	**661**
Foreign exchange contracts	5 321	2 509	2 652	27		133
Cross currency swaps	(1 626)	(1 626)				
Total exposure	**13 680**	**5 949**	**6 919**	**102**	**(84)**	**794**

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Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

Sensitivity analysis

A 10 percent strengthening of the rand on the group's exposure to foreign currency risk at 30 June would have decreased/(increased) either the equity or the income statement by the amounts below before the effect of tax. This analysis assumes that all other variables, in particular interest rates, remain constant and has been performed on the same basis for 2009.

	2010		2009	
	Equity	Income statement	Equity	Income statement
	Rm	Rm	Rm	Rm
Euro	**95**	**117**	211	384
US dollar	**12**	**381**	147	545
Pound sterling	**1**	**25**	1	9
Rand		**(8)**		(8)
Other currencies	**8**	**63**	14	65

A 10 percent weakening in the rand against the above currencies at 30 June would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Forward exchange contracts and cross currency swaps

All forward exchange contracts are supported by underlying commitments or transactions.

The fair value (losses)/gains calculated below were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts at year end was then calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values were then calculated using the appropriate currency specific discount curve.

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Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

The following forward exchange contracts and cross currency swaps were held at 30 June:

	Contract foreign currency amount 2010	Contract amount Rand equivalent 2010	Average rate of exchange 2010	Estimated fair value (losses)/gains 2010	Contract foreign currency amount 2009	Contract amount Rand equivalent 2009	Average rate of exchange 2009	Estimated fair value (losses)/ gains 2009
	million	Rm	(calculated)	Rm	million	Rm	(calculated)	Rm
Forward Exchange Contracts								
Related to transactions which have already occurred								
Derivative instruments cash flow hedges								
Imports capital								
Euro	**1**	**4**	**9,43**		10	127	12,76	(5)
US dollar					1	7	9,23	
Pound sterling		**1**	**11,47**			2	13,61	
Other currencies US dollar equivalent					13	106	8,20	(6)
		5				242		(11)
US dollar					4	41	9,23	6
Other payables (liabilities)								
Euro		**3**	**9,39**	**(1)**	1	6	10,84	
US dollar		**1**	**7,67**					
Other currencies US dollar equivalent		**1**	**9,39**					
		5		**(1)**		6		
Other receivables (assets)								
Euro		**1**	**9,39**					
US dollar	**1**	**7**	**7,62**					
		8						
Derivative instruments held for trading								
Imports capital								
Euro	**17**	**198**	**11,75**	**(17)**				
US dollar	**4**	**39**	**9,64**	**(3)**	1	6	9,94	
Pound sterling		**3**	**11,33**					
	6	**54**	**9,30**	**(4)**				
		294		**(24)**		6		
Imports goods								
Euro	**8**	**79**	**9,97**	**(4)**	1	6	11,96	(1)

US dollar	**14**	**108**	**7,67**		50	405	8,09	(18)
Pound sterling	**5**	**56**	**11,33**	**1**	4	49	12,49	1
Other currencies US dollar equivalent	**6**		**0,08**					
		243		**(3)**		460		(18)
Exports								
Euro		**3**	**9,31**					
US dollar	**64**	**471**	**7,40**	**(16)**	39	313	8,01	12
Pound sterling	**2**	**25**	**10,80**	**(1)**	4	48	12,03	(3)
Other currencies US dollar equivalent	**8**	**62**	**7,56**	**(4)**	5	35	7,85	1
		561		**(21)**		396		10
Other payables (liabilities)								
Euro	**3**	**39**	**11,27**	**(3)**	44	556	12,53	(58)
US dollar	**31**	**242**	**7,69**	**(1)**	3	23	7,71	
Pound sterling		**2**	**11,53**					
Other currencies US dollar equivalent		**1**	**7,39**			1	4,62	(1)
		284		**(4)**		580		(59)
Other receivables (assets)								
Euro		**10**	**9,46**	**8**	48	585	12,13	70
US dollar	**1**	**21**	**12,97**	**9**	12	112	9,22	6
		31		**17**		697		76

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Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

	Contract foreign currency amount 2010	Contract amount Rand equivalent 2010	Average rate of exchange 2010 (calculated)	Estimated fair value losses 2010	Contract foreign currency amount 2009	Contract amount Rand equivalent 2009	Average rate of exchange 2009 (calculated)	Estimated fair value (losses)/ gains 2009
	million	Rm		Rm	million	Rm		Rm
Forward exchange contracts								
Related to future commitments								
Derivative instruments cash flow hedges								
Imports								
Euro	**68**	**740**	**10,94**	**(82)**	171	2 224	13,00	(77)
US dollar	**17**	**139**	**8,17**	**(8)**	131	1 339	10,18	(22)
Pound sterling		**5**	**12,93**	**(1)**	1	6	13,79	
Other currencies US dollar equivalent	**11**	**94**	**8,59**	**(4)**	6	47	8,59	(5)
		978		**(95)**		3 616		(104)
Other payables (liabilities)								
Euro	**33**	**401**	**12,19**	**(29)**	13	165	12,48	(23)
US dollar					63	518	8,28	(33)
Pound sterling	**1**	**21**	**14,76**	**(6)**				
		422		**(35)**		683		(56)
Derivative instruments held for trading								
Imports								
Euro	**23**	**251**	**10,91**	**(38)**	26	320	12,17	(14)
US dollar	**124**	**1 057**	**8,54**	**(103)**	148	1 333	9,00	(160)
Pound sterling		**2**	**11,34**					
Other currencies US dollar equivalent					2	14	7,73	(1)
		1 310		**(141)**		1 667		(175)
Exports								
Euro					1	11	10,97	
US dollar					3	23	7,72	
Other currencies US dollar equivalent					1	4	7,72	
						38		
Other payables (liabilities)								
Euro	**19**	**193**	**10,29**	**(15)**	15	205	13,66	(20)
US dollar	**5**	**38**	**7,87**		7	60	8,88	(8)
Pound Sterling		**3**	**11,94**	**(1)**	1	18	13,65	(3)

Other currencies US dollar equivalent		**2**	**7,76**	2	14	7,96	(2)
		236	**(16)**		297		(33)
Other receivables (assets)							
US dollar				1	5	8,35	
					5		
Cross currency swaps							
Derivative instruments held for trading							
Euro to Rand	**62**	**469**	**7,59**	150	1 209	8,06	438

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Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

The maturity profile of contract amounts of forward exchange contracts and cross currency swaps at 30 June were as follows:

	Contract amount	Within one year	One to two years	Two to three years
	Rm	**Rm**	**Rm**	**Rm**
2010				
Forward exchange contracts				
Related to transactions which have already occurred				
Imports capital				
Euro	**202**	173	29	
US dollar	**39**	39		
Pound sterling	**4**	4		
Other currencies US dollar equivalent	**54**	54		
	299	270	29	
Imports goods				
Euro	**79**	79		
US dollar	**108**	108		
Pound sterling	**56**	56		
	243	243		
Exports				
Euro	**3**	3		
US dollar	**471**	471		
Pound sterling	**25**	25		
Other currencies US dollar equivalent	**62**	62		
	561	561		
Other payables (liabilities)				
Euro	**42**	42		
US dollar	**243**	243		
Pound sterling	**2**	2		
Other currencies US dollar equivalent	**2**	2		
	289	289		
Other receivables (assets)				
Euro	**11**	11		
US dollar	**28**	28		
	39	39		
Related to future commitments				
Imports				
Euro	**991**	805	182	4
US dollar	**1 196**	1 192	4	
Pound sterling	**7**	7		

Other currencies	US dollar equivalent	**94**	94		
		2 288	2 098	186	4
Other payables (liabilities)					
Euro		**594**	483	111	
US dollar		**38**	38		
Pound sterling		**24**	24		
Other currencies	US dollar equivalent	**2**	2		
		658	547	111	
Cross currency swaps					
Euro to Rand		**469**	469		

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Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

	Contract amount	Within one year	One to two years	Two to three years
	Rm	**Rm**	**Rm**	**Rm**
2009				
Forward exchange contracts				
Related to transactions which have already occurred				
Imports capital				
Euro	**127**	127		
US dollar	**13**	13		
Pound sterling	**2**	2		
Other currencies US dollar equivalent	**106**	106		
	248	248		
Imports goods				
Euro	**6**	6		
US dollar	**405**	405		
Pound sterling	**49**	49		
	460	460		
Exports				
Euro				
US dollar	**354**	354		
Pound sterling	**48**	48		
Other currencies US dollar equivalent	**35**	35		
	437	437		
Other payables (liabilities)				
Euro	**562**	355	207	
US dollar	**23**	23		
Other currencies US dollar equivalent	**1**	1		
	586	379	207	
Other receivables (assets)				
Euro	**585**	584	1	
US dollar	**112**	112		
	697	696	1	
Related to future commitments				
Imports				
Euro	**2 544**	2 412	128	4
US dollar	**2 672**	2 353	319	
Pound sterling	**6**	6		
Other currencies US dollar equivalent	**61**	61		
	5 283	4 832	447	4

Exports			
Euro	**11**	11	
US dollar	**23**	23	
Other currencies US dollar equivalent	**4**	4	
	38	38	
Other payables (liabilities)			
Euro	**370**	370	
US dollar	**578**	578	
Pound sterling	**18**	15	3
Other currencies US dollar equivalent	**14**	14	
	980	977	3
Other receivables (assets)			
US dollar	**5**	5	
Cross currency swaps			
Euro to Rand	**1 209**	1 209	

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Sasol Limited Group

Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

2) Interest rate risk

Fluctuations in interest rates impact on the value of short term investments and financing activities, giving rise to interest rate risk. Exposure to interest rate risk is particularly with reference to changes in South African, European and US interest rates.

The group's policy is to borrow funds at floating rates of interest as this is considered to give somewhat of a natural hedge against commodity price movements, given the correlation with economic growth (and industrial activity) which in turn shows a high correlation with commodity price fluctuation. In certain circumstances, the group uses interest rate swap contracts to manage its exposure to interest rate movements.

The debt of the group is structured on a combination of floating and fixed interest rates. The benefits of fixing or capping interest rates on the group's various financing activities are considered on a case-by-case and project-by-project basis, taking the specific and overall risk profile into consideration. For further details on long-term debt refer note 18 and note 10 for long-term receivables.

In respect of financial assets, the group's policy is to invest cash at floating rates of interest and cash reserves are to be maintained in short-term investments (less than one year) in order to maintain liquidity, while achieving a satisfactory return for shareholders.

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments was:

	Carrying value	
	2010	**2009**
	Rm	**Rm**
Variable rate instruments		
Financial assets	**16 631**	22 416
Financial liabilities	**(10 725)**	(10 185)
	5 906	12 231
Fixed rate instruments		
Financial assets	**1 330**	24
Financial liabilities	**(4 307)**	(7 629)
	(2 977)	(7 605)
Interest profile (variable: fixed rate as a percentage of total interest bearing)	**83:17**	81:19

Cash flow sensitivity for variable rate instruments

Financial instruments affected by interest rate risk include borrowings, deposits, derivative financial instruments, trade receivables and trade payables. A change of one percent in the prevailing interest rate in that region at the reporting date would have increased/(decreased) the income statement by the amounts shown below before the effect of tax. The sensitivity analysis has been prepared on the basis

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64 Financial risk management and financial instruments (Continued)

that all other variables, in particular foreign currency rates, remain constant and has been performed on the same basis for 2009.

	Income statement 1% increase			
	South Africa	Europe	USA	Other
	Rm	Rm	Rm	Rm
30 June 2010	**36**	**(11)**	**20**	**14**
30 June 2009	77	1	22	22

	Income statement 1% increase			
	South Africa	Europe	USA*	Other
	Rm	Rm	Rm	Rm
30 June 2010	**(36)**	**11**		**(14)**
30 June 2009	(77)	(1)		(22)

A one percent decrease in the interest rate at 30 June would have the equal but opposite effect on the above regions to the amounts shown above, on the basis that all other variables remain constant.

* A decrease of 1% in interest rates for the United States of America will not have an effect on the income statement as it is not reasonably possible that interest rates will decrease below 0% in the next financial year.

The following interest rate derivative contracts were in place at 30 June:

	Contract amount Rand equivalent 2010	Average fixed rate 2010	Expiry 2010	Estimated fair value losses 2010	Contract amount Rand equivalent 2009	Average fixed rate 2009	Expiry 2009	Estimated fair value gains 2009
	Rm	%		Rm	Rm	%		Rm
Interest rate derivatives								
Derivative instruments cash flow hedges								

Pay fixed rate receive floating rate								
Euro	**151**	**3,6**	**19/12/2010**	**(11)**				
Rand	**682**	**6,6**	**15/12/2012**	**(15)**	688	7,4	15/12/2009	
	833			**(26)**	688			
Derivative instruments held for trading								
Interest rate cap or collar *(relating to long-term debt)*								
Rand cap					1 033	17,5	03/10/2011	
Rand cap					2 022	15,9	03/10/2011	1
					3 055			1

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Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

The maturity profile of gross contract amounts of interest rate derivatives at 30 June were as follows:

	Contract amount	Within one year	One to two years
	Rm	Rm	Rm
Interest rate derivatives			
2010			
Pay fixed rate receive floating rate			
Euro	**151**	**151**	
Rand	**682**	**126**	**556**
	833	**277**	**556**
2009			
Pay fixed rate receive floating rate			
Rand	688	688	

3) Commodity price risk

The group makes use of derivative instruments, including commodity swaps, options and futures contracts of short duration as a means of mitigating price and timing risks on crude oil purchases and sales. In effecting these transactions, the business units concerned operate within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised. In the past, the group has entered into a zero cost collar to hedge approximately 30% of Sasol Synfuels' production and 30% of Sasol Petroleum International's West African output. The group has not entered into a similar crude oil hedge for 2010. Together with the group's other risk mitigation initiatives, such as cost containment, cash conservation and capital prioritisation, the group's hedging strategy is considered in conjunction with these initiatives. The situation is monitored regularly to assess when a suitable time might be to reverse this strategy.

Dated Brent crude prices applied during the year:

	Dated Brent Crude	
	2010	**2009**
	US$	**US$**
High	**88,09**	143,95
Average	**74,37**	68,14
Low	**58,25**	39,41

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Notes to the Financial Statements (Continued)

64 Financial risk management and financial instruments (Continued)

The following commodity derivative contracts were in place at 30 June:

	Contract foreign currency amount 2010	Contract amount Rand equivalent 2010	Average price 2010	Estimated fair value gains 2010	Contract foreign currency amount 2009	Contract amount Rand equivalent 2009	Average price 2009	Estimated fair value gains 2009
	million	**Rm**	**US$**	**Rm**	**million**	**Rm**	**US$**	**Rm**
Commodity derivatives								
Derivative instruments cash flow hedges								
Futures								
Crude oil (US dollar)					10	76	70,01	(1)
Derivative instruments held for trading								
Futures								
Crude oil (US dollar)	**11**	**86**	**76,12**	**(1)**	38	295	70,29	(2)

The high crude oil prices seen over the recent years are expected to decline over the next ten years. For every US$1/b increase in the average crude oil price, group operating profit increased by approximately R615 million during 2010 (2009: R572 million; 2008: R402 million).

The average crude oil price achieved during the year resulted in a neutral position with no net gain or loss. The recognition of the fair value of the oil hedges resulted in an unrealised fair value loss of R87 million at the end of the year owing to the significant increase in crude oil prices from 2009.

The maturity profile of contract amounts of commodity derivatives at 30 June were as follows:

	Contract amount 2010	Within one year 2010	Contract amount 2009	Within one year 2009
	Rm	**Rm**	**Rm**	**Rm**
Commodity derivatives				
Futures				
Crude oil	**86**	86	371	371

Sensitivity analysis

A 10 percent increase of the commodity prices at 30 June would have increased the fair value of commodity derivatives recognised in other operating costs in the income statement by the amounts shown below, before the effect of tax. This analysis assumes that all other variables remain constant and should not be considered predictive of future performances. The calculation has been performed on the same basis for 2009.

2010	**2009**

	Rm	Rm
Crude oil		

A 10 percent decrease in the commodity prices at 30 June would have the equal but opposite effect on the fair value amounts shown above, on the basis that all other variables remain constant.

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64 Financial risk management and financial instruments (Continued)

4) Classification of financial assets and financial liabilities

Accounting classifications and fair values

The table below sets out the group's classification of financial assets and financial liabilities, and their fair values

		2010		2009	
	Note	Fair value[1]	Carrying value	Fair value[1]	Carrying value
		Rm	Rm	Rm	Rm
Financial assets					
Financial assets measured at amortised cost					
Loans and receivables					
Long-term receivables	10	1 317	1 317	1 835	1 835
Trade receivables	14	15 296	15 296	12 499	12 499
Other receivables	15	744	744	907	907
Cash restricted for use	17	1 841	1 841	1 247	1 247
Cash	17	14 870	14 870	19 425	19 425
Investments held-to-maturity					
Investments in securities	7	417	417	387	387
Financial assets measured at fair value					
Investments available-for-sale					
Investments in securities[3]	7	245	245	264	264
Derivative instruments[2]					
Cash flow hedges		2	2	14	14
Held for trading		50	50	521	521
		34 782	**34 782**	**37 099**	**37 099**
Financial liabilities					
Financial liabilities measured at amortised cost					
Long-term debt	18	(14 554)	(15 197)	(16 273)	(17 887)
Short-term debt	24	(456)	(456)	(490)	(490)
Trade payables and accrued expenses	29	(10 675)	(10 675)	(10 686)	(10 686)
Other payables	30	(1 099)	(1 099)	(876)	(876)
Bank overdraft	17	(119)	(119)	(80)	(80)
Financial guarantees		(30)	(30)	(34)	(34)
Derivative instruments[2]					
Cash flow hedges		(174)	(174)	(9)	(9)
Held for trading		(228)	(228)	(488)	(488)
		(27 335)	**(27 978)**	**(28 936)**	**(30 550)**

(1) Carrying value has been used where it closely approximates fair values. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of market prices which are not always available, the fair value of was calculated on the basis of valuation techniques using

current market parameters.

(2)

The fair value of financial assets measured at fair value are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

(3)

The fair value of the unlisted equity investments cannot be determined as there is no observable market price information available on these investments. The fair value of these instruments is measured at cost less impairment losses. Refer to note 7.

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SUPPLEMENTAL OIL AND GAS INFORMATION (Unaudited)

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 932, "Extractive Industries Oil and Gas", and regulations of the US Securities and Exchange Commission, this section provides supplemental information about oil and gas exploration and production operations. Tables 1 through to 3 provide historical information pertaining to costs incurred for property acquisitions, exploration and development; capitalised costs and results of operations. Tables 4 through to 6 present information on the estimated net proved reserve quantities; standardised measure of estimated discounted future net cash flows related to proved reserves and changes therein.

On 28 December 2008, the US Securities and Exchange Commission (SEC) adopted revised rules for the modernisation of oil and gas reporting requirements. In January 2010, the FASB adopted a revised standard for oil and gas reserves estimation and disclosures, which was intended to harmonise the accounting literature with the SEC's new regulations. Both of those revised standards are effective for annual periods ending on or after 31 December 2009. Retroactive adoption is not permitted and accordingly:

- all disclosures for the 2008 and 2009 financial years are reported in accordance with the disclosure standards in effect during such periods; and

- all disclosures at 30 June 2010, including the standardised measure of discounted cash flows, are calculated on the basis of the revised SEC and FASB standards referred to above.

Among the principal changes in the final SEC rule are the requirements to use a price based on a 12-month average for reserve estimation and disclosure instead of a single end-of-year price; expanding the definition of oil and gas producing activities to include non-traditional sources such as synthetic oil extracted from coal; permitting the use of new reliable technologies to establish reasonable certainty of proved reserves; allowing optional disclosure of probable and possible reserves; modifying the definition of geographic area for disclosure of reserve estimates and production; amending disclosures of proved reserve quantities to include separate disclosures of synthetic oil and gas; expanding proved undeveloped reserves disclosures, including discussion of proved undeveloped reserves that have remained undeveloped for five years or more; and disclosures of qualifications of the chief technical persons who oversees the company's overall reserves estimation processes.

The most significant effect of the company's adoption of the new guidance was the inclusion of Sasol Mining (Pty) Limited's proved coal reserves associated with synthetic oil equivalents and Sasol Synfuels (Pty) Limited's costs associated with the conversion of the coal reserves to synthetic oil equivalents at 30 June 2010.

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TABLE 1 COSTS INCURRED IN OIL AND GAS PROPERTY ACQUISITION, EXPLORATION, AND DEVELOPMENT ACTIVITIES

	Synthetic oil South Africa[1]	Natural oil and gas Mozambique	Other areas
		(Rand in millions)	
Year ended 30 June 2008			
Acquisition of unproved properties			45,3
Exploration		493,1	110,5
Development		594,9	116,1
Total costs incurred		1 088,0	271,9
Year ended 30 June 2009			
Exploration		1 032,4	201,4
Development		541,8	444,4
Total costs incurred		1 574,2	645,8
Year ended 30 June 2010			
Acquisition of unproved properties		**56,2**	**28,9**
Exploration	**465,0**	**157,5**	**106,7**
Development	**3 834,0**	**507,5**	**87,9**
Total costs incurred	**4 299,0**	**721,2**	**223,5**

(1) 2010 includes amounts related to our coal mining operations as well as conversion of coal reserves to synthetic oil equivalents.

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TABLE 2 CAPITALISED COSTS RELATING TO OIL AND GAS PRODUCING ACTIVITIES

	Synthetic oil	Natural oil and gas	
	South Africa[2]	Mozambique	Other areas
	(Rand in millions)		
Year ended 30 June 2008			
Proved properties		3 140,0	805,3
Producing wells and equipment		2 020,0	654,9
Non-producing wells and equipment		1 120,0	150,4
Unproved properties			
Uncompleted and non-producing wells and equipment		501,2	409,6
Capitalised costs		3 641,2	1 214,9
Accumulated depreciation		(624,1)	(369,7)
Net book value		3 017,1	845,2
Year ended 30 June 2009			
Proved properties		3 679,4	1 156,3
Producing wells and equipment		3 313,8	1 154,9
Non-producing wells and equipment		365,6	1,4
Unproved properties			
Uncompleted and non-producing wells and equipment		921,8	400,8
Capitalised costs		4 601,2	1 557,1
Accumulated depreciation		(788,3)	(485,4)
Net book value		3 812,9	1 071,7
Year ended 30 June 2010			
Proved properties	**31 993,0**	**4 183,0**	**1 264,1**
Producing wells and equipment	**31 848,0**	**3 337,5**	**1 232,7**
Non-producing wells and equipment	**145,0**	**845,5**	**31,4**
Unproved properties			
Uncompleted and non-producing wells and equipment	**210,0**	**1 027,4**	**331,2**
Capitalised costs	**32 204,0**	**5 210,4**	**1 595,3**
Accumulated depreciation	**(11 427,0)**	**(936,1)**	**(710,1)**
Net book value	**20 778,0**	**4 274,3**	**885,2**

(2) 2010 includes amounts related to our coal mining operations as well as conversion of coal reserves to synthetic oil equivalents.

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TABLE 3 RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES

	Synthetic oil South Africa[3]	Natural oil and gas	
		Mozambique	Other areas
		(Rand in millions)	
Year ended 30 June 2008			
Sales to unaffiliated parties		227,1	1 001,2
Transfers to affiliated parties		742,5	
Total revenues		969,6	1 001,2
Production costs		(132,1)	(205,4)
Foreign currency translation (losses)/gains		(32,1)	2,3
Exploration expenses		(193,1)	(28,0)
Depreciation		(153,9)	(80,6)
Operating profit		458,4	689,5
Tax		(130,1)	(310,8)
Results of operations		328,3	378,7
Year ended 30 June 2009			
Sales to unaffiliated parties		190,5	965,8
Transfers to affiliated parties		982,5	
Total revenues		1 173,0	965,8
Production costs		(213,5)	(38,1)
Foreign currency translation gains/(losses)		129,4	(6,7)
Exploration expenses		(122,0)	(205,1)
Depreciation		(166,7)	(141,0)
Operating profit		800,2	574,9
Tax		(447,6)	(213,1)
Results of operations		352,6	361,8
Year ended 30 June 2010			
Sales to unaffiliated parties		**48,3**	**867,5**
Transfers to affiliated parties	**29 672,0**	**769,2**	
Total revenues	**29 672,0**	**817,5**	**867,5**
Production costs	**(13 053,0)**	**(176,5)**	**(221,4)**
Foreign currency translation (losses)/gains	**(136,0)**	**3,5**	**(1,4)**
Exploration expenses	**(382,0)**	**(108,1)**	**(127,1)**
Valuation provision			**(49,9)**
Depreciation	**(1 247,0)**	**(151,5)**	**(225,6)**
Operating profit	**14 854,0**	**384,9**	**242,1**
Tax	**(4 662,0)**	**(164,9)**	**(179,4)**
Results of operations	**10 192,0**	**220,0**	**62,7**

(3) 2010 includes amounts related to our coal mining operations as well as conversion of coal reserves to synthetic oil equivalents.

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TABLE 4 PROVED RESERVE QUANTITY INFORMATION

	Synthetic oil	Crude oil and condensate			Natural gas		
	South Africa[4]	Mozambique	Other areas	Total	Mozambique	Other areas	Total
	Millions of barrels	Millions of barrels			Billions of cubic feet		
Proved developed and undeveloped reserves							
Balance at 30 June 2007		5,6	8,5	14,1	1 276,6		1 276,6
Revisions		(0,6)	(0,7)	(1,3)	2,8		2,8
Production		(0,5)	(1,8)	(2,3)	(65,4)		(65,4)
Balance at 30 June 2008		4,5	6,0	10,5	1 214,0		1 214,0
Revisions		1,6	0,8	2,4	495,1		495,1
Extensions/Discoveries			2,4	2,4			
Production		(0,5)	(2,0)	(2,5)	(65,3)		(65,3)
Balance at 30 June 2009		5,6	7,2	12,8	1 643,8		1 643,8
Revisions	**685,0**	**(0,7)**	**(0,9)**	**(1,6)**	**21,6**		**21,6**
Improved recovery			**0,2**	**0,2**			
Extensions/Discoveries	**203,0**						
Production	**(47,0)**	**(0,2)**	**(1,9)**	**(2,1)**	**(68,0)**		**(68,0)**
Balance at 30 June 2010	**841,0**	**4,7**	**4,6**	**9,3**	**1 597,4**		**1 597,4**
Proved developed reserves							
At 30 June 2008		2,1	5,4	7,5	277,3		277,3
At 30 June 2009		2,3	6,8	9,1	780,9		780,9
At 30 June 2010	**638,0**	**2,0**	**2,7**	**4,7**	**805,5**		**805,5**

(4) Synthetic oil equivalent proved coal reserves were added with effect from 1 July 2009.

The table above records estimates of the synthetic oil equivalents and natural oil and gas reserve quantities held by Sasol through its various operating entities under Sasol Mining (Pty) Limited (Sasol Mining) and Sasol Petroleum International (Pty) Limited (SPI), respectively. Details of Sasol Mining's proved reserves are detailed under Item 4D "Property, plant and equipment Mining properties and operations".

SPI currently has reserves in two properties:

Mozambique

In Mozambique the company holds a 70% operated interest in the Pande and Temane Petroleum Production Agreement gas fields. An internally determined assessment of gas reserves was conducted during July 2010. Reserves reported represent the net economic interest volumes attributable to the company after deduction of production tax. During 2009, a second gas sales agreement was signed. The Proved Developed and Undeveloped reserves booked are restricted to the take-or-pay quantities defined in the two gas sales agreements for the remainder of the contract terms. During 2009, production from the Pande field commenced to supplement offtake from the Temane field.

Gabon

In Gabon the company holds a 27,75% non-operated interest in the offshore Etame Marin Permit. An internally determined assessment of oil reserves was conducted during July 2010. As this licence

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held is a Production Sharing Contract, reserves reported represent the net economic interest volumes attributable to the company after deduction for royalties and profit oil. During 2009, first production from the Ebouri field was achieved and reserves attributable to this field appear in the table for the first time during 2009.

The main cause of change in the Etame Marin Permit result is a re-assessment of the Proved Developed Reserves which have been revised downwards this year (in addition to the reduction due to production). Much, but not all, of this reassessment is due to the Ebouri field performance. At the end of 2009, the field had been in production for less than six months, with dry oil production. There was therefore limited production history and predictions were made using a largely un-calibrated simulation model. During 2010, the performance of the main Ebouri well, the only well in Ebouri with significant production history, has been disappointing with early water breakthrough and a rapid decline in oil rate. This has also influenced the prediction, by analogy, of future production from the other two Ebouri wells. Much of the foregoing applies equally to the one well in the Avouma field which has also been subject to a downward revision. Wells in the Etame field have been subject to varying upward and downward revisions.

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NOTES AND DEFINITIONS

The definitions of categories of reserves used in this disclosure are consistent with those set forth in the regulations of the Securities and Exchange Commission:

Proved Reserves Those quantities of synthetic oil equivalents, crude oil, natural gas and natural gas liquids which upon analysis of geologic and engineering data appear with reasonable certainty to be recoverable in the future from known coal fields, oil and gas reservoirs under existing economic and operating conditions i.e. prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements but not on escalations based upon future conditions. Proved reserves are limited to those quantities of oil and gas which can be expected with little doubt to be recoverable commercially at current prices and costs under existing regularity practices and with existing conventional equipment and operating methods. Depending upon their status of development such proved reserves are subdivided into "proved developed reserves" and "proved undeveloped reserves".

Proved Developed Reserves Reserves which can be expected to be recovered through existing wells with existing equipment and operating methods.

Proved Undeveloped Reserves Reserves which are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion.

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TABLE 5 STANDARDISED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS

	Synthetic oil South Africa[5]	Natural oil and gas Mozambique	Other areas
		(Rand in millions)	
Year ended 30 June 2008			
Future cash inflows		16 223,2	6 110,3
Future production costs		(2 483,3)	(1 208,2)
Future development costs		(1 525,9)	(341,1)
Future income taxes		(3 815,2)	(1 893,1)
Undiscounted future net cash flows		8 398,8	2 667,9
10% annual discount for timing of estimated cash flows		(4 783,3)	(579,0)
Standardised measure of discounted future net cash flows		3 615,5	2 088,9
Year ended 30 June 2009			
Future cash inflows		17 875,3	3 745,5
Future production costs		(4 576,9)	(1 244,3)
Future development costs		(3 125,9)	(309,4)
Future income taxes		(2 963,1)	(923,3)
Undiscounted future net cash flows		7 209,4	1 268,5
10% annual discount for timing of estimated cash flows		(4 498,6)	(287,0)
Standardised measure of discounted future net cash flows		2 710,8	981,5
Year ended 30 June 2010			
Future cash inflows	**471 871,0**	**27 795,7**	**2 865,0**
Future production costs	**(213 139,0)**	**(4 400,1)**	**(1 214,6)**
Future development costs	**(81 131,0)**	**(2 536,8)**	**(487,3)**
Future income taxes	**(49 728,0)**	**(6 385,9)**	**(418,6)**
Undiscounted future net cash flows	**127 873,0**	**14 472,9**	**744,5**
10% annual discount for timing of estimated cash flows	**(66 731,0)**	**(8 696,4)**	**(174,1)**
Standardised measure of discounted future net cash flows	**61 142,0**	**5 776,5**	**570,4**

(5) 2010 includes amounts related to our coal mining operations as well as conversion of coal reserves to synthetic oil equivalents.

The standardised measure of discounted future cash flows related to preceding proved oil and gas reserves is calculated in accordance with the requirements of FASB ASC Section 932. Estimated future cash inflows from production are computed by applying 12 month-average prices for oil and gas to year-end quantities of estimated net proved reserves. Future development and production costs are those estimated future expenditures necessary to develop and produce year-end estimated proved reserves based on year-end cost indices assuming continuation of year-end economic conditions. Estimated future income taxes are calculated by applying appropriate year-end statutory tax rates. Discounted future net cash flows are calculated using 10 percent midperiod discount factors. Discounting requires a year-by-year estimate of when future expenditures will be incurred and when reserves will be produced.

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The information provided does not represent management's estimate of the companies' expected future cash flows or value of proved coal, oil and gas reserves. Estimates of proved reserve quantities are imprecise and change over time as new information becomes available. Moreover, probable and possible reserves, which may become proved in the future, are excluded from the calculations. The arbitrary valuation prescribed under FASB ASC Section 932 requires assumptions as to the timing and amount of future development and production costs. The calculations are made as of 30 June each year and should not be relied upon as an indication of the companies' future cash flows or value of their coal, oil and gas reserves.

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TABLE 6 CHANGES IN THE STANDARDISED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS

	Synthetic oil	Natural oil and gas	
	South Africa[6]	Mozambique	Other areas
		(Rand in millions)	
Present value at 30 June 2007		2 969,5	1 141,3
Net changes for the year		646,0	947,6
Sales and transfers of oil and gas produced net of production costs		(1 075,6)	(1 352,9)
Development costs incurred		501,9	120,8
Revisions of previous quantity estimates and timing		(844,9)	193,2
Net changes in prices net of production costs		2 498,9	2 783,0
Changes in estimated development costs		(435,1)	(324,1)
Accretion of discount		415,2	191,1
Net change in income tax		(414,4)	(663,5)
Present value at 30 June 2008		3 615,5	2 088,9
Net changes for the year		(904,7)	(1 107,4)
Sales and transfers of oil and gas produced net of production costs		(627,5)	(813,5)
Development costs incurred		665,7	358,7
Extensions/Discoveries and Revisions of previous quantity estimates and timing		3 022,4	1 142,6
Net changes in prices net of production costs		(3 268,0)	(2 545,0)
Changes in estimated development costs		(1 766,0)	(297,3)
Accretion of discount		521,2	352,2
Net change in income tax		626,1	748,0
Net change due to exchange rate		(78,6)	(53,1)
Present value at 30 June 2009		2 710,8	981,5
Net changes for the year	**61 141,0**	**3 065,7**	**(411,1)**
Sales and transfers of oil and gas produced net of production costs		**(645,8)**	**(319,6)**
Development costs incurred		**513,9**	**154,1**
Extensions/Discoveries and Revisions of previous quantity estimates and timing	**61 141,0**	**360,2**	**(630,7)**
Net changes in prices net of production costs		**3 873,6**	**154,2**
Changes in estimated development costs		**26,5**	**(288,6)**
Accretion of discount		**368,2**	**166,6**
Net change in income tax		**(1 403,4)**	**365,4**
Net change due to exchange rate		**(27,5)**	**(12,5)**
Present value at 30 June 2010	**61 141,0**	**5 776,5**	**570,4**

(6) 2010 includes amounts related to our coal mining operations as well as conversion of coal to synthetic oil equivalents.

1. Reserves governance process

To ensure the coal, oil and gas reserves are appropriately estimated, are accurately disclosed and are compliant with current SEC regulations, Sasol has established and maintains guidelines and

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procedures (that are reviewed by suitably experienced independent external consultants) and a set of internal controls (that are in accordance with the requirements of section 404 of the Sarbanes Oxley Act of 2002). The internal controls cover, amongst others, the: segregation of duties between those who prepare, review and approve the estimates; confirmation that those who estimate the reserves are appropriately qualified and experienced; the review, by a suitably experienced independent external assessor of all Sasol Mining's and SPI's estimated future production rates, future capital and operating costs to ensure that the assumptions, data, methods and procedures are appropriate; a review of the technologies used in the estimation process to determine reliability; confirmation that the compensation arrangements of those who are involved in the estimation of reserves are not materially affected by the reserves; and approval and authorisation arrangements to validate the economic assumptions and to ensure that only final, accurate, complete and consistent data are used in the estimation of reserves.

Refer to "Item 4. D Property, plant and equipment Mining properties and operations" for details of the technical person within Sasol Mining who is primarily responsible for overseeing the preparation of coal reserves.

The technical person within SPI who is primarily responsible for overseeing the preparation of natural oil and gas reserves is the general manager: technical services. The qualifications of the current incumbent include a MA and MSc in Mathematics with thirty one years experience in oil and gas exploration and production activities and twenty three years experience in reserves estimation.

2. Synthetic oil activities

Refer to "Item 4. D Property, plant and equipment Mining properties and operations" for details regarding our mining properties, coal exploration techniques and the mining parameters and assumptions used during the reserve estimation as well as the reserve estimations as at 31 March 2010.

a. Synthetic oil equivalent production, production prices and production costs

The following table sets forth a summary of the synthetic oil equivalent average sales price and related production costs for the year shown:

	South Africa (Rand per unit)
2010	
Average sale price per barrel	564,64
Average production cost per barrel	272,43

3. Natural oil and gas producing activities

Our natural oil and gas exploration, development and production activities are managed by SPI. SPI, through its subsidiaries, currently has exploration equity in seven countries and, in Mozambique and Gabon, has equity in two producing assets with proved natural oil and gas reserves.

The Mozambique assets, which produces natural gas and condensate, are operated by the SPI subsidiary Sasol Petroleum Temane Limitada and consists of a 70% working interest in the Pande Temane Production Petroleum Agreement onshore gas fields. Production of natural gas and condensate is from the Temane, Temane East and Pande fields via a central production facility located some 700 kilometres (km) north of the Mozambican capital, Maputo. A summary of the proved reserves estimates from our Mozambique assets are provided in Table 4. These reserve figures represent net economic interest volumes that are attributable to Sasol Petroleum Temane Limitada after the deduction of production tax and are restricted to the take-or-pay quantities defined by two gas sales agreements for the remainder of the contract terms.

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In Gabon, the SPI subsidiary Sasol Petroleum Etame Limited holds a 27,75% working interest in the Etame Marin Permit, which is operated by VAALCO Gabon (Etame) Inc. Production is from the Etame, Avouma and Ebouri offshore oil fields via a floating production storage and off-loading (FPSO) vessel moored above the Etame field. A summary of the proved reserves estimates from our Gabon asset is provided in Table 4. These reserve figures represent the net economic interest volumes attributable to Sasol Petroleum Etame Limited after application of the terms of a production sharing contract.

a. Proved undeveloped natural oil and gas reserves

During 2010, natural oil and gas resources have been converted to proved developed reserves as a result of the drilling of one development well within the Ebouri field in SPI's Etame Marin Permit.

At the end of 2010, Proved Undeveloped Reserves are associated with the Etame-7H well in Gabon, which is planned to be drilled early in the 2011 calendar year, and sustainment capital investment planned for the Petroleum Production Area (PPA) in Mozambqiue. For the Mozambique PPA Proved Developed and Proved Undeveloped Reserves are associated with the existing gas sales agreements, which end in 2029. The current wells and facilities are capable of meeting the anticipated demand of the agreements until 2014. Between 2012 and 2016, installation of compression and, in 2019, drilling of additional wells are scheduled as detailed in the approved field development plan. These activities, which will be scheduled as required to maintain deliverability, will result in the conversion of presently Proved Undeveloped Reserves into Proved Developed Reserves.

b. Natural oil and gas production, production prices and production costs

The following table sets forth a summary of the natural oil and gas average sales price and related production costs for the years shown:

	Mozambique	Other Areas
	(Rand per unit)	
2008		
Average sales price		
Liquids, per barrel	477,05	566,16
Natural gas, per thousand cubic feet	11,17	
Average production cost per thousand cubic feet/barrel**	2,02	73,80
2009		
Average sales prices		
Liquids, per barrel	438,95	475,11
Natural gas, per thousand cubic feet	14,89	
Average production cost per thousand cubic feet/barrel**	3,27	93,37
2010		
Average sales prices		
Liquids, per barrel	324,23	455,36
Natural gas, per thousand cubic feet	11,19	
Average production cost per thousand cubic feet/barrel**	2,60	116,21

** Production cost adjusted for derivative instrument.

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c. Drilling and other exploratory and development activities

The following table sets forth a summary of the drilling activities conducted by SPI's subsidiaries for the years shown:

Number of wells drilled for the year ended 30 June	Mozambique	Other Areas	Total (number of wells drilled)
2008			
Exploratory well discovery	1		1
Exploratory well dry	4		4
Development well productive	10		10
Development well dry			
2009			
Exploratory well discovery	2	1	3
Exploratory well dry		1	1
Development well productive		2	2
Development well dry			
2010			
Exploratory well discovery		1	1
Exploratory well dry		2	2
Development well productive		1	1
Development well dry			

In the 2008, SPI completed the 2007/08 drilling campaign adding 14 new development wells to Pande and Temane and completed 2D seismic. SPI undertook significant development work on the offshore Ebouri Field in the Etame Marin Permit in Gabon. Construction of the steel platform, topsides and pipelines was completed and preparations made for installation of the facilities and drilling of the development wells.

Exploration activities included acquisition of 2D seismic for Offshore Block 16 and 19, the bidding and award of Block A as part of the Mozambique 3rd licensing round and an acquisition of 51% working interest in four petroleum prospecting licences PPL-285, PPL-286, PPl-287 and PPL-288 in Papua New Guinea, operated by the SPI subsidiary Sasol Petroleum Papua New Guinea Limited, and the commencement of an exploration programme which included aero-gravity survey and seismic work. A 30% working interest in the offshore Australia exploration licence WA 388P was also acquired. Following a technical and strategic review of the Dussafu Marine Permit, SPI sold a 50% interest in this permit in April 2008.

In 2009, SPI undertook significant development work and the completed the second phase of the onshore Mozambique Pande Temane PPA development: development drilling, in-field flow lines and a trunk line were constructed to enable the transportation of Pande field gas and condensate to the processing facilities which were modified to increase capacity and enable Pande gas to be co-mingled with gas from the Temane fields before treatment ready for sale and transportation.

In the Etame Marin Permit, the platform, topsides and pipeline were installed and commissioned in the Ebouri Field. Two development wells were drilled, EEBOM-2H and EEBOM-3H, and the field came on stream in January 2009. Production is routed via subsea pipeline to the Etame FPSO for processing and export. An appraisal well was drilled in the northern area of Ebouri to delineate the extent of the reservoir. In addition, an exploration well, ETNM-1, was drilled on the North Etame prospect but this well was dry.

In 2010, exploration and development activities, conducted by SPI, included the acquisition of a 50% working interest in block M-10 and a 100% working interest in block Sofala, both offshore

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Mozambique. On 23 August 2010, Empresa Nacional de Hidrocarbonetos was assigned a 15% carried interest, until field development decision approval, representing the Mozambican government's participation in both the M-10 and Sofala licences, resulting in our share reducing to 42,5% and 85%, in block M-10 and block Sofala, respectively. In 2010, exploration and development activities, conducted by SPI, also included the acquisition of a 45% working interest in the exploration licence for Block AC/P52 offshore Australia. In the Etame Marin Permit in Gabon, a rig programme commenced in February 2010, with the drilling of Ebouri development well, EEBOM-4H, which was successful and placed on production. This was followed by a successful workover on Ebouri well, EEBOM-3H, and by the discovery of oil in the ETSEM-1 well, which was drilled on the South-East Etame prospect. The rig programme continues into 2011.

d. Present oil and gas activities

The Etame drilling campaign, in Gabon, with both exploratory and development wells is in progress as planned. In Mozambique, SPI is presently in the process of increasing the capacity of its Temane Central Processing Facility to 183 million gigajoules per annum (MGJ/a). This work is expected to be completed during 2011.

e. Delivery commitments

Under the terms of existing contracts and agreements, SPI is committed to deliver natural oil and gas as summarised below:

For the Pande/Temane PPA, two gas sales agreements exist. The first, has a commitment of 105% of an annual contract quantity (ACQ) of 120 MGJ/a, and commenced in April 2004 and concludes in March 2029. The second has a commitment tied to a ramp-up from 3 to 27 MGJ/a, achieving an ACQ of 27 MGJ/a in 2017, and commenced in January 2010 and concludes in December 2029. There is no commitment to deliver condensate.

The capacity of the producing facilities and the estimated available reserves are such that reserves and supplies are sufficient to meet the long-term commitments that have been entered into. In Mozambique, studies indicate that present capacity is sufficient to meet commitments during the next three years but that additional expenditure is required to deliver the committed volumes for the life of the contract (see above).

f. Oil and gas properties, wells, operations and acreage

At 30 June 2010, SPI's interests, through its subsidiaries, in productive wells, developed and undeveloped acreage relating to natural oil and gas activities is as summarised below:

	Mozambique	Other Areas	Total
Productive wells (number)			
Gross	29	10	39
Nett	20,3	2,8	23,1
Developed acreage (km^2)			
Gross	1 670	104	1 774
Nett	1 169	29	1 198
Undeveloped acreage (km^2)			
Gross	8 050	6 898	14 948
Nett	8 050	1 081	9 131

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Mozambique

In Mozambique we have two licences, of which one is for production and the other exploration:

The PPA licence is a 30 year production licence which commenced on 1 April 2004, and is renewable for 2 5 year periods upon application; and

The Production Sharing Area licence (PSA) is a 10 year exploration licence which commenced on 26 October 2000 and is now in the 3rd exploration period. A drilling programme is planned for October 2010 to March 2011, which will delay the licence expiry until the completion of the drilling, testing and evaluation, such extension is not to last for more than 1 year.

Gabon

In the Etame Marin Permit there are three exploitation areas and one exploration area. The exploitation areas are as follows:

Etame Area Expires July 2021

Avouma Area Expires March 2025

Ebouri Area Expires June 2026

The remaining area is covered by the exploration terms of the Exploration and Production Sharing Contract. During 2010, the licencees and the Government of Gabon agreed to extend the current exploration period to July 2014.

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ITEM 19. EXHIBITS

1.1	Memorandum of association of Sasol Limited*
1.2	Articles of association of Sasol Limited*
4.1	Management Share Incentive Scheme*
4.2	The Deed of Trust for the Sasol Inzalo Management Trust**
4.3	The Deed of Trust for the Sasol Inzalo Employee Scheme**
8.1	List of subsidiaries
12.1	Certification of Lawrence Patrick Adrian Davies, Chief Executive of Sasol Limited pursuant of Section 302 of the Sarbanes-Oxley Act of 2002
12.2	Certification of Kandimathie Christine Ramon Chief Financial Officer of Sasol Limited pursuant of Section 302 of the Sarbanes-Oxley Act of 2002
13.1	Certification of Lawrence Patrick Adrian Davies, Chief Executive of Sasol Limited and Kandimathie Christine Ramon Chief Financial Officer of Sasol Limited pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2	Certification of Lawrence Patrick Adrian Davies, Chief Executive of Sasol Limited and Kandimathie Christine Ramon Chief Financial Officer of Sasol Limited pursuant to Rule 13a-15(f) under the Securities Exchange Act of 1934, as adopted pursuant to Section 404 of the Sarbanes-Oxley Act of 2002

* Incorporated by reference to our registration statement on Form 20-F filed on 6 March 2003.

** Incorporated by references to our annual report on Form 20-F filed on 7 October 2008.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this annual report on its behalf.

SASOL LIMITED

By: /s/ KANDIMATHIE CHRISTINE RAMON

Kandimathie Christine Ramon
Chief Financial Officer

Date: 28 September 2010

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GLOSSARY OF TERMS

Term	Description
Acetic acid	Acetic acid is a chemical compound commonly known as vinegar acid. Under normal conditions it is a clear colourless liquid, but the pure compound has a crystalline form. Acetic acid is used as an acidifying and neutralising agent in industrial applications which include use as an additive or flavouring in canned pickles, fish, meat, candy and glazes.
Acetone	Acetone is a chemical compound also known as dimethyl ketone. This chemical is a clear colourless liquid. Acetone is used in several industrial applications for the manufacture of other chemical compounds such as plastic, fibres and drugs.
Acrylates	Acrylates are chemical compounds that are salts or esters of acrylic acid also known as propenoates. Acrylates are used as monomers for the production of acrylate polymers. These acrylate polymers are in turn used in applications such as Perspex glass, superglue or in the production of disposal diapers.
Acrylic acid	Acrylic acid is a chemical compound also known as acroleic acid. This chemical is a clear colourless liquid. Acrylic acid is a building block for acrylate polymers and is used in the manufacture of plastics, molding powder for signs, construction units, decorative emblems and insignias, polymer solutions for coatings applications, emulsion polymers, paints formulations, leather finishings and paper coatings.
Aeromagnetic surveys	These surveys are used to determine discrete magnetic bodies in the near surface strata such as dolerite dykes and sills. It specifically entails the determination of the variability of the surface magnetism by trailing a detector behind an aircraft at a certain altitude above the surface.
Alcohol	The term alcohol describes a class of chemicals, of which ethanol is most widely used. Most alcohols are clear colourless liquids which are either produced through the fermentation of natural feedstocks such as sugar or synthetically from the hydration of petroleum derivatives such as ethylene and propylene. Alcohols can

be used in industrial applications such as solvents and fuels or as an intermediate in the production of detergents, pharmaceuticals, plasticisers and fuels.

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Term	Description
Alkanolamines	Alkanolamines are a group of chemical compounds which are liquids ranging from being colourless to pale yellow in appearance. Alkanolamines are derived from the reaction of ammonia and ethylene oxide. Simple alkanolamines are used as solvents, chemical precursors and high boiling bases in the form of curing agents, emulsifiers, corrosion inhibitors and detergents.
Alkylamines	Alkylamines are a group of chemical compounds derived from the reaction of ammonia and hydrocarbons. Alkylamines are predominantly used in the manufacturing of pharmaceutical drugs.
Alkylates	Alkylation is the process of transferring an alkyl group from one molecule to another. The molecule to which the alkyl group has been transferred to and which is a product of this reaction is then referred to as an alkylate. An example of such a reaction is the production of linear alkyl benzene (LAB), which is the reaction of an olefin with benzene.
Alpha olefin	An alpha olefin is an olefin or an alkene with a double bond located on the primary or alpha position of the carbon chain or between the 1st and 2nd carbon atom. An alpha olefin can be linear or branched. Examples of alpha olefins are chemical compounds such as 1-pentene, 1-hexene and 1-octene manufactured by Sasol Solvents in Secunda. These chemical compounds are mainly used for industrial applications such as organic synthesis, manufacturing of plastics and surfactants, blending agents for high octane fuels and pesticide formulations.
Alumina	Alumina is a chemical compound also known as aluminum oxide. It is an odourless white crystalline powder. Alumina is used in the production of aluminium and the manufacture of abrasives, refractories, ceramics, electrical insulators, catalyst and catalyst supports, paper, spark plugs, crucibles and laboratory works, adsorbent for gases and water vapours, chromatographic analysis, fluxes, light bulbs, artificial gems, heat resistant fibres and food additives (dispersing agent).

Ammonia	Ammonia is a chemical compound comprised of nitrogen and hydrogen. It is normally encountered in the form of a colourless gas. Ammonia is used as a disinfectant, refrigerant or for the production of fertilisers, explosives and nitrogen-containing acids such as nitric acids.
Ammonium nitrate solutions	Ammonium nitrate solutions are solutions of water in which ammonium nitrate salt has been dissolved. Ammonium nitrate solutions are used as a nitrogen source in fertilisers and as an oxidising medium in commercial explosives.

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Term	Description
Baseload	Baseload is the continuous, recurrent volume of pipeline gas provided to a market through a gas pipeline network. It is used to determine the economic viability of the particular gas pipeline project, including the ability to obtain and repay financing for the project.
Beneficiation	Beneficiation is the process of adding value to lower-value raw materials by further processing it to manufacture valuable products.
Borehole density	Borehole density is the ratio of the surface area divided by the number of boreholes.
Brownfields development	The expansion of an existing mine working into adjacent reserve areas that are situated next to the existing mine boundaries. It is contrast with greenfields development, where the development is not done via an existing working mine.
Butadiene	Butadiene is a chemical compound which is considered to be a simple conjugated diene. Usually the term butadiene refers to the chemical compound 1,3-butadiene. 1,3-Butadiene is normally encountered in the form of a colourless gas. It is predominantly used for the production of synthetic rubber, plastics and resins.
Butane	Butane is a colourless gas obtained from raw natural gas, liquefied petroleum gas or the processing of petroleum streams. Both isomers of butane are used as components of aerosol propellants and as fuel sources. n-Butane is used as a chemical feedstock for special chemicals in the solvent, rubber, and plastics industries. Isobutane is used as a raw material for petrochemicals, an industrial carrier gas, and in the chemical industry for the production of propylene glycols, oxides, polyurethane foams, and resins.
Butene	Butene is a colourless gas also known as butylene obtained from the processing of petroleum streams. It is used for the production of a wide variety of chemicals including gasoline, high-octane gasoline components, rubber processing and as co-monomer in the production of polyethylene.
Butyl acrylate	Butyl acrylate is a chemical compound also known as an acrylic acid butyl ester. It is a clear

colourless liquid in appearance. Butyl acrylate is used in organic synthesis and for the manufacturing of polymers, copolymers for solvent coatings, adhesives, paints, binders, and emulsifiers.

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Term	Description
Butyl glycol ethers	Butyl glycol ether (BGE) is high performing ethylene glycol ether solvent and is encountered as a colourless syrupy liquid. It is used as a monomer for unsaturated polyester resins and polyester polyols for polyurethane. It is also used in the production of triethylene, glycol, textile agents, plasticisers, surfactants, extraction solvents and for natural gas dehydration. BGE can be used in both solvent and water based systems and is currently one of the best available coupling agents and active solvents for water based coatings.
Calcium chloride	Calcium chloride is an inorganic salt and is mostly encountered in the form of a colourless liquid solution. It has a wide range of applications including use for dust control, moisture absorption and is an accelerator in the drying and setting of concretes.
Carbide	Carbide is a compound of carbon and a metallic or semi-metallic element (e.g., calcium, silicon, aluminum, boron). It is mostly encountered as a solid with a crystal structure. Carbides are mostly used in the production of acetylene, carbide lamps and in the making of steel.
Carbonaceous mudstone interburden	A carbonaceous mudstone interburden is a clay sized sedimentary material that is encountered between discrete correlateable coal seams.
Carbonaceous mudstone to siltstone parting	A carbonaceous mudstone to siltstone parting is when a material that may be present within a coal seam is deposited by varying velocities of water leading to stagnant conditions for carbonaceous mudstone to slowly move the siltstone.
Carbon dioxide	Carbon dioxide is a gas released as a result of the complete combustion of carbon-containing compounds. It is used in the production of carbonates, carbonation of beverages, to provide inert atmospheres for fire extinguishers and if pressurised forms dry ice (in solid form).
Catalyst	A catalyst is a material that increases the rate of a chemical reaction without being consumed in the reaction, although it may be physically changed or even destroyed in the process.

Caustic soda	Refer to Sodium hydroxide solution.
Ceramic	Ceramic is a hard inorganic non-metallic material formed by the action of heat. Due to it being a durable material with high resistance to chemical corrosion and heat, it is used in a broad range of applications such as knives, protective layering, ball bearings and dental and orthopedic implants.

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Term	Description
Chemical reaction	A chemical reaction is the process of forming new chemical compounds from one or more reactants through the rearrangement of atoms that makes or breaks chemical bonds.
Chlorine	Chlorine is a greenish to yellow gas which when dissolved in water is encountered as an inorganic liquid. It is used in several household applications as a disinfectant (e.g. swimming pools) and bleaching agent. Its industrial applications include the manufacturing of several chlorinated compounds, bleaching of wood and paper pulp, the production of polyvinyl chloride (PVC polymer) and in water purification plants.
Coal fine	Fine coal is classified as the size fraction of coal that can pass through a screen with an aperture of 6,3 mm.
Coal pile	A coal pile is individual bands or laminations of different types of coal within an individual coal seam that can be correlated horizontally for a finite distance.
Coal reserves	Coal reserves is that part of the coal deposit which, after appropriate assessments, is considered to be economically mineable, at the time of the reserve determination. It is inclusive of diluting and contaminating materials and allows for losses that can occur when the material is mined.
Cobalt	Cobalt is a silver-gray ferromagnetic metal found in various ores. It is used for metal alloys, magnets, as a drying agent for paints, varnishes and inks and as a catalyst for petroleum and chemical industries.
Coke	Coke is a carbonaceous black solid hydrocarbon material comprised nearly of pure carbon. It is residual substance resulting from the removal of the volatiles and most of the non-combustibles from coal. It can either be used as a fuel or in the case of calcined coke for the manufacture of anodes for the aluminum, steel and titanium smelting industry.
Commissioning	Commissioning is the period during which a newly constructed or modified production facility is de-bugged, tested and "switched-on" after which the facility is formally declared commercially production ready.
Co-monomer	A co-monomer is a chemical compound added in smaller

	quantities to the base monomer in the production of polymers (see Polymer). The presence of a co-monomer in the polymer (e.g. automobile trim, plastic bag, water pipes) convey enhanced performance (appearance, flexibility, impact strength) attributes to the polymer. Examples of co-monomers are: butene, hexene, octene and butyl acrylate.

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Term	Description
Condensate	Condensate is a hydrocarbon liquid produced when a hydrocarbon gas is condensed to a liquid.
Continuous miner	A continuous miner is a remote-controlled vehicle used in an underground coal mine to cut and remove coal from the coalface with the aid of a spiked, rotating cutting drum.
Co-polymer	A co-polymer is a polymer derived from two or more dissimilar monomers. It is also known as a heteropolymer.
Corrosion	Corrosion is the process of slow destruction of metal material because of chemical reactions; for example, iron or steel can rust away through their reaction with oxygen contained in air or water.
Cracker	A cracker is a form of reactor technology that is used to partially decompose high molecular weight organic compounds to lighter low boiling organic compounds by using elevated temperatures to induce carbon-carbon bond cleavage.
Cresol	Cresol is an aromatic organic compound obtained from the scrubbing and distillation of coal tar acids and is also known as cresylic acid. The liquid ranges from colourless to yellow, brown, or pink in appearance. Cresol is primarily used in household applications as disinfectants, deodorisers and for sterilising instruments, dishes, utensils, and other inanimate objects.
Cresylics	A commercial blend of phenolic (ring shaped) molecules with hydroxyl groups (consisting of an oxygen and hydrogen atom) attached to it. Normally produced from coal tars when coal is gasified. Used in a wide range of applications such as resins, gasoline additive, coatings for magnet wire for small electric motors and disinfectants.
Cyanide	Cyanide is a generic term for any chemical compound that contains the cyanide functional group. Chemical compounds such as calcium and sodium cyanide are normally in the form of a white solid. It is however used in the form of a liquid, which is a solution with water, as a mining reagent in the gold mining industry to extract gold from its ore.
Cyclone	A cyclone is a separation device used in chemical facilities to separate

	material based on their densities. This device is also used to separate course and fine particles from each other.
Derivatisation	Derivatisation refers to the process of changing the nature of a chemical compound by reaction with a second chemical to replace one atom with another atom or a group of atoms. An example of this process is when an alcohol such as ethanol is reacted with acetic acid and ethyl acetate is produced.

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Term	Description
Devolatilisation	The effect of heating coal resulting in the coal losing some of the volatile matter content contained within the coal.
Directional drilling	Drilling of a continually steered drill hole from the surface into the selected coal seam, in a predetermined direction and at a predetermined elevation. It is also described as non-vertical drilling.
Distillation	Distillation is a process whereby liquid mixtures of chemical compounds are separated based on the different volatilities of the compounds under conditions of controlled heating and pressure to maintain a boiling liquid mixture. Each chemical compound in the mixture has a unique boiling point enabling separation.
Dolerite dykes and sills	Dolerite dykes and sills are the igneous intrusions in the strata related to the emplacement of the basaltic lavas of the Lesotho Basalt Formation during the break up of the Gondwanaland super continent about 145 million years ago.
Ethanol	Ethanol is a chemical compound also known as ethyl alcohol, grain alcohol or drinking alcohol. It is a clear colourless liquid. Ethanol is used in alcoholic beverages in suitable dilutions. Industrial uses of ethanol include the use as a solvent in laboratory and industry, the manufacture of denatured alcohol, pharmaceuticals (rubbing compounds, lotions, tonics, colognes), in perfumery, in organic synthesis and as an octane booster in gasoline. Ethanol can also be used in higher concentrations in alternative fuel vehicles optimised for its use.
Ethoxylates	Ethoxylates are chemical compounds commonly described as surfactants which are derived from the reaction of ethylene oxide with alcohols or fatty acids. Surfactants are more soluble in water and are used in foaming agents for products such as shampoos and tooth pastes as well as components for detergent formulations. Refer to Surfactants.
Ethyl acetate	Ethyl acetate is a chemical compound more commonly known as an ester. It is normally encountered as a clear colourless liquid. Ethyl acetate is used as a solvent in the production of

	adhesives, fingernail polishes; an extraction solvent in the production of pharmaceuticals and foods; a carrier solvent for herbicides and a component of lacquer thinner.
Ethyl acrylate	Ethyl acrylate is a chemical compound also known as acrylic acid ethyl ester. It is a clear colourless liquid. Ethyl acrylate is used in the manufacture of acrylic emulsion polymers, in latex paints and textiles. It is also used in emulsion polymers for paper coating, as additives in floor polishes, sealants, shoe polishes, in base coatings and for surface impregnation of leather in adhesives.

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Term	Description
Ethylene	Ethylene is a chemical compound also known as the simplest olefin. It is normally encountered as a colourless gas. Ethylene is used for the production of a range of chemical compounds such as ethylene oxide, ethylene dichloride and polymers including polyethylene and polyvinyl chloride.
Fraction	A fraction is a specific quantity of chemical compounds collected from a mixture of chemical compounds through a separation process such as distillation. In the petrochemical industry a specific "range" of hydrocarbons in a mixture separated based on the physical and chemical properties is called a fraction of the mixture.
Front-end engineering design	Front-end engineering design (FEED) is process of conceptualising and initiating the design of a plant.
Gasification	Gasification is the process where coal is converted, through its reaction with oxygen and steam at temperatures of above 850ºC to carbon monoxide and hydrogen. The produced gas mixture is referred to as syngas.
Glacial acrylic acid	Refer to Acrylic acid. Acrylic acid is available in two grades, namely technical and glacial grade. The glacial grade is a purer form and typically contains a concentration of 98% acrylic acid and a maximum concentration of 0,5% of water whereas the technical grade contains a concentration of 94% of acrylic acid.
Hexene	Hexene is a chemical compound also known as hexylene. It is normally encountered as a colourless liquid. Hexene is used in the synthesis of flavors, perfumes, dyes, resins and as a polymer modifier. The most common use of hexene is as a co-monomer in the production of polyethylene.
Homopolymer	A homopolymer is a polymer made from similar monomer units. It is the opposite of a copolymer.
Horizontal drilling	Horizontal drilling is the drilling of a horizontally orientated drill hole into the coal seam from the mine workings underground. These drill holes are used to determine the presence of gas accumulations and displacement of the coal seam.

Hydrocarbon	A hydrocarbon is an organic compound entirely comprised of a carbon skeleton to which hydrogen is bonded.
Hydrochloric acid	Hydrochloric acid is an aqueous solution of the chemical compound hydrogen chloride. It is a colourless or slightly yellow fuming liquid. Hydrochloric acid is a strong acid and is used in metal cleaning operations, chemical manufacturing, petroleum activation, and in the production of food and synthetic rubber.

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Term	Description
Igneous rocks	Igneous rocks are rocks produced by volcanic or magmatic action.
Impact co-polymers	Impact co-polymers are a particular form of co-polymer that by chemical and mechanical design is able to resist impact, e.g. automotive components.
Isomerisation	Isomerisation is the process where one chemical compound is transformed into the same chemical compound but where the atoms are rearranged. These chemical compounds are then called isomers of each other and might have different chemical and physical properties.
Ketones	Ketones are organic chemical compounds characterised by the presence of a carbonyl group bound to other carbon atoms. Ketones are often used in perfumes and paints to stabilise the other ingredients so that they don't degrade as quickly over time. Other industrial applications include its use as a solvent in the chemical industry.
Krypton	Krypton is a colourless, odourless, tasteless noble gas found in trace amounts in the earth's atmosphere. Krypton is used in fluorescent lamps and laser technologies.
Limestone	Limestone is a sedimentary rock composed mostly of calcium (the shell remains of marine animals), carbon and oxygen. One of its industrial uses is as an agricultural fertiliser.
Maleic anhydride	Maleic anhydride is a chemical compound with a pungent odour. It is a colourless solid available in the form of needles, white lumps or pellets. Maleic anhydride is used for the manufacture of resins (textiles), dye intermediates, pharmaceuticals, agricultural chemicals and in copolymerisation reactions.
Methane	Methane is a chemical compound more commonly known as marsh gas. Methane is a colourless gas and when refrigerated it is known as liquefied natural gas. It is the principal component of natural gas and is therefore a feedstock for the Sasol gas-to-liquids process. Methane can also be used for the manufacture of a wide range of chemical compounds such as methanol and ammonia and is also used as fuel.

Methylamine	Methylamine is a chemical compound which is derived from methanol and ammonia. It is a colourless gas with a strong ammonia smell. Methylamine is used as an intermediate for the synthesis of accelerators, dyes, pharmaceuticals, insecticides, surface active agents, tanning, dyeing of acetate textiles, a fuel additive, polymerisation inhibitor, component of paint removers, solvent, in photographic development and rocket propellant.

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Term	Description
Methyl ethyl ketone (MEK)	Methyl ethyl ketone is a chemical compound also known as butanone and MEK. It is a colourless liquid. MEK is mostly used in paints and other coatings.
Methyl isobutyl ketone (MIBK)	Methyl isobutyl ketone is a chemical compound also known as MIBK. MIBK is a colourless liquid with a pleasant odour. It is used as a solvent in paints, resins, nitrocellulose, dyes, varnishes and lacquers.
Monomer	A monomer is a chemical compound capable of chemically bonding to other monomers or itself to form long chain polymers (plastics) or synthetic resins.
Nameplate capacity	Nameplate capacity is the product output of a plant under conditions optimised for maximum quantity for the production facility.
Naphtha	Naphtha is a petroleum-based chemical compound also known as petroleum ether. It is a colourless liquid. Naphtha is primarily used a feedstock for gasoline production. It is also used in the production of petrochemical products such as olefins and aromatic compounds and other downstream chemical products.
n-Butanol	n-Butanol is a chemical compound also known as butyl alcohol. It is typically encountered as a colourless liquid. n-Butanol is primarily used as a solvent for paints.
Nitric acid	Nitric acid is a chemical compound more commonly known as *aqua fortis* or *spirit of nitre*. It is a strong acidic colourless to yellow liquid. Nitric acid is used for the manufacture of inorganic and organic nitrates, nitro compounds for fertilisers, as dye intermediates in the manufacture of explosives and for many different organic chemicals.
Nitrogen oxides (NO, N_2O, NO_2)	Nitrogen oxides refer to gas mixtures of binary compounds of oxygen and nitrogen. These oxides are mostly produced through combustion processes of air with high temperatures. An example of such a combustion process is an internal motor vehicle combustion engine.
Noble gas	Noble gas is a family of gases that are the elements in Group 18 of the periodic table. It is non-metallic chemically very stable and gaseous under standard conditions. The noble gases are Helium, Neon, Argon,

	Krypton, Xenon, Radon and Ununoctium.
Octene	Octene is a chemical compound also known as octylene. It is a clear colourless liquid. Octene is used as a co-monomer in the production of high density polyethylene and linear low density polyethylene.
Olefins	Olefins are organic chemical compounds with varying carbon chain lengths characterised by a least one double bond between two carbon atoms.

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Term	Description
Oligomerise	Oligomerisation is the process of converting monomers (double bond hydrocarbon molecules) to a polymer with a finite number of monomer units, therefore oligomers are described as short chained polymers.
Organic peroxides	Organic peroxides are organic chemical compounds containing the peroxide functional group. They are highly reactive agents and are used as catalysts.
Oxygenates	Oxygenates are organic chemical compounds containing one or two oxygen atoms in their structure. They include chemical compounds such as ketones, alcohols, phenols, esters and aldehydes. Oxygenates are usually employed as gasoline additives to reduce carbon monoxide that is created during the burning of fuel.
Paraffin	A paraffin is a straight or branched saturated hydrocarbon chain containing only carbon and hydrogen atoms (alkane hydrocarbons) with its physical form varying from gases to waxy solids as the length of the chain increases.
Paraffin waxes	Paraffin waxes are white, translucent solids consisting of hydrocarbons of high molecular weight and are derived from crude wax. They can be used as is or as blends with additives for specific applications, such as candles, adhesives, polishes and cosmetics.
Pentene	Pentene is a chemical compound also known as pentylene. It is normally encountered as a colourless liquid. Pentene is used in organic synthesis, as a blending agent for high octane motor fuel, pesticide formulations and as co-monomer in polypropylene production.
Perchloroethylene	Perchloroethylene is a chemical compound also known as tetrachloroethylene. It is a colourless liquid. It is used in the textile industry for dry-cleaning; for processing and finishing, in both cold cleaning and vapour degreasing of metals.
Petrol	Petrol can also be described as petroleum or gasoline. Petrol is a petroleum-derived liquid aliphatic hydrocarbon mixture with an increased octane rating due to the addition of octane enhancers to the mixture. It is primarily used as fuel in internal combustion engines.

Phenol	Phenol is a chemical compound commonly known as carbolic acid. It is a colourless to white crystalline solid. Phenol is used as a general disinfectant, either in solution or mixed with slaked lime for e.g. toilets, stables, cesspools, floors, drains, etc.

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Term	Description
Phosphate	Phosphate is an inorganic chemical compound also known as the salt of phosphoric acid. It is a white solid in powder or granular form. Phosphate is used in the commercial market in agricultural and industrial sectors, e.g. fertilisers, livestock supplements, paper and water treatment.
Phosphoric acid	Phosphoric acid is an inorganic chemical compound and is also known as orthophosphoric acid. It is either encountered in unstable orthorhombic crystals or a clear syrupy liquid. Phosphoric acid is used in the manufacture of superphosphates for fertilisers, other phosphate salts, polyphosphates and detergents.
Plasticisers	Plasticisers are chemical additives used as processing aids to facilitate the production of polyvinyl chloride, resins and polymers influencing the physical properties in terms of the plasticity and fluidity of the products.
Ply	Ply is the lateral continuity of a similar type of coal within a coal seam, as opposed to the vertical continuity of a particular type of coal.
Polyethylene	Polyethylene is a polymer consisting of a long chain of ethylene molecules and is also known as polythene. It is typically encountered in a translucent solid crystalline form. It is used in a broad range of applications such as wire and cable coatings, pipe and molded fittings and packaging in especially the food industry.
Polymer	A polymer is a large molecule (macromolecule) composed of repeating structural units (monomers) connected by covalent chemical bonds.
Polymerise	Polymerisation is the process of reacting monomer units to form larger molecules where the monomer units are covalently bonded.
Polypropylene	Polypropylene is a polymer consisting of a long chain of repeating propylene molecules. It is typically encountered as a translucent solid. Polypropylene is commonly used for packaging, molded parts for vehicles and appliances.
Polystyrene	Polystyrene is a polymer made from styrene. It is a colourless hard plastic. It is commonly used in applications like packaging, disposables, toys, construction and house wares.

Polythene	Refer to polyethylene.
Polyvinyl chloride	Polyvinyl chloride is a polymer consisting of a long chain of repeating vinyl chloride molecules and is commonly known as PVC. It is typically encountered as a white solid. It is commonly used for piping and other applications such as the production of gutters or building materials, toys and garden hoses.

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Term	Description
Potassium	Potassium is a soft silvery white alkali metal that occurs naturally in the environment. It is used as a laboratory reagent and as a component of fertilisers.
Prills	A prill is a small piece of material in a solid form, typically a dry sphere, which is formed from a melted liquid.
Probable Coal Reserves	Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.
Propylene	Propylene is a chemical compound which is also known as propene. It is commonly encountered as a colourless gas. Propylene is used for the production of polypropylene and is used as a chemical intermediate in the manufacture of several chemical compounds such as acetone, isopropylbenzene, isopropanol, isopropyl halides, propylene oxide, acrylonitrile.
Proved developed oil and gas reserves	Reserves which can be expected to be recovered through existing wells with existing equipment and operating methods.
Proved undeveloped oil and gas reserves	Reserves which are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.
Proved Coal Reserves	Reserves for which: (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and (b) the sites for inspections, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.
REACH	Refers to the Registration, Evaluation and Authorisation of Chemicals, an EU regulation on chemicals and their safe use.

Reactor	A reactor is an industrial unit to provide the physical conditions required for specific chemical reactions to take place.

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Term	Description
Recoverable coal reserve	The tonnage of mineable, *in situ* coal reserves that are expected to be recovered after all geological losses, dilution, mining losses (mining layout loss, mining layout extraction loss, mining recovery efficiency factor), contamination and moisture content correction factors have been applied. The assessments demonstrate that at the time of reporting, economic extraction is reasonably justified. The recoverable coal reserves are subdivided in order of increasing confidence into probable and proven recoverable reserves.
Reclaimers	A reclaimer is a large automated machine that consists of a rotating drum which picks up coal laid out on a pad in an orderly fashion and places that coal on a conveyor belt.
Recordable case rate	The recordable case rate (RCR) is the standard international measure for reporting work-related injuries and illnesses and other safety incidents resulting in injury. The RCR is the number of fatalities, lost workdays, restricted work cases, transfer to another job cases and medical treatments beyond first-aid cases for every 200 000 employee hours worked.
Reform	Reforming is the process of rearranging the composition of hydrocarbon gases or low octane petroleum fractions by heat and pressure, often in the presence of a catalyst. Steam reforming of natural gas is an important method of producing hydrogen.
Room and pillar mining	Room and pillar mining is a mining method used in flat lying shallow mineral deposits where a number of roads are developed leaving pillars to hold up the roof.
Slurry	Slurry is a liquid substance containing solid particles.
Sodium cyanide solution	Refer to Cyanide.
Sodium hydroxide solution	Sodium hydroxide is a chemical compound more commonly known as caustic soda. It is a white solid compound under normal conditions in the form of flakes, beads or granules. Sodium hydroxide solution (as sold) is usually 50% concentration solution of sodium hydroxide in water.
Solvent	

	A solvent is a liquid or gaseous substance capable of dissolving another substance to form a solution at the molecular or ionic level.
Splitter column	A splitter column is used in the distillation process to separate a mixture of liquids into different boiling fractions.
Stackers	Stackers are large automated machines that stack coal from a conveyor belt on to a flat pad in an orderly fashion. They consist of an inclined conveyor and swinging boom.

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Term	Description	
Styrene	Styrene is a chemical compound also known as vinyl benzene. It is a colourless to a yellowish oily liquid. Styrene is used in the manufacture of plastics especially polystyrene, synthetic rubber and insulators.	
Sulphur	Sulphur is a non-metal inorganic chemical compound and is more commonly known as brimstone. It is a pale yellow crystalline solid usually encountered in powder form. Sulphur is commonly used in making gunpowder, matches and sulphuric acid.	
Sulphuric acid	Sulphuric acid is an inorganic chemical compound commonly known as battery acid. It is a colourless to brownish oily acidic liquid. Sulphuric acid is used as a leaching agent in mineral or ore processing. It is also used for fertiliser manufacturing, oil refining, wastewater processing and chemical synthesis.	
Surfactants	Surfactants are chemical compounds that reduces surface tension of a liquid when dissolved in water. A surfactant facilitates the solution of otherwise immiscible components for e.g. oil and water. It is also called surface active agents.	
Synfuels	Synfuels are a family of fuels that have comparable or better properties than that of crude oil derived fuels but which are derived via one of several potential synthesis routes using alternative feedstock such as coal or petroleum coke. Two examples of synfuel type technologies are indirect and direct liquefaction of coal.	
Train	A train is a sequence of processing units each performing a different function in the process to produce the final product.	
Trimerisation	Trimerisation is chemical process of reacting three similar chemical compounds to form one chemical compound such as the trimerisation of ethylene to form 1-hexene.	
Units of measures	m	metre
	km	kilometre
	mm	millimetre
	km^2	square kilometre
	m^2	square metre
	m^3	cubic metre
	kg	kilogram
	t	ton or tonne
	kt	kilotonne
	Mt	million tons
	tpa	tons per annum

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Term	Description	
	ktpa	kilotons per annum
	Mtpa	million tons per annum
	b	barrel
	bpd	barrels per day
	cf	cubic feet
	mg/m^3	milligrams per cubic meter
	ppm	parts per million
	GJ	gigajoule
	MGJ/a	million gigajoules per annum
	bcf	billion cubic feet
Urea	Urea is a chemical compound also known as carbamide. It is encountered a white crystalline powder. Urea is used in animal feed, plastics, as a chemical intermediate, a stabiliser in explosives and in medicine (diuretic).	
Vertical diamond drilling	Vertical diamond drilling is the process of drilling a drill hole using a diamond impregnated drill bit to acquire drill core for the entire length of the drill hole. Therefore a continuous sample of the rock mass is obtained over the mineral bearing strata.	
Xenon	Xenon is a colourless, heavy, odourless gas found in trace amounts in the earth's atmosphere. Xenon is used for lamps, flat panel plasma television and computer screens.	
Zeolite	A chemical substance consisting of silica and aluminum extensively used as a water-softener and a detergent component.	