SASOL LTD
Form 20-F
October 07, 2011

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As filed with the Securities and Exchange Commission on 7 October 2011

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 2011**

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:

599 087 062 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 for the financial years ended 30 June 2007, 2008, 2009, 2010 and 2011 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 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 2007, 2008, 2009, 2010 and 2011 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;

"CAD" means Canadian dollar, the currency of Canada;

"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 R8,10 per US dollar, which was the closing rate for customs purposes of the rand as reported by Thomson Reuters on 30 September 2011.

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 or bbl) and standard cubic feet (scf) 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) Ltd" refers to (Proprietary) Limited, a form

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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.

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-liquids (GTL) projects in Canada, Uzbekistan, Qatar and Nigeria, the polymers investment in Iran, the potential development of coal-to-liquids (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 as well as statements regarding the estimates of our contingent resources based on definitions provided by the Society of Petroleum Engineers. Contingent resources do not constitute, and should not be confused with reserves. Contingent resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from a known accumulation by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. There is therefore uncertainty as to the portion of the volumes identified as contingent resources that will be commercially producible;
- statements regarding the probable future outcome of litigation and the future development in legal and regulatory matters, including initiatives such as the Sasol Inzalo share transaction 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;

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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.

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 such forward-looking statements. 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 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;

environmental legislation and the impact of environmental legislation and regulation on our operations and our access to 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 foregoing risks.

The foregoing list of important factors is not exhaustive; when making investment decisions, you should carefully consider the foregoing factors and other uncertainties and events, and you should not place undue reliance on forward-looking statements. 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 most 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 become 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 2011, 2010 and 2009 and for each of the years in the three-year period ended 30 June 2011 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 2009, 2008 and 2007 has been derived from the group's previously published audited consolidated financial statements not included in this document.

The financial data at 30 June 2011, 2010 and 2009 and for each of the years in the three-year period ended 30 June 2011 should be read in conjunction with, and is qualified in its 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 2007	30 June 2008	30 June 2009	30 June 2010	30 June 2011	30 June[1] 2011 (US$ in millions)
	(Rand in millions)					
	(except per share information and weighted average shares in issue)					
Income Statement data:						
Turnover	98 127	129 943	137 836	122 256	142 436	17 585
Operating profit	26 621	33 816	24 666	23 937	29 950	3 697
Profit attributable to owners of Sasol Limited	17 030	22 417	13 648	15 941	19 794	2 444
Statement of Financial Position data:						
Total assets	119 112	140 122	145 865	156 484	177 972	21 971
Total equity	63 269	78 995	86 217	97 242	110 340	13 622
Share capital	3 628	20 176	27 025	27 229	27 659	3 415
Per share information (Rand and US$):						
Basic earnings per share	27,35	37,30	22,90	26,68	32,97	4,07
Diluted earnings per share	27,02	36,78	22,80	26,54	32,85	4,06
Dividends per share[2]	9,00	13,00	8,50	10,50	13,00	1,60
Weighted average shares in issue (in millions):						
Average shares outstanding basic	622,6	601,0	596,1	597,6	600,4	600,4
Average shares outstanding diluted	630,3	609,5	614,0	615,5	614,5	614,5

(1) Translations into US dollars in this table are for convenience only and are computed at the closing rate of Thomson Reuters on 30 September 2011 of R8,10 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
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[3]	7,01	7,75	6,57
2012[4]	7,16	8,49	6,62
April 2011	6,72	6,91	6,56
May 2011	6,87	7,08	6,59
June 2011	6,79	6,94	6,68
July 2011	6,78	7,03	6,62
August 2011	7,08	7,34	6,65
September 2011[4]	7,59	8,49	6,97

(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 30 September 2011 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 2011, the rand/US dollar exchange rate averaged R7,01 and fluctuated between the high of R7,75 and the low of R6,57. This compares to an average exchange rate of R7,59 during 2010 which

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fluctuated between the high of R8,36 and the low of R7,20. The rand exchange rate is impacted by various international and South African economic and political factors. Subsequent to 30 June 2011, 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, North Africa, 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 2011, the dated Brent crude oil price averaged US$96,48/b and fluctuated between the high of US$126,64/b and the low of US$70,61/b. This compares to an average dated Brent crude oil price of US$74,37/b during 2010, which fluctuated between the high of US$88,09/b and the low of US$58,25/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) Ltd (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. We are experiencing an increase in demand for products following the recent global economic downturn. The expected capacity additions in the next few years, 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.

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,

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we could experience a material adverse effect on our business, operating results, cash flows and financial condition.

Our GTL, CTL and shale gas 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, coal-to-liquids (CTL) and shale gas investments in other areas of the world. CTL projects are being investigated in China (feasibility phase) and India (pre-feasibility phase). GTL opportunities are being investigated in Uzbekistan (front end engineering and design phase) and the US (feasibility phase). In Canada, we are investigating a GTL opportunity, together with our shale gas partner, Talisman Energy Inc. (feasibility stage). A feasibility study for the China CTL project was completed in the first half of the 2010 calendar year. Given the delay in the approval from the Chinese government for our CTL project in China, we are developing other investments strategies and growth opportunities, both in South Africa and abroad. We have reallocated planned project funding for the China CTL project and redeployed staff to other projects. We remain committed to growing our other businesses in China. 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 and Sasol Petroleum 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;
- 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;

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

availability of technology to ensure that fracking of shale gas plays can continue in an environmentally responsible manner.

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Significant variations in any one or more of the above factors that 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 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 upstream 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, their behaviour, as well as the increasing complexity of country specific legislation and regulations, may impact negatively on our reputation and/or result in disputes and/or litigation, all of which 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 US, the Middle East and Asia, a joint venture in a GTL facility in Qatar, a joint venture in Canada, a joint venture in Iran and 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.

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(b) Fluctuations in inflation and interest rates

The strengthening of the South African rand during the 2010 and 2009 calendar years and the recessionary conditions in the South African economy during that time helped to drive consumer inflation down to 3,5% at December 2010 (the South African Reserve Bank has an inflation target of 3% to 6% per annum). The South African Reserve Bank responded to this moderation in inflation by cutting its policy interest rate by 600 basis points during the 2009 and 2010 calendar years. The downward trend in inflation appears to be coming to an end and inflationary pressures are building. The increase in commodity prices is likely to put upward pressures on South African food prices. In the 2010 calendar year, the National Energy Regulator of South Africa (NERSA) announced increases in electricity tariffs of approximately 25% for each of the following three calendar years (the first of which came into effect in July 2010). Since then the South African government's Integrated Resource Plan has made provision for additional increases in electricity prices, although those have not yet been endorsed by NERSA. These increases in electricity prices will put upward pressure on inflation. The direct impact of these tariff increases on consumer inflation is expected to be relatively modest at approximately 0,5 percentage points per year, but the indirect effects are uncertain and could potentially be significantly larger. Wage settlements above the consumer inflation rate would also place further upward pressure on inflation. High interest rates or inflation could adversely impact 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. In July 2011, disputes over wage increases in South Africa have led to general industrial action, which resulted in disruptions to production and supply of products to the markets. 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 apply to transactions involving South African residents, including both natural persons and legal entities. These regulations may restrict the export of capital from South Africa, including foreign investments. The regulations may also affect our ability to borrow funds from non-South African sources for use in South Africa, including the repayment of these borrowings from South Africa and, in some cases, our ability to guarantee the obligations of our subsidiaries with regard to these funds. These restrictions may affect the manner in which we finance 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".

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(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.

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 black economic empowerment (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, other than the mining industry.

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. See "Item 4.B Empowerment of historically disadvantaged South Africans".

(g) Engineering and construction contract costs

During the period preceding the global 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. Furthermore, engineering, procurement and construction costs for capital projects appear to have bottomed out globally. Even though the global economic recession led to a marginally downward trend in the costs 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. Cost increases will depend on the region and market dynamics, which could have a material adverse effect on our business, operating results, cash flows and financial condition.

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.

(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;

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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, North America 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.

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.

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

Sasol generates nearly half of its total South African power supply needs internally and has begun commissioning additional power generation equipment to increase internal electricity generation to up to 60% 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. 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 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 (the first of which came into effect in July 2010). We have entered into a power purchase agreement with Eskom which mitigates these price increases to some extent. However, any sharp increase in electricity costs may have material adverse effects on our business, operating results, cash flows, financial condition and future growth.

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We may not be in compliance 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, in our South African and global operations. Non-compliance can impact business performance dramatically. Although systems and processes are in place, monitored and continuously improved upon, to ensure compliance with applicable laws and regulations, we cannot assure you that we will be in compliance with all laws and regulations at all times. Any failure to comply with applicable laws and regulations 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 rights have been placed under the custodianship of the state, which grants permits and authorisations for prospecting and mining of minerals. Our subsidiary, Sasol Mining (Pty) Ltd, has been successful in converting its prospecting permits and mining authorisations (old order rights) to new order rights in terms of the MPRDA. The new order mining rights, known as converted mining rights, became effective on 29 March 2011. The converted 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 converted mining rights may, on application, be renewed for further periods not exceeding thirty years each. Prospecting rights are granted for five years, with one further renewal of three years.

If a holder of a prospecting right or mining right conducts prospecting or mining operations in contravention of the MPRDA, 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 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 Mining Charter, which is intended to facilitate the transformation of the South African mining industry, was reviewed during the 2009 and 2010 calendar years, and the Revised Mining Charter became effective as from 20 September 2010. Although the Revised Mining Charter was intended to only be an amendment of the previous Mining Charter, it is expected that it will replace the original Mining Charter.

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. 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 (the Act) requires persons involved in the manufacturing, wholesale and retail sale of petroleum products to obtain relevant licences for such activities. Sasol Oil, Natref and Sasol Synfuels submitted applications for their respective operations, and the Sasol Oil and Sasol Synfuels wholesale licence applications have been approved and issued. The Natref manufacturing licence application is still under review by the Department of Energy. Nevertheless, these facilities continue to operate, as being persons who, as of the effective date of the Act, manufactured petroleum products, they are deemed to be holders of a licence until their applications have been finalised. Until these applications have been finalised, we cannot assure you that the conditions of the licences may not have a material adverse impact on our business, operating

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results, cash flows and financial condition. See "Item 4.B Business overview Regulation of petroleum-related activities in South Africa".

NERSA has published a draft pipelines tariff determination encompassing a tariff structure that could have a material adverse effect on our business, operating results, cash flow and financial condition. Sasol Oil has made representations to NERSA in this regard in an effort to ensure that Sasol Oil operations will not be unduly prejudiced by the new tariff structure. See "Item 4.B Business overview Sasol Oil" and " Regulation of petroleum-related activities in South Africa".

The Department of Energy will by 2017 implement new fuel specifications and standards to reduce the environmental impact caused by, amongst others, the sulphur content of fuel emissions. The introduction of the new specifications and standards by 2017 may require capital investment in our manufacturing facilities. We cannot assure you that these new specifications will not have a material adverse effect on our business, operating results, cash flow and financial condition.

The Department of Energy has embarked on a process of reviewing the methodology for the determination of margins relating to the regulated fuel price mechanism known as the Regulatory Accounting System. The ultimate goal of the Regulatory Accounting System is to achieve a uniform and transparent set of regulatory accounts, whereby costs are allocated on predetermined methods, thereby providing certainty to investors with regard to the return on assets throughout the petroleum industry value chain (wholesale, coastal storage, handling, secondary storage, distribution and return on assets for the benchmark service station). We cannot assure you that the final cost allocation model 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. NERSA is in the process of finalising the transmission and storage tariffs for piped-gas in South Africa. The implementation and enforcement of these tariffs may 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".

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

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, decommissioning or other remedial actions, any of which could entail significant expenditures.

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, exploration, mining and production activities, 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. These laws and regulations and their enforcement are likely to become more stringent over time. We may be required in some cases to incur additional expenditure in order to comply with such legislation. 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

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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.

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.

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, the Responsible Care programme and other measures to eliminate or mitigate associated potential risks, we may be subject to liabilities as a result of the use or exposure to these materials or emissions.

Regulation of greenhouse gas emissions could increase our operational cost and reduce demand for our products

Continued political attention to issues concerning climate change, the role of human activity in it, and potential mitigation through regulation could have a material impact on our operations and financial results. International agreements and national or regional legislation and regulatory measures to limit greenhouse emissions are currently in various stages of discussion or implementation.

For instance, the Kyoto Protocol envisions a reduction of greenhouse gas emissions through market-based regulatory programmes, technology-based or performance-based standards or a combination of them. South Africa has entered into a voluntary non-binding agreement to take, subject to certain conditions, nationally appropriate mitigation action to enable a 34% deviation below "business as usual" emissions growth trajectory by 2020, and 42% by 2025. Current measures in South Africa have already resulted in increased compliance costs for power suppliers that are passed to us in the form of levies for electricity generated from fossil fuels. These levies may increase substantially over time. In addition, the South African government has published a climate change response green paper in November 2010 and issued a carbon tax discussion paper in December 2010. This policy process, culminating in the publication of a climate change response white paper, is expected later in 2011, and an emissions trading discussion paper is expected during 2012.

These and other greenhouse gas emissions-related laws, policies and regulations may result in substantial capital, compliance, operating and maintenance costs. The level of expenditure required to comply with any laws and regulations is uncertain and will depend on a number of factors including, among others, the sectors covered, the greenhouse gas emissions reductions required by law, the extent to which we would be entitled to receive any emission allowance allocations or would need to purchase compliance instruments on the open market or through auctions, the price and availability of emission

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allowances and credits, and the impact of legislation or other regulation on our ability to recover the costs incurred through the pricing of our products. Material price increases or incentives to conserve or use alternative energy sources could reduce demand for products we currently sell and adversely affect our sales volumes, revenues and margins.

We are subject to competition and anti trust laws

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

Violations of competition/antitrust legislation could expose the group to administrative penalties and civil claims and damages, including punitive damages, by entities which can prove they were harmed by such conduct. Such penalties and damages could be significant and have an adverse impact on our business, operating results, cash flows and financial condition. 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.

The South African Competition Authority is conducting investigations into the pipeline gas, coal mining, petroleum, fertilisers and polymer industries. The group has cooperated with competition authorities to deal pro-actively with non-compliance matters. 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 to "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 nonetheless contravene competition or antitrust laws and be subject to the imposition of fines, criminal sanctions and/or civil claims and damages. 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.

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.

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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 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, 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 former employees 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.

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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 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, North America 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 appropriate 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.

In some cases we have indemnity agreements with the previous owners of acquired businesses which limit certain of our exposures to environmental contamination.

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 initiated safety improvement plans at both corporate and business unit levels to improve safety performance. 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.

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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, natural oil and gas reserve estimates may be materially different from quantities that we may eventually recover

Our reported coal, synthetic oil (CTL products), 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 mined and processed.

There are numerous uncertainties inherent in estimating quantities of reserves and in projecting future rates of production, including factors which are beyond our control. The accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation and judgement.

Reserve estimates will require revision based on actual production experience and other factors, including extensions and discoveries. In addition, market prices, reduced recovery rates or increased production costs and other factors may 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 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 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.

However, we cannot predict OFAC's enforcement policy in this regard, and it is possible that OFAC may take a different view of the measures we have implemented. 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 the 2011 calendar year. 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.

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In its amended form, the ISA grants the President of the United States discretion in imposing sanctions on companies that make 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 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, 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.

Additionally, recent developments in US, European Union and United Nations sanctions have increased the risks of doing business related to Iran. The President of the United States 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 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,

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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 1950, the South African government formed our predecessor company, the South African Coal, Oil and Gas Corporation Limited, to manufacture fuels and chemicals from indigenous raw materials. 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 our synthetic fuels plant at Sasolburg (Sasol One), in the Free State province, about 80 kilometres (km) south of Johannesburg and 50% shareholding in Sasol Two in Secunda, 145 km southeast of Johannesburg in the Mpumalanga province and our third synfuels and chemicals plant also in Secunda, Sasol Three, from the Industrial Development Corporation of South Africa Limited (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 7,9%.

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).

Over the past years, we have been exploring opportunities through Sasol Synfuels International (Pty) Ltd (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 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. In 2009, Sasol and Chevron 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, which 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. This project is estimated to commence operation in 2013.

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

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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. We have initiated a review of our activities in and with Iran. We do not currently intend to expand such activities.

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) Ltd (Igoda Coal), an empowerment venture with Exxaro Coal Mpumalanga (formerly Eyesizwe Coal (Pty) Ltd) (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.

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 2008, the Chinese government decided to pursue a more focussed approach to CTL project implementation and selected a more limited number of key projects to pursue. As a result, 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 kilometres (km) west of Beijing. The proposed site in the Ningdong Chemical and Energy base has excellent infrastructure and the partners considered this decision would result in the shortening of the project schedule and in lower feasibility and project costs. 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. Given the delay in the approval from the Chinese government for our CTL project in China, we are developing other investment strategies and growth opportunities, both in South Africa and abroad. We have reallocated planned project funding for the China CTL project and redeployed staff to other projects. We remain committed to growing our other businesses in China.

On 11 October 2007, Sasol Mining announced the implementation of the second phase of its black economic empowerment (BEE) strategy. In a transaction valued at approximately R1,8 billion, a black-women controlled coal mining company, Ixia Coal (Pty) Ltd (Ixia Coal), acquired 20% of Sasol Mining's shareholding through the issue of new shares. The transaction increased Sasol Mining's BEE ownership component by 20%, and when considered together with the Sasol Inzalo share transaction, to an estimated 34% (calculated on a direct equity basis). The transaction is financed through equity (R47 million) and a combination of third party funding and appropriate Sasol facilitation. Ixia Coal contributed its share of the financing for the transaction. The implementation of this transaction was conditional upon, inter alia, the conversion ofold order mining rights to new order rights and the South African Competition Commission approval. The conversion of the rights was 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 10 years. Sasol Mining has the exclusive right to apply and be granted renewal of the converted mining rights for an additional period not exceeding 30 years. 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 Ixia Coal transaction on 1 September 2010. The effective date of the Ixia Coal transaction was 29 September 2010, when the remaining conditions

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precedent were met. Refer to "Item 5A Operating results Broad-based Black Economic Empowerment transactions".

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 spread of black South African BEE participants. This transaction will provide long-term sustainable benefits to all participants and has a tenure of 10 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. The study is progressing well and a drilling programme is being carried out to confirm the coal quality. This study is expected to be completed during the first half of the 2012 calendar year, after which the parties will decide whether to proceed with a full feasibility study.

In April 2009, Sasol, Uzbekneftegaz, the national oil and gas company of Uzbekistan, and PETRONAS of Malaysia, signed a heads of agreement to evaluate the feasibility of GTL and upstream co-operation in Uzbekistan. On 15 July 2009, Sasol signed a joint venture agreement with Uzbekneftegaz and PETRONAS, to form a joint venture called Uzbekistan GTL LLC, a limited liability company, with each partner having a one third participating interest. A joint feasibility study for the development and implementation of this GTL project in Uzbekistan, with an estimated capacity of 1,4 million tpa, commenced. The feasibility study was completed in the middle of the 2011 calendar year and, based on the results, each partner will decide whether or not to proceed with front end engineering and design of the Uzbekistan GTL project. The Uzbekistan GTL project was presented for approval to the government of Uzbekistan in September 2011. An investment agreement was concluded between the partners. This results in Sasol and Uzbekneftegaz's equity interests in Uzbekistan GTL LLC being 44,5% each, and PETRONAS having an 11% interest. The front end engineering and design phase of the GTL project in Uzbekistan will commence before the end of the 2011 calendar year.

In December 2010, Sasol acquired a 50% stake in the Farrell Creek shale gas assets of Talisman Energy Inc. (Talisman), a Canadian-based company, located in the Montney Basin, of British Columbia,

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Canada, for an amount of R7,1 billion. In March 2011, Sasol further acquired a 50% stake in Talisman's Cypress A shale gas assets for an amount of R7,1 billion on similar terms. The acquired assets also include associated gas gathering systems and processing facilities.

In the first quarter of 2011, Sasol, together with Talisman, initiated a feasibility study of a GTL plant in Western Canada. This study is expected to be completed in the 2012 calendar year.

In the 2011 calendar year, Sasol completed a pre-feasibility study into a possible integrated GTL and chemicals facility in the United States of America (US). After the successful completion of the pre-feasibility study, the Sasol board approved that the project proceed to feasibility study phase. The feasibility study is expected to be completed in the latter half of the 2012 calendar year.

At our annual 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) Ltd, we had purchased 40 309 886 Sasol 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 of the repurchased Sasol ordinary shares were cancelled on 4 December 2009 for a total value of R7,9 billion. 8 809 886 Sasol ordinary shares are still held by Sasol Investment Company (Pty) Ltd. 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. No purchases have been made under this authority. At the annual general meeting held on 26 November 2010, the shareholders approved that the directors be granted the authority to repurchase up to 10% of the issued ordinary shares of the company. This latest 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 2011, we were one of the largest JSE listed companies by market capitalisation (R238 863 million in respect of the Sasol ordinary shares), with total consolidated turnover of R142 436 million in 2011. We employ approximately 33 700 people worldwide in our operations.

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Capital expenditure

In 2011, we invested approximately R21 billion, compared with R16 billion in both 2010 and 2009, in capital expenditure (on a cash flow basis excluding capitalised borrowing costs and including projects entered into by our joint ventures) to sustain and 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 2011	30 June 2010	30 June 2009
		(Rand in millions)		
Pipeline expansion 1st compressor	Sasol Gas	177	186	532
Additional gasifiers in gas production	Sasol Synfuels	661		
Reforming gas improvement project	Sasol Synfuels	557		
Power generation with open cycle gas turbines	Sasol Synfuels	307	842	1 077
16th Oxygen train	Sasol Synfuels	559	970	507
10th Sasol advanced synthol reactor	Sasol Synfuels	378	463	316
Gas heated heat exchange reformers	Sasol Synfuels	608	354	189
3rd Catalyst plant in Sasolburg, South Africa	Sasol Synfuels International	218	465	221
Farrell Creek shale gas exploration and development	Sasol Petroleum International	1 242		
Mozambique expansion	Sasol Petroleum International	675	484	1 203
Petroleum West Africa development	Sasol Petroleum International	197	83	429
Ethylene purification unit	Sasol Polymers	675		
Project Turbo	Sasol Polymers			86
Arya Sasol Polymer Company (Iran)	Sasol Polymers			166
2nd and 3rd Octene trains	Sasol Solvents	124		298
Ethylene tetramerisation project in North America	Sasol Olefins & Surfactants	68		
Limestone ammonium nitrate (LAN) replacement project	Other chemical businesses	367		
Fischer-Tropsch wax expansion project	Other chemical businesses	1 720	564	227
Other projects[2]	Various	1 920	2 189	2 732
		10 453	6 600	7 983

(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.

Key projects to meet legal and environmental obligations as well as to sustain existing operations during 2011 include:

Projects[1]	Business categories	30 June 2011	30 June 2010	30 June 2009
		(Rand in millions)		
Mining renewal	Sasol Mining	92		
Thubelisha shaft to maintain Twistdraai Colliery operation	Sasol Mining	1 175	752	91
Refurbishments of continuous miners	Sasol Mining	61	60	36

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Projects[1]	Business categories	30 June 2011	30 June 2010	30 June 2009
		(Rand in millions)		
Impumelelo Colliery to maintain Brandspruit mine operation	Sasol Mining	155	88	21
Major shutdown and statutory maintenance	Sasol Synfuels	1 412	1 484	
Replacement of air heater systems at boiler 9	Sasol Synfuels	193	301	104
Improvement of synthol total feed compressors	Sasol Synfuels	117	266	
Selective catalytic cracker baseline optimisation project	Sasol Synfuels	31	231	206
Ash-lock project	Sasol Synfuels	90	181	191
17th Reformer project	Sasol Synfuels		174	
Turbo phase 1 project	Sasol Synfuels	3	148	33
Replace long term catalyst	Sasol Synfuels	70	111	112
Replacement of turbine rotors for generator 4	Sasol Synfuels			51
Switch replacement programmes	Sasol Synfuels	59	94	64
Sulphuric acid plant project	Sasol Synfuels	39	89	134
Volatile organic compounds abatement programme	Sasol Synfuels	252	64	41
Refurbishment of firewater lines	Sasol Synfuels	15	84	47
Oxygen emergency shut down system replacement	Sasol Synfuels	38	71	115
Replacement of steam turbines at steam plant	Sasol Synfuels	113	60	
Refurbishment of the utility cooling water towers	Sasol Synfuels	68	55	2
Replacement of combined waste heat boilers and feed preheater	Sasol Synfuels	17	54	39
Synthol tailgas compressor and turbine upgrade	Sasol Synfuels		51	111
Replacement of tube bundles in interstage cooler systems	Sasol Synfuels	5	37	90
Replacement of conveyor belts for coal processing and ash plants	Sasol Synfuels			62
Change plant to reduce benzene fuel	Sasol Synfuels	30	25	84
Secunda Natref pipeline project	Sasol Oil	279	155	50
Project wholesale logistics	Sasol Oil	199		
Replace HF relief gas scrubber and external regenerator	Sasol Oil	165		
Diesel unifier project	Sasol Oil	77	154	79
Depot expansion project	Sasol Oil	73	148	117
Supply chain project	Sasol Oil	10	69	28
Hydrocrackers project	Sasol Oil		14	184
Replace long term catalyst	Sasol Oil	27	9	50
Oryx statutory maintenance	Sasol Synfuels International	110	264	288
Replacement of trunk and gathering lines at Sasol Petroleum Temane	Sasol Petroleum International			84

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Projects[1]	Business categories	30 June 2011	30 June 2010	30 June 2009
		(Rand in millions)		
Upgrade of central processing facility at Sasol Petroleum Temane	Sasol Petroleum International	52	77	48
Mozambique onshore drilling	Sasol Petroleum International	129		
Replacement of Infrachem laboratory	Other chemical businesses	104	101	60
Replacement of cranes	Other businesses	15	27	61
Replacement of information management systems and software	Other businesses	188	127	174
Replacement of existing radio systems	Other businesses			121
Other projects to sustain existing operations[2]	Various	3 739	3 572	4 141
Expenditure related to environmental obligations	Various	961	126	239
Expenditure incurred relating to safety regulations	Various	49	185	331
		10 212	9 508	7 689

(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.

Included in the above capital expenditure, we invested approximately R130 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 2011, we had authorised approximately R74 billion of group capital expenditure in respect of projects in progress, of which we had spent R26 billion by 30 June 2011. Of the unspent capital commitments of R48 billion, R15 billion has been contracted for. Of this amount, we expect to spend R26 billion in 2012, R15 billion in 2013 and the remainder 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 R39 billion of our capital commitments on projects in South Africa, R1 billion in other African countries, R6 billion in North America, R1 billion in Europe and

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the remainder on projects in other regions. The following table reflects key projects approved by the Sasol Limited board and contracted which were not yet completed at 30 June 2011:

Project	Business categories	Total cost approved and contracted (Rand in millions)	Estimated beneficial operation (Calendar year)
Thubelisha mine	Sasol Mining	2 669	2012
Impumelelo mine	Sasol Mining	1 576	2014
Gauteng network pipeline project	Sasol Gas	489	2013
Open cycle turbine power generation	Sasol Synfuels	687	2011
Sasol fixed bed dry bottom gasifiers	Sasol Synfuels	1 162	2012
Reforming gas improvement project	Sasol Synfuels	1 126	2012
Gas heated heat exchange reformers	Sasol Synfuels	1 746	2012
16th Oxygen train (outside battery limits)	Sasol Synfuels	993	2012
10th Sasol advanced synthol reactor	Sasol Synfuels	1 345	2011
Volatile organic compounds abatement programme	Sasol Synfuels	653	2013
Water recovery growth	Sasol Synfuels	467	2014
3rd Catalyst plant in Sasolburg, South Africa	Sasol Synfuels International	929	2012
Canadian shale gas assets	Sasol Petroleum International	5 567	2011
Fischer-Tropsch wax expansion project	Sasol Wax	3 971	2012
Ethylene purification unit	Sasol Polymers	1 679	2013

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

In 2011, an amount of R148 million (2010: R1 266 million and 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, natural oil and gas reserves, using these feedstocks to produce liquid fuels, fuel components and chemicals through our proprietary processes. We mine coal in South Africa and produce natural gas and condensate in Mozambique, oil in Gabon and shale gas in Canada. We continue to advance our upstream oil and gas activities in West and Southern Africa, the Asia Pacific region and Canada. In South Africa, we refine imported crude oil and retail liquid fuels through our network of 406 Sasol and Exel service stations, which include five Sasol branded integrated energy centres, and supply gas to industrial customers. We also supply fuels to other licensed wholesalers in the region. We have chemical manufacturing and marketing operations in South Africa, Europe, the Middle East, Asia and the Americas.

Through Sasol Synfuels International (SSI), we are focused on commercialising our CTL and GTL technology internationally. Our first international GTL plant, Oryx GTL, was brought into operation in 2007 in response to the growing international interest in our GTL offering, and we expect the second GTL plant, EGTL, currently under construction in Nigeria, to come into operation in 2013. We are promoting our CTL technology in India and GTL technology in Uzbekistan and North America.

We employ approximately 33 700 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. The group's structure is organised 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 37,3 million tons (Mt) of saleable coal per year, mostly for gasification feedstock and utilities coal for our complexes in Secunda and Sasolburg, in South Africa, and export approximately 2,8 Mt of coal annually. Sasol Mining accounted for 1% of our total external segmental turnover in 2011.

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) Ltd, a BEE gas marketing company in Durban, and a 50% interest in Republic of

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Mozambique Pipeline Investments Company (Pty) Ltd (Rompco), a company 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 2011.

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 2011.

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, liquid petroleum gas (LPG), fuel oils, bitumen, motor and industrial lubricants and sulphur. We have 250 Sasol branded service stations, including five Sasol branded integrated energy centres and 156 Exel service stations in South Africa and export fuels through third parties to several South African Development Community (SADC) countries. Sasol Oil accounted for 38% of our total external segmental turnover in 2011.

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 GTL, into operation in Qatar in 2007. SSI accounted for 3% of our total external segmental turnover in 2011.

Sasol Petroleum International. We manage and develop our upstream natural oil and gas exploration and production interests. We hold exploration interests in West and Southern Africa, the Asia Pacific region and Canada. We produce, as operator, natural gas and condensate from the onshore Pande and Temane fields in Mozambique, oil in Gabon from the Vaalco operated offshore Etame, Avouma and Ebouri oilfield cluster and shale gas from the Talisman operated Farrell Creek and Cypress A assets in Canada. We are mandated to pursue gas exploration opportunities in the regions where we have interests and in other geographic areas, for the development of resources to supply feedstock to potential future Sasol GTL plants. SPI accounted for 1% of our total external segmental turnover in 2011.

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 2011.

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 11% of our total external segmental turnover in 2011.

Sasol Olefins & Surfactants. We operate plants in Germany, Italy, the US, the Slovak Republic, 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, oleochemicals and other organic intermediates to customers worldwide as well as specialty aluminas, silica aluminas and hydrotalcites. Sasol Olefins & Surfactants accounted for 22% of our total external segmental turnover in 2011.

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 9% of our total external segmental turnover in 2011.

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 African Energy Cluster				International Energy Cluster			Chemical Cluster				
2011	**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	36	3 159	1 004	51 034				7 614	1 366	262	5 449	6	69 930
Rest of Africa	90	11		3 028		191	107	2 010	175	206	672	8	6 498
Europe	285		149	203		2 259	1 034	998	7 011	17 313	3 721	4	32 977
Middle East and India	867		4			1 265		2 752	1 409	358	407	4	7 066
Far East	235		5					1 718	1 229	2 252	311		5 750
North America (incl. Canada)	40		28				70		2 964	9 936	1 237	(1)	14 274
South America			2					575	529	581	337		2 024
Southeast Asia and Australasia	476		16					1 318	1 473	208	420	6	3 917
Turnover	**2 029**	**3 170**	**1 208**	**54 265**		**3 715**	**1 211**	**16 985**	**16 156**	**31 116**	**12 554**	**27**	**142 436**

	South African 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**

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	South African 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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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 proprietary processes. 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 growth prospects 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, naphtha and higher value chemicals 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 at times exceeded its design capcity. 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 LPG. The GTL diesel can be used either as a neat fuel or as a blend stock.

The EGTL plant in Nigeria is under construction, with a completion date of 2013.

To support our current GTL projects, we have three 680 tons per annum (tpa) cobalt catalyst manufacturing units, with two units situated in De Meern, The Netherlands, operated by BASF and a third in our Sasolburg site, being commissioned by Sasol Cobalt Catalyst Manufacturing (Pty) Ltd, a wholly-owned subsidiary of SSI.

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 India. Given the delay in the approval from the Chinese government for our CTL project in China, we are developing other investment strategies and growth opportunities, both in South Africa and abroad. We have reallocated planned project funding for the China CTL project and redeployed staff to other projects. We remain committed to growing our other businesses in China. The possible expansion of the GTL footprint in Qatar also remains a target, in addition to prospects for other GTL facilities, for example Uzbekistan and North America, which are 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 right area held by Sasol Mining. A bulk sample, of approximately 170 000 tons run of mine, has been mined in the Limpopo West prospecting right area in order to confirm the gasifiability of the coal. This sample was beneficiated into 80 000 tons of the various gasifier products, which were successfully tested in Sasol's Secunda Synfuels plant between August 2010 and February 2011. The decision to proceed with this project to the feasibility stage is on hold pending the provision of a commercially viable carbon capture and storage solution as well as clarity relating to the South African government's prioritisation of the country's mega energy projects. 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.

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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 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 deliver results. In Iran, Sasol has a 50% investment in an ethane cracker/polyethylene polymer complex which is designed to produce one million tpa of ethylene and 600 000 tpa polyethylene (high-density polyethylene (HDPE) and low-density polyethylene (LDPE) for sale in Iran and internationally). This investment 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. The ethane cracker is still being ramped up to design capacity, while both polyethylene plants are producing at design rates. We have initiated a review of our activities in and with Iran. We do not currently intend to expand such activities.

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. Sasol Solvents has installed capacity to produce and market 356 000 tons of 1-octene and 1-hexene per annum. Sasol Solvents had begun construction of a commercial ethylene tetramerisation unit at the Sasol Olefins & Surfactants (Sasol O&S), Lake Charles production site in the US. The planned capacity for this facility is 100 000 tons per annum of combined 1-octene and 1-hexene which are co-monomers used in the plastics industry.

Sasol O&S, completed their business turnaround initiative at the end of 2010, with the successful delivery of improved earnings in all facets of its business and operations. Sasol O&S' strategy going forward is to sustainably deliver the turnaround results, while embarking on selected growth.

Mature and develop upstream hydrocarbon opportunities SPI produces, as operator, natural gas and condensate from the onshore Pande and Temane gas fields in Mozambique, oil in Gabon from the Vaalco operated offshore Etame, Avouma and Ebouri oil field cluster and shale gas from the Talisman operated Farrell Creek and Cypress A assets in Canada. We continue in 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 acquisition options; and d) investigate unconventional gas opportunities. The acquisition of 50% of Talisman's unconventional gas area in the Farrell Creek and Cypress A assets has been part of the growth strategy to acquire upstream gas positions to support Sasol's integrated GTL ambitions.

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

Develop and grow new energy opportunities We are developing and commercialising new technologies, and exploring renewable and lower carbon energy as well as carbon capture and storage solutions. Sasol New Energy is working to ensure that the group develops low carbon electricity as our third major value chain, alongside liquid fuels and chemicals. In 2006, we decided to increase our internal electricity generation capacity in South Africa using natural gas from Mozambique as a feedstock. This decision was made in anticipation of a significant increase in electricity prices and to reduce greenhouse gas emissions. In South Africa, we are also evaluating options to develop

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concentrated solar power technologies, as well as investigating the use of clean-coal technologies to lower the group's carbon footprint.

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 36,3 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 2,8 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 2,0 Mt a year. It replaced the depleted Mohlolo underground operation and the Wonderwater high-wall operation, which are undergoing final closure and rehabilitation.

During 2011, total production was 38,6 Mt of coal, compared to 42,6 Mt in the previous year. The decrease in production is mainly as a result of lower offtake from Sasol Synfuels due to the Sasol Synfuels planned maintenance outage as well as adverse geological conditions, due to some collieries reaching the end of their life of mine. Production in the export market was affected by inconsistent performance by Transnet Freight Rail (TFR), which resulted in the closure and rescheduling of sections at the Twistdraai mine.

Operational statistics

	2011	2010	2009
	(Mt, unless otherwise stated)		
Sigma mine	1,9	2,0	1,8
Secunda mines	36,7	40,6	37,3
Total production	**38,6**	**42,6**	**39,1**
Saleable production from all mines[(1)]	37,3	41,0	37,3
External coal purchases mainly from Anglo Operations	4,6	4,7	5,3
Sales to Sasol Infrachem, Sasolburg	2,0	1,9	1,8
Sales to Sasol Synfuels, Secunda	37,7	39,3	38,6
Additional South African market sales	0,1	0,1	0,2
Export sales (primarily Europe)	2,8	3,0	3,1
Total sales including exports	**42,6**	**44,3**	**43,7**
Production tons per continuous miner (mining production machine) per shift (t/cm/shift)	1 458	1 535	1 391

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

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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 7,7% of Sasol Mining's production. In 2011, external sales, primarily exports, totalled 2,9 Mt, compared to 3,1 Mt in 2010. The reduction in external sales tons during the current year resulted mainly from rail transportation capacity constraints and the implementation of Phase V at Richards Bay Coal Terminal. In a volatile currency market, average US dollar export prices achieved increased by 42,3%, while the rand strengthened by 7,3% compared with the prior year. This resulted in a net increase in the rand export coal price of 31,9%.

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 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 prospecting rights area held by Sasol Mining. A bulk sample, of approximately 170 000 tons run of mine, has been mined in the Limpopo West prospecting right area in order to confirm the gasifiability of the coal. This sample was successfully gasified in Sasol's Secunda Synfuels plant between August 2010 and February 2011. The decision to proceed with this project to the feasibility stage is dependent upon the provision of a commercially viable carbon capture and storage solution as well as clarity relating to the South African government's prioritisation of the country's mega energy projects.

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 makes use of both a direct and an agency sales model as the chosen channels to market its products to third parties. There are a limited number of agents representing Sasol Mining in their 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 by 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 continually engage with Sasol Synfuels to ensure optimal delivery and utilisation of our coal resources. We also have dedicated strategic and long-term planning departments to 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".

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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**	**2011**	**2010**	**2009**
Bosjesspruit	Sasol Synfuels	Secunda	**6,8**	7,6	6,4
Brandspruit	Sasol Synfuels	Secunda	**6,5**	8,0	7,4
Middelbult	Sasol Synfuels	Secunda	**7,6**	8,5	7,6
Syferfontein	Sasol Synfuels	Secunda	**9,7**	9,9	9,5
Twistdraai	Export/Sasol Synfuels[(1)]	Secunda	**6,1**	6,6	6,4
Sigma : Mooikraal	Sasol Infrachem	Sasolburg	**1,9**	2,0	1,8
			38,6	42,6	39,1

(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 April 2010, we started with shaft sinking operations of Twistdraai colliery's new Thubelisha Shaft and construction and equipping is on schedule. We also obtained board approval for the construction of the Impumelelo mine, which will replace the ageing Brandspruit colliery. Shaft sinking at the new Impumelelo colliery started in August 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 required.

Beneficiation plant

A coal beneficiation plant is operated at Secunda to enable Sasol Mining to supply export quality coal for 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 an approximately 2 500 km pipeline network in South Africa and Mozambique. Sasol Gas is a shareholder in Rompco and Spring Lights Gas (Pty) Ltd (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) Ltd (iGas) and Companhia de Moçambicana de Gasoduto, S.A.R.L (CMG) were afforded a deferred option to purchase in aggregate

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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. 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 a portion of 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.

In 2011, Sasol Gas started construction on the R1,6 billion Gauteng Network Pipeline (GNP) project. This project extends the transmission pipeline network through the construction of a 156 km, 26 inch gas transmission pipeline between Secunda and Sasolburg, South Africa. It is anticipated that this facility will be commissioned during 2013.

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.

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 148,2 MGJ/a of pipeline gas increased from 124 MGJ/a in 2010. 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 2011, natural gas volumes sold were 125,8 MGJ/a and methane rich gas volumes 24,4 MGJ/a.

Sasol Gas supplies 60,2 MGJ/a of gas to approximately 550 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

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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

Approximately 94% 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 reticulators 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. The instantaneous capacity of the pipeline is 136 MGJ/a, with an annual average of 120 MGJ/a without any additional compression along the pipeline. Rompco has constructed its first compressor station near Komatipoort in South Africa. This facility supplies midpoint compression and will enable the pipeline to increase gas transportation up to an annual average of 149 MGJ/a, with an instantaneous pipeline capacity in excess of 160 MGJ/a. The compressor station reached beneficial operation on 27 August 2010.

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 in Sasolburg.

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. Methane-rich gas, similar to that which is supplied to Witbank and Middelburg, is compressed and fed into the Transnet Pipelines transmission pipeline to supply 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,

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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 16 units. The 16th unit was commissioned during June 2011 and was in full operation as at 30 June 2011.

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 R13,2 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 electricity from gas turbines. Since 2008, Sasol Synfuels has incurred costs of R637 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 R147 million has been approved, with a total expected capital investment of R5 billion. The scope of phase 1(b) is to address expected future fuel specification changes. Further growth opportunities are being considered, but these are in the early stages and have not yet been 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 and heavy fuel oils 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 determined by the international price of Brent crude oil, the rand /US dollar exchange rate as well as the South African Producer Price Index.

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

	2011	2010	2009
		(Mt)	
Total production volumes	**7,1**	7,4	7,1

	2011	2010	2009
	(% of total production)		
Liquid and gaseous fuels	**60**	62	63
Petrochemical feedstock	**32**	29	28
Nitrogenous and other feedstock for fertilisers and explosives	**6**	7	7
Carbon, tar and other products	**2**	2	2

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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 completed the construction of a 200-megawatt power-generation plant at Secunda. Beneficial operations for the gas turbine plants were 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.

Sasol Synfuels successfully completed the largest planned maintenance outage in its history on its eastern factory during September 2010. Production volumes for 2011 were negatively affected by the planned maintenance outage compared to 2010. Except for the impact of this maintenance shutdown, overall production integrity and reliability remained at relatively stable levels throughout the year. The operations excellence programme is aimed at further improving long-term plant reliability and stability.

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 R961 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 achieved beneficial operation during October 2010.

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 R5,3 billion for environmental projects. This amount includes spending on black product remediation, rehabilitation of the waste ash site, dolomite pits, the reduction of VOC emissions and the sulphuric acid plant. To date, the expenditure on these projects amounts to R1,7 billion, with the remaining R3,6 billion to be spent in the future.

Sasol Oil

Nature of the operations and principal activities

Sasol Oil encompasses the established liquid fuels, bitumen, heating fuels 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. Sasol Oil is 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, bitumen, motor and industrial lubricants and sulphur.

Liquid fuels marketed

	2011	**2010**	**2009**
		(million m^3)	
Total liquid fuel sales	**10,54**	10,55	9,85
Total liquid fuel sales (exported)	**0,49**	0,59	0,56

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Principal markets

Sasol Oil's fuel production is primarily located in South Africa's industrial heartland, where an estimated 58% of the country's petrol and diesel is consumed. Our full production of approximately 8,3 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 road and rail tankers and Transnet's pipelines. Limited volumes of white products are exported overland to neighbouring countries.

Seasonality

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

South African fuel prices are derived from international reference prices as a result of the longstanding regulatory dispensation, which is based on import alternatives. Local price seasonality is mainly as a result of northern hemisphere demand peaks for petrol during the US driving season in the summer and distillate demand during the European winter. This normally results in petrol and diesel prices being higher during our winter and summer months, respectively.

During 2011, international diesel crack spreads have shown signs of recovery after the global economic recession. Petrol crack spreads, on the other hand, have remained subdued due to weak demand and the increase in ethanol blending requirements in the US. Normal seasonality has not returned to markets as a result of high product inventory levels and the absolute level of prices, which remain quite high. Increased refining capacity in emerging economies has increased supply, further negatively impacting margins.

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 15 700 bpd of crude oil is purchased from Naftiran Intertrade Company Limited of Iran and approximately 19 300 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 increased since the second half of the 2009 calendar year and are extremely volatile due to increased trading and speculation in the crude oil market.

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Crude oil is landed at Durban and transferred to the refinery by a 654 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 marketing (retail and commercial markets) in South Africa, direct marketing in other African countries, as well as overland exports into Africa.

Licensed wholesalers

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

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 406 service stations, including five Sasol branded integrated energy centres, across South Africa. Sasol's current national market share is estimated at 9,7%. 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) Ltd. The business is now trading as Sasol Aviation (Pty) Ltd (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 7%.

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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.

Base bitumen is wholesaled by Sasol Oil, while Tosas Holdings (Pty) Ltd, a wholly owned subsidiary, markets value-added bitumen and 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, wholly owned subsidiaries of Sasol Oil, acquired the marketing assets of BP plc in Lesotho and Swaziland in 2006 and 2007, respectively. Exel Lesotho is the marketing leader in Lesotho, with a 36,2% market share, and Exel Swaziland currently has 7,5% market share in Swaziland.

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 44 commercial customers. It has 8% 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, the maximum cylinder retail price for LPG, and a maximum single national retail price of unpacked illuminating kerosene are controlled by the Petroleum Controller under the Petroleum Products Act, 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. 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.

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 1 April 2011. NERSA has applied a new methodology to determine pipeline tariffs. Pipeline tariffs from the injection points in Durban, South Africa, up to the final destination in the inland have been set equal even though routes and costs differ. Refer to Item 4B "Business overview Regulation of petroleum-related activities in South Africa" for additional information.

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Property, plants and equipment

Natref refinery operational statistics [1]

	2011	2010	2009
Crude oil processed (million m^3)	**3,7**	3,3	3,5
White product yield (% of raw material)	**89,9**	89,7	88,3
Total product yield (%)	**97,4**	99,1	98,0

(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. 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 of Incorporation 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 R5 billion will be required between 2014 and 2017 to meet these more stringent specifications. Construction of a pipeline to integrate Sasol Synfuels and Natref will be completed by November 2011 and it is planned to have the pipeline fully operational by February 2012. This will facilitate and optimise the production of new specification fuels through both plants.

During 2011, the overall refinery availability amounted to 91%, 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. SSI initiates and develops new ventures from project conception through to venture implementation and participates fully in supporting and operating those ventures, holding equity in and marketing the products.

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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, 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

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product was sold in April 2007. Oryx GTL is in stable operation and has met and at times even exceeded its design capacity. As the business has now demonstrated its viability, Oryx GTL, supported by its shareholders Sasol and Qatar Petroleum, is progressively expanding the facility by a further approximate 10% with an expected completion date in the 2014 calendar year.

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.

In April 2009, Sasol, Uzbekneftegaz, the national oil and gas company of Uzbekistan, and PETRONAS, of Malaysia, signed a heads of agreement to evaluate the feasibility of GTL and upstream co-operation in Uzbekistan. On 15 July 2009, Sasol signed a joint venture agreement with Uzbekneftegaz and PETRONAS, to form a joint venture called Uzbekistan GTL LLC, a limited liability company with each partner having a one third participating interest. A joint feasibility study for the development and implementation of a GTL project in Uzbekistan, with an estimated capacity of 1,4 million tpa, commenced. The feasibility study was completed in the middle of the 2011 calendar year and, based on the results, each partner will decide whether or not to proceed with front end engineering and design of the Uzbekistan GTL project. The Uzbekistan GTL project was presented for approval to the government of Uzbekistan in September 2011. An investment agreement was concluded between the partners. This results in Sasol and Uzbekneftegaz's equity interests in Uzbekistan GTL LLC being 44,5% each, and PETRONAS having an 11% interest. The front end engineering and design phase of the GTL project in Uzbekistan will commence before the end of the 2011 calendar year.

In the first quarter of 2011, Sasol, together with Talisman, initiated a feasibility study for a GTL plant in Western Canada. This study is expected to be completed in the 2012 calendar year.

In the 2011 calendar year, Sasol completed a pre-feasibility study into a possible integrated GTL and chemicals facility in the US. After the successful completion of the pre-feasibility study, the Sasol board approved that the project proceed to feasibility study phase. The feasibility study is expected to be completed in the latter half of the 2012 calendar year.

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 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. Given the delay in the approval from the Chinese government for our CTL project in China, we are developing other investment strategies and growth opportunities, both in South Africa

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and abroad. We have reallocated planned project funding for the China CTL project and redeployed staff to other projects. We remain committed to growing our other businesses in China.

In February 2006, Sasol initiated engagements with key stakeholders in India to ensure the establishment of an enabling environment within which to evaluate the potential for a CTL project in India. This resulted in the decision to open a representative office in Mumbai in February 2007. Sasol and the Tata group of India signed agreements in July 2008 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. The project is in a pre-feasibility phase, which is expected to be completed in the first half of the 2012 calendar year.

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.

Marketing channels

The diesel produced by Oryx GTL is marketed by Sasol Synfuels International Marketing Limited, under a marketing agency agreement, whereas the GTL naphtha and LPG are sold by Qatar International Petroleum Marketing Company Ltd (Tasweeq).

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. The continuous improvement of our cobalt catalyst performance is also key.

Feedstock

The growth of the SSI business depends 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. There is also a continued

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focus to reduce the total cost of the cobalt catalyst used in the process through improvement of the performance and total value chain of the catalyst supplied.

Property, plants and equipment

Production capacity at 30 June 2011

Plant description	Location	Design capacity[1]
Oryx GTL	Ras Laffan Industrial City in Qatar	32 400 bpd (nominal)
FT 1 (catalyst plant)	De Meern, The Netherlands	680 tpa
FT 2 (catalyst plant)	De Meern, The Netherlands	680 tpa
FT 3 (catalyst plant)	Sasolburg, South Africa	680 tpa

(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 Petroleum International

Nature of the operations and its principal activities

In 1995, we founded Sasol Petroleum International (Pty) Ltd (SPI) to undertake oil and gas exploration and production in selected high potential areas in West and Southern Africa. SPI currently holds exploration equity in West and Southern Africa, the Asia Pacific region and in Canada, and holds equity in producing assets with proved natural oil and gas reserves in Mozambique, Gabon and Canada. In Mozambique, we produce gas and condensate from the onshore Pande and Temane natural gas fields. Gas production from the Temane field commenced in 2004 and from the Pande field in 2009. Since 2004, gas has been sold to Sasol Gas for marketing in South Africa and for use as part of the feedstock for our synfuels and chemical operations in Secunda and Sasolburg. The condensate is sold locally in Mozambique for international export. In Gabon, oil production from the offshore Etame field commenced in 2002, followed by production in 2007 and 2009 from the associated Avouma and Ebouri fields. The oil is sold internationally on the open market. In 2011, SPI acquired equity in the Farrell Creek and Cypress A shale gas assets in Canada.

Principal markets

Mozambican production

All natural gas produced under the Pande-Temane Petroleum Production Agreement (PPA), other than royalty gas that is provided to the Mozambican government, is exported to South Africa and sold to Sasol Gas for marketing in South Africa and for use as part of the feedstock for our chemical and synthetic fuel operations in Secunda and Sasolburg. 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, Mozambique, by the buyer, for export via the port of Beira to offshore markets.

Gabon production

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

Canada production

Unconventional gas production from the Farrell Creek and Cypress A operations is sold into the North American gas market.

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Marketing channels

Mozambican production

In the ongoing business, all Pande-Temane PPA natural gas is sold under long-term sales contracts to Sasol Gas, for marketing in the South African market and for use as part of the feedstock for our synfuels and chemical operations in Secunda and Sasolburg. 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.

Pande-Temane PPA condensate is sold under a long-term sales agreement with an international trading organisation.

Gabon production

An annual sales contract is typically entered into for the sale of the Etame Marin Permit oil based on a competitive bidding process and sales prices are linked to international oil prices.

Canada production

Talisman markets 100% of the shale gas and liquids production. Pricing is based on the daily realised spot market prices less a marketing fee.

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 Companhia Moçambicana de Hidrocarbonetos, S.A.R.L (CMH) (25%) and the International Finance Corporation (IFC) (5%).

Gabon production

The Etame field production occurs via subsea wells through a dedicated floating production, storage and off-loading (FPSO) vessel. This FPSO vessel is moored offshore at the field site. Avouma and Ebouri field production is via minimum facilities fixed platforms, which are tied back by pipelines to the Etame FPSO.

Canada production

Farrell Creek and Cypress A assets consist of a number of field production wells, gathering lines and a processing facility in the Montney Basin in British Columbia, Canada.

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) Ltd (SPII), a subsidiary of Sasol Investment Company (Pty) Ltd. 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 polyethylene (LDPE), linear low density polyethylene (LLDPE) and the propylene into

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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 in our market. 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 SPII we manage the following international investments:

- Our 12% shareholding in Optimal Olefins (Malaysia) Sdn Bhd with PETRONAS, 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), 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 (ASPC) in Iran with Pars Petrochemical Company, 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 is still being ramped up to design capacity, while both polyethylene plants are producing at design rates.
- 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 66% and 75% 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) Ltd (Safripol) in Sasolburg by pipeline for the production of HDPE and polypropylene, respectively. We compete directly with Safripol in the polypropylene market, where we have a large 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, 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.

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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. ASPC, SPII's joint venture in Iran, buys its feedstock, ethane, from the Pars Petrochemical Company at a fixed 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 ASPC 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 2011

Product	South Africa[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	200			**200**
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 102 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 has been ramped up according to plan.

Principal markets

In 2011, approximately 1,67 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 US.

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We market our products throughout the world, with a large proportion of our alcohols being distributed in Europe. We are a leading producer of solvents in South Africa and we are a 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 location of the unit is at the Sasol cracker complex at Lake Charles in Louisiana, US, 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 the same 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 BFP. 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 nine storage hubs in South Africa, Europe, the Asia-Pacific region, the Middle East and the US. 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 US 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 Corporation. 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. We have already complied with the first major deadline and registered our highest volume products at the end of the 2010 calendar year. We are now in the process of registering the second tier volume of products, and we expect to meet the deadline of June 2013. The estimated costs of compliance over the next 10 years amount to approximately €7 million.

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Property, plants and equipment

Production capacity as at 30 June 2011

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	473	380	**853**
Methanol (C_1)	140		*140*
Ethanol (C_2)	114	140	*254*
n-Propanol (C_3)	54		*54*
Isopropanol (C_3)		240	*240*
n-Butanol (C_4)	150		*150*
iso-Butanol (C_4)	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		105	**105**
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, with a nameplate capacity of 30 ktpa, started up in April 2010.

Sasol Huntsman has increased 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 last quarter of the 2011 calendar year.

Sasol Olefins & Surfactants

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.

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The Organics Division consists of:

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

The Inorganics Division consists of:

- Specialty aluminas;
- Specialty silica aluminas;
- Multi-element doped aluminas; and
- Hydrotalcites.

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.

Surfactants

These products include nonionic and anionic surfactants, based on alcohol and LAB and other organic intermediates.

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 US market. A portion of the ethylene production is consumed internally to manufacture Ziegler alcohols and ethylene oxide.

Inorganics

These products involve mainly specialty aluminas and related products. The inorganics specialities are further processed by means of a variety of technical processes to adapt the product characteristics to highly specialised products. The inorganics division also manufactures shaped catalyst carriers from

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their products. The latest development is a new process to produce ultra-high purity alumina for sapphire applications as it is required for LED lighting.

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 Corporation, Petresa and ISU in the LAB market; and Huntsman and BASF/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 cleaning 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/Cognis and KLK. Significant additional oleochemical-based alcohol capacity has come on stream in Asia.

Specialty aluminas and related products from the inorganic division are used in a broad range of applications, including catalyst support, raw material for ceramics, coatings, polymer additives and synthetic sapphires. Competitors in aluminas include UOP 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 US 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 US.

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 global and regional gross domestic product growth trends and are therefore impacted more by macro-economic factors.

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. Sasol O&S, unlike other producers, manufactures products from feedstocks and thus has a built-in natural hedge, which becomes especially important in times of high price volatility.

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.

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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 REACH, which became effective on 1 June 2007. We have already complied with the first major deadline and registered our highest volume products at the end of the 2010 calendar year. We are now in the process of registering the second tier volume of products, and we expect to meet the deadline of June 2013. The estimated total costs of compliance over the next 10 years amount to approximately €22 million. To date, €5,6 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 2011

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	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.

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.

The overall volume of products marketed by the business amounts to approximately 635 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, US and the United Kingdom. We produce and market petroleum jelly and trade in white-oils to support our personal care business.

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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 US and Southern Africa. Approximately 25% 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, International Group Inc 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 US 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.

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 REACH, which became effective on 1 June 2007. We have already complied with the first major deadline and registered our highest volume products at the end of the 2010 calendar year. We are now in the process of registering the second tier volume of products, and we expect to meet the deadline of June 2013.

Property, plants and equipment

The main production assets are located in Hamburg, Germany; Sasolburg, Johannesburg and Durban, South Africa; and Richmond, California, US. 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 approximately 300 ktpa. It purchases slack wax feedstock from numerous lube-oil-producing refineries predominantly

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in 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 candle factory located in Johannesburg with a capacity of up to 26 ktpa.

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

Production capacity at 30 June 2011

Product	Germany	South Africa	United States	Total[1]
		(ktpa)		
Paraffin wax and wax emulsions	430			**430**
FT-based wax and related products		240		**240**
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 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;

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various packaged explosives; and

explosive accessories non-electronic initiation systems, boosters and detonating cord.

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 has undertaken that within a period of 12 months from the confirmation date, its Sasolburg ammonia plant and its ammonia business operations will be housed as a business unit separate from Sasol Nitro. The ammonia business (including hydrogen and specialty gasses) is housed in Sasol Infrachem from 1 July 2011. Sasol 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 imports on behalf of third parties due to supply and logistic disruptions and plant maintenance shutdowns.

Furthermore, as part of the settlement agreement, Sasol Nitro will amongst other undertakings, exit the retail fertiliser business and dispose of the downstream fertiliser blending assets in Durban, Bellville, Endicott, Kimberley and Potchefstroom, all in South Africa, within a period of 12 months from the approval date or such later date as may be approved by the Commission or ordered by the Tribunal. In terms of the settlement agreement, Profert (Pty) Ltd (Profert) was granted the right of first refusal to the Potchefstroom facility. A sale agreement was concluded with Profert and a formal handover of the facility took place on 31 March 2011. The sale of the regional fertiliser blending facilities at Potchefstroom, Durban, Endicott and Belville were concluded prior to 1 September 2011. Negotiations are still in progress for the sale of the Kimberley facility.

At the end of October 2009, the phosphoric acid plant in Phalaborwa was shut down for economic reasons, following a consultation process with relevant stakeholders. A preferred bidder, Meridian International SA (a Seychelles registered company, on behalf of their subsidiary, Farmers World Limpopo (Pty) Ltd), was selected and a conditional sale agreement was signed in March 2011, subject to the issue of a bank guarantee. The bank guarantee was received on 21 September 2011, and we are in the process of concluding the remaining outstanding items on the transaction. We expect the transfer of ownership to be completed towards the end of the 2011 calendar year.

Following the mothballing and impairment of the packaged emulsion explosives plant in Secunda in November 2009, Sasol Nitro was approached with a request to manufacture packaged emulsion explosives as there was no other source of supply in the market. Based on a sound business case, the facility was re-commissioned during 2011.

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 nameplate production capacity of 660 ktpa.

Seasonality

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.

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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 US. Sasol Dyno Nobel, a 50% joint venture, 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.

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 was 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 primarily 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, plants 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 and liquid 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 achieve beneficial operation by the first half of the 2012 calendar year.

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

At the end of October 2009, the 225 ktpa phosphoric acid plant in Phalaborwa was shut down and has subsequently been sold in the latter half of the 2011 calendar year.

Sasol Nitro also manufactures bulk explosives at various mining sites and cartridge explosives in Ekandustria, Bronkhorstspruit, South Africa, and Secunda. Sasol Dyno Nobel (Sasol Nitro has a 50% shareholding) manufactures non-electronic initiation systems in Ekandustria.

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Production capacity at 30 June 2011

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

(1) Includes volumes produced by Sasol Synfuels. The Sasolburg ammonia business is housed in Sasol Infrachem from 1 July 2011 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 five downstream fertiliser regional blending and liquid fertiliser facilities are intended to be disposed of 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 loop and the primary responsibility of this function is to ensure that the reformed gas demand/supply is balanced and that reformed gas is supplied to the users of gas on its site. The ammonia business is housed in Sasol Infrachem from 1 July 2011.

Raw materials

Coal required for steam and power generation is sourced internally from Sasol Mining and natural gas is sourced from Sasol Gas. 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 2011

Product	Facilities location	Total[1]
Steam	South Africa	1 750 tons per hour (tph)
Electricity	South Africa	175 Megawatts (MW)
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, with the phenolics activities of Merichem Company, based in Houston, Texas, US. 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 and Winnie, Texas, and Oil City, Pennsylvania, US. Merisol has a 20:80 venture (Merisol holding 20%) with Chang Chun Plastics 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 and Winnie plants use proprietary separation technologies to produce high-purity mixtures of meta and para-cresol as well as 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 a significant proportion of the cresol and cresylic acids global markets for:

ortho-cresol, where the main competitors include Sabic Innovative Plastics, Lanxess, Nippon Steel Chemicals, Rütgers Chemicals and Deza;

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

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

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

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

Merisol derives about 70% 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 95% 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 US 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. Being fully integrated into the Sasol operations in South Africa, the company is dependent on Sasol Synfuels and Sasol Infrachem for the supply of both its raw materials and utilities (electricity, water and air).

REACH registrations (for imported volumes greater than 1 000 million tpa) have been completed within the deadline of 30 November 2010. Registration for smaller volume products will be submitted before the deadlines of 2013 and 2018, if those products are still being sold in the European market at that time.

Property, plants and equipment

Merisol's Sasolburg plant, including the tar naphtha extraction plant, uses feedstock from Sasol's coal gasification activities at Secunda. During 2007, the US operations completed rationalisation and streamlining of its Houston 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.

Production capacity at 30 June 2011

Product	United States	South Africa	Total[(1)]
	(ktpa)		
Phenol	10	35	**45**
Ortho-cresol	6	9	**15**
Meta-cresol and para-cresol	16		**16**
Pure meta-, para-cresol	30		**30**
Cresylic acids and xylenols	20	25	**45**
High-boiling tar acids	1	3	**4**
Butylated products	13		**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 Sasol group 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

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technologies. Through engineering and project execution activities Sasol Technology demonstrates its commitment to the delivery of viable solutions to our business partners for their operation.

Directing technology

Sasol Technology are responsible for leading and 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, 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 16 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 development 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 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 or electricity is also under review as part of our new energy focus.

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

Installing technology project execution and engineering

Sasol Technology is responsible for the execution of capital projects and project engineering 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 landscape

- expanding South African synthetic fuels capacity, specifically in the Secunda Complex; and
- additional CTL capacity in South Africa for future projects.

International energy landscape

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

Chemical landscape

- co-monomers, polymers and waxes.

New energy landscape

- understanding the energy landscape and evaluating various alternatives with a view to introducing low/no carbon based energy sources into our energy mix.

Sasol group landscape

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

Property, plants 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. Besides the extensive fuels research facilities in Sasolburg, 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.

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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. Ashcor subsequently applied to the Supreme Court of Appeal for leave to appeal, which was granted and the appeal was heard on 1 September 2011 and judgement was reserved. The prospect of future loss is deemed to be remote.

Sasol Nitro In 2004, the South African Competition Commission (the Commission) commenced with investigations against Sasol Nitro, a division of Sasol Chemical Industries Limited (SCI), 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 (the Tribunal) by the Commission. 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 2011.

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 has restructured 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 is in the process of withdrawing from certain downstream fertiliser activities with increased focus on the core activities of its fertiliser business.

The settlement 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. 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.

The settlement agreement included the following salient structural changes to Sasol Nitro's 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 have been 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.

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.

The settlement together with the changes to the Sasol Nitro business, will not have a material adverse impact on the Sasol group.

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. As a result of the fine imposed on Sasol Wax GmbH, on 23 September 2011, Sasol Wax GmbH has been served with a law suit in The Netherlands by a company to which potential claims for compensation of damages have been assigned to by eight customers. The law suit does not demand a specific amount for payment. The result of this proceeding cannot be determined at present and accordingly, no provision was made at 30 June 2011.

Dorothy Molefi and others Certain plaintiffs sued Sasol Limited and National Petroleum Refiners of South Africa (Pty) Ltd (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

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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 had referred its findings to the Tribunal for adjudication.

The complaints that the Commission 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) Ltd (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 had simultaneously reached a settlement with Safripol in which Safripol admitted 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 between the Commission and Safripol was confirmed by the Tribunal on 25 August 2010.

On 14 December 2010, Sasol Polymers, a division of SCI, concluded a settlement agreement with the Commission in relation to its existing propylene supply agreement (the Supply Agreement) with Safripol. The Supply Agreement was concluded pursuant to concerns raised by Safripol in relation to the proposed merger in 1993 of Sasol Limited and AECI Limited's monomer, polymer and certain other chemical operations. To address these concerns, the then Competition Board required a supply agreement, which would ensure Safripol's ongoing access to propylene according to a pricing formula, which would result in market-related prices. At the time, neither party understood this pricing formula to give rise to competition law concerns. The Commission, in terms of the current Competition Act, alleged that the pricing formula, which required the exchange of pricing information amounts to indirect price fixing.

Given the uncertainty surrounding the legal position in relation to the pricing formula and the technicality of the matter, it was considered prudent to settle the matter. Sasol Polymers has therefore agreed to pay a penalty of R111,7 million, which represents 3% of Sasol Polymers' turnover derived from its sale of polypropylene products for its 2009 financial year. The settlement agreement is in full and final settlement of the Commission's allegations that the pricing formula gave rise to indirect price fixing. The settlement agreement was confirmed by the Tribunal on 24 February 2011.

As part of its investigation into the polymer industry, the Commission has also contended that the prices at which Sasol Polymers supplies propylene and polypropylene are excessive. Sasol Polymers does not agree with the Commission's position in this regard and is contesting the Commission's allegations. Consequently, the Commission's allegations in respect of excessive pricing do not form any part of the settlement agreement concluded between the parties. The results of the investigation by the Commission cannot be determined at present and accordingly, no provision was made at 30 June 2011.

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.

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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. The hearing is scheduled for May 2012.

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 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 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 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.

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

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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 2011 was R6 900 million compared to R6 109 million in 2010. Included in this balance is an amount accrued of approximately R2 696 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.

Augusta Bay Pollution Investigation June 2008

The local prosecutor's office in Augusta, Italy, was investigating a pollution incident at Augusta Bay, allegedly caused by the infiltration of pollutants into the sea. The investigation involved all the companies located within the Melilli-Priolo-Augusta industrial area, which includes Sasol Italy. The Prosecutor's office and the involved companies each appointed experts to evaluate the environmental situation which included a broad range of ecological impacts. It was not clear what product was the cause of the pollution and Sasol Italy's potential involvement would only be able to be determined after collection and analysis of samples, sea sediments and sea water. Experts had, at the request of the judge, filed their opinions on the cause of the pollution.

The judge requested the court for an extension of the preliminary investigation. On 13 October 2010, the court dismissed the case in favour of all the companies involved.

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 10 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 10 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.

On 11 October 2007, Sasol Mining announced the implementation of its BEE strategy. In a transaction valued at approximately R1,8 billion, a black-woman controlled mining company called Ixia Coal (Pty) Ltd (Ixia), acquired 20% of Sasol Mining's shareholding through the issue of new shares. The transaction increased Sasol Mining's BEE ownership component by 20%, and when considered together with the Sasol Inzalo share transaction, to an estimated 34% (calculated on a direct equity basis). The transaction is financed through equity (R47 million) and a combination of third party funding and appropriate Sasol facilitation. Ixia contributed its share of the financing for the transaction. The implementation of this transaction was conditional upon, inter alia, the conversion of old order mining rights to new order rights and the South African Competition Commission approval. 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 10 years. Sasol Mining has the exclusive right to apply and be granted renewal of the converted mining right for an additional period not exceeding 30 years. 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. The effective date of the Ixia Coal transaction was 29 September 2010, when the remaining conditions precedent were met. Refer to "Item 5A Operating results Sasol Mining Ixia BEE transactions".

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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.

The Minister of Energy initiated a compliance audit of the Liquid Fuels Charter in the latter part of the 2010 calendar year. This process is expected to be conducted on an annual basis. Pursuant to the Department of Energy's compliance programme, Sasol Oil's compliance with the Liquid Fuels Charter was audited during the first and second quarters of 2011 and the final sector report is pending.

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.

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 Liquid Fuels 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 Commission), 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 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 NEMA Amendment Act has taken effect, the full alignment is dependent on the MPRDA Amendment Act still to take effect on a date yet to be determined by the Minister of Mineral Resources. Once implemented, they introduce the concept of a single environmental authorisation which must be obtained in terms of the provisions of NEMA. It also provides for a transition 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 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. Revisions to the MPRDA are currently in process and it is expected that the draft MPRDA Amendment Bill will be submitted to Parliament before the end of the 2011 calendar year. This will replace the MPRDA Amendment Act, which never came into effect. The purpose of the MPRDA Amendment Bill is to address the ambiguities and grey areas within the MPRDA. The process to revise the Mining Charter has been completed and the Revised Mining Charter came into effect on 13 September 2010. Currently, Sasol Mining is compliant with the Revised Mining Charter and will continue to take the appropriate measures to ensure compliance.

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 10 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 10 year period as Sasol Mining did not comply with the 26% BEE ownership requirement at the time of conversion. However, if the Sasol Inzalo transaction contributes to Sasol Mining's BEE status, the BEE ownership is calculated to be 34%. The DMR will be engaged to recognise the Sasol Inzalo transaction in terms of the Mining Charter, but it is uncertain whether the DMR will consider the Sasol Inzalo transaction in calculating Sasol Mining's BEE ownership status. 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 2011 is a cost of R29,9 million (2010: R9,9 million) and an

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estimated cost of R44,5 million for the year ending 30 June 2012 and R49 million for the year ending 30 June 2013. The royalty will be deductible for normal income tax purposes.

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 submitted its implementation plan and engaged with NERSA in order to agree the process and schedule for 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 2010 in order to enable compliance with the RRM requirements. In accordance with the RRM implementation plan agreed with NERSA, Sasol Gas and Rompco are required to make their final regulatory report submission by the end of November 2011 in respect of the 2010 financial year.

The National Energy Regulator Act

The National Energy Regulator Act came into operation on 15 September 2005 as proclaimed by the President of South Africa. The National Energy Regulator Act provides for the establishment of a

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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. With effect from 1 April 2011, the existing four full-time regulators were re-appointed for another period of five years. A new chief executive officer was also appointed for NERSA for this same period.

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. After completion of the Rompco compressor station in Komatipoort, this operating licence was amended to also include the operation of the compressor station. 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. On 12 November 2010, Sasol Gas was granted operating licences in respect of all its inland transmission facilities.

The licence applications in respect of the Sasol Gas' transmission operations in the KwaZulu-Natal province have still to be concluded. All construction activities relating to the distribution and transmission pipeline networks of Sasol Gas are undertaken subject to the relevant construction licences as prescribed by the Gas Act.

The Mozambique Gas Pipeline Agreement (Regulatory Agreement)

This agreement entered into between Sasol Limited and the South African Government, represented by the Minister of Minerals and Energy, and the Minister of Trade and Industry 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 10 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.

At the conclusion of the 10 year period provided for in the Regulatory Agreement, the transmission tariffs and gas prices charged by Sasol Gas will be subject to regulation by NERSA in

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terms of the regulatory powers of NERSA established by the Gas Act. In this regard, NERSA has promulgated the tariff methodology that will apply to gas transmission and storage operations and NERSA is in the process of developing the methodology that will apply to the approval of maximum prices in terms of the Gas Act.

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 10 year regulatory dispensation (three 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 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 2011, Sasol Gas paid a total amount of R28,2 million in levies under this act. For the NERSA financial year ending on 31 March 2012, the levies have been estimated to be R0,2872/GJ (2011 R0,1928/GJ). The levies have yet to receive required ministerial approval. It is anticipated that approximately R40,5 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, requires the Minister of Energy to license persons involved in the activities of manufacturing, wholesaling, holding or development of retail sites, and retail sale of petroleum products. Sasol operating entities have applied for the required licences. All licences, except for the Natref manufacturing activities and wholesale licence, have been issued. It should be noted that, a person conducting the aforesaid activities at the commencement of the Amendment Act, is 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. The non-issuance of the licence is, therefore, not seen as a risk, but rather as an administrative and timing issue on the side of the Controller of Petroleum products. New retail site developments continue to be delayed by the retail and site licensing regulations.

This Amendment Act entitles the Minister of Energy to regulate the prices, specifications and stock holding of petroleum products:

A regulatory price review is currently underway. The outcome is not expected to have a material effect on Sasol Oil.

Specification changes to align South African liquid fuels specifications with those prevailing in Europe are currently under discussion. It is expected that these new specifications will pertain to all liquid fuels consumed in South Africa towards the end of the 2017 calendar year. Compliance with new specifications will require substantial, however as yet not determined, capital

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investments by both Natref and Sasol Synfuels. Discussions regarding cost recoveries and/or incentives for these investments are commencing with the South African government.

Regulations to oblige licensed manufacturers and/or wholesalers to keep minimum levels of market ready petrol, diesel, illuminating paraffin, jet fuel and liquid petroleum gas are currently under consideration by the Department of Energy. No indications on cost recovery and compensation mechanisms are as yet available, although the principle has been confirmed by the Department of Energy.

We cannot assure you that the application of these regulations will not have a material adverse effect on our business, operating results, cash flows and financial condition.

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, storage facilities and marine loading facilities.

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.

This 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.

We have been granted licences for our depots and related infrastructure and petroleum pipelines and are in the process of submitting tariff applications for approval of third party user access and 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

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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.

Safety, health and environment

We are committed to zero exposure of harm to people, facilities and the environment. Our safety, health and environment (SHE) 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 US, Canada, 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 SHE 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. These essential requirements are also extended to joint ventures in which we participate, subject to specific provisions in the venture agreements and agreement with the boards of the respective venture partners.

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 natural resources such as water, and for the operation of our facilities and the handling and 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 various laws and regulations will become more stringent in the future. In those countries where the SHE legal requirements are less stringent, we aim to comply with our SHE essential requirements, as applicable.

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 essential requirements for all our operations. Matters of safety, health and environment are treated as critical business issues. Planning of safety, health and environmental matters includes the setting of targets, performance measurement, reporting, review and audit.

In order to ensure that our safety, health and environmental performance is aligned with our group targets and objectives, SHE governance and other audits are carried out regularly. All of our businesses are required to track their performance and quarterly reports are submitted to operating boards, the group executive safety, health and environment committee (acting as a sub committee of the group executive committee (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 SHE governance and other audits to implement improvement measures.

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Specific governance structures were developed to address greenhouse gas challenges facing the group. A greenhouse gas management committee meets every two months to discuss and guide the group on strategic climate change and related environmental issues. The members are mandated to take the necessary decisions on behalf of the group. In September 2010, Project Everest was constituted as a group strategic project, managed by Sasol's group strategy department. It is governed by a mandating committee reporting directly to the GEC. Project Everest is, amongst other things, managing the group response to the South African government's recent publication of a green paper on a climate change policy and the carbon tax discussion document. The carbon credit management committee is governed within our new energy business unit, with the focus on managing the group's carbon portfolio.

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, OHSAS 18001 and Responsible Care 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. 2011 has been challenging for Sasol, as 10 people were fatally injured in incidents at Sasol workplaces. In addition, five people lost their lives in a boating incident during an off-site year-end function. These fatal incidents necessitated the strengthening of our improvement efforts in the form of a high profile group wide Safety Improvement Plan (at corporate and business unit level) which was launched in October 2010.

Health. Although Sasol has strong pro-active measures for managing occupational health, work related illnesses continue to be diagnosed specifically in our Sasol Mining operations. These can be attributed to historic exposures. The specific illness recordings is exacerbated by an increasing age profile of our employees in mining and the prevalence of Human Immunodeficiency Virus (HIV)/Acquired Immune Deficiency Syndrome (AIDS) which diminishes the immune system and increases likelihood of contracting tuberculosis as a secondary disease.

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. However, it should be noted that South Africa has submitted voluntary emission reduction pledges for the Copenhagen Accord which was formalised at the United Nations Conference of Parties in Cancun 2010, refer also to "Item 3.D Risk factors Changes in safety, health and environmental regulations and legislation and public opinion may adversely affect our business, operating results, cash flows and financial condition".

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 and other ventures. In December 2008, the GEC approved a

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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 reduction of 20%, increasing to 30% reduction for new CTL plants commissioned by 2030 (with the 2005 designs as the baseline) as a precautionary measure. Sasol established the Sasol New Energy business in 2008, which is pursuing opportunities in renewable energy, low carbon electricity, energy efficiency, clean coal, including underground gasification, 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 have established an internal carbon credit management committee, which is governed within our Sasol New Energy business unit, to facilitate the governance of carbon credits obtained through, amongst other things, the clean development mechanism (CDM). 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 US have reduced reported emissions under the Toxic Release Inventory by over 80% since reporting began in 1987. Significant efforts are being made to reduce hydrogen sulphide and volatile organic compound emissions emanating from our Secunda operations, mainly brought about by the commissioning of a sulphuric acid plant. Moreover, the implementation of a leak detection and repair programme will result in significant decreases in fugitive emissions from our operations. Several interventions aimed at reducing high risk volatile organic compound releases have been identified which could realise absolute reductions.

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. Current initiatives in South Africa include water offsetting projects in collaboration with local authorities. We are also considering the setting of internal targets for water efficiency. Our operations remain committed to the identification and implementation of projects related to water optimisation and effluent treatment. Our project team of internal and external experts in mining, geohydrology, geochemistry, water and waste treatment is committed to researching and implementing innovative and cost-effective solutions to further reduce our impact on the environment. 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 and enabling regulations under the National water Act, yet to be finalised.

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. Since 1 June 2009, the project has been declared operational by the Department of Water Affairs. Construction of infrastructure has been completed and is operational.

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. Fires, explosions and releases are reported and investigated and efforts to reduce the frequency and severity of these events are managed through the Process Safety Management System.

Our operations in the US are conducted in accordance with the requirements of the Occupational Safety and Health Administration Process Safety Management and US Environmental Protection

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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 US 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 North America (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. As a result of our chemicals and fuels processes, we have particular legacy and current risks that we have addressed or are currently addressing. A group wide strategy towards land remediation is adopted in order to ensure that all areas of potential liabilities are adequately addressed.

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. Surface rehabilitation of the pipeline footprint between Mozambique and Secunda was a World Bank requirement. Regulatory sign-off for this was received in 2009. However, ongoing maintenance on the pipeline continues in order to ensure that there is minimal impact on the environment during continued operations of the pipelines.

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 rely on the relevant assessment information to manage the associated liabilities of the non-material risks. 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.

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 European Registration, Evaluation, and Authorisation of Chemicals (REACH) regulations that came into effect on 1 June 2007, aims to improve the protection of human

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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 fulfil 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".

Further, we are following all changes in product registration requirements in regions such as the US and Asia-Pacific (e.g. China) in order to ensure compliance to these requirements and maintaining the ability to trade our products lawfully.

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 emergency incidents. It promotes access to environmental information, protects whistleblowers and allows for private prosecution and class actions. The Act includes provisions and requirements for environmental authorisations and impact assessments. The regulation of activities subject to prior undertaking of impact assessments and environmental authorisations has been revised in an effort 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. Non-compliances with provisions on, amongst other things, the duty of care and reporting of incidents, is now regarded as offences under the Act.

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

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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 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.

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 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. This Act was 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 10 years.

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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. A draft Highveld Priority Area Air Quality Improvement Plan has been finalised and submitted by the Department of Environmental Affairs for public comment. Implementation thereof is expected in the 2011 calendar year. 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 committed to emission reduction pledges under the voluntary Copenhagen accord in 2009 and formalised in Cancun in 2010. These emission reduction pledges have been included in a Climate Change Response Green Paper for South Africa expected to be formalised in a White Paper in the latter part of 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 amongst other mitigation interventions, 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 CDM, and we are also advancing the registration of additional CDM 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 contribute significantly to carbon emission intensity reductions. During the past three years, we have also invested in renewable energy and carbon capture and storage projects. Implementation of these initiatives and investments are ongoing.

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 2011 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

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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 for inclusion in the Occupational Health and Safety Act, providing for the adoption of the United Nations Globally Harmonised System for the classification and labelling of chemicals. 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. This 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 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

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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. Recent case law on the interpretation of the act now provides for civil claims to be instituted against employers in addition to compensation claimed and awarded under this act.

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 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

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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. All hazardous substances, as per the scope identified in the EU REACH Regulation, are subject, to a registration and notification obligation before they can be brought onto the market. Hazardous substances and mixtures must be classified, labelled and packed in accordance with the EU Classification, Labelling and Packaging (CLP) Regulation in line with their hazardous properties. Further regulations prohibiting and limiting manufacture, marketing and use also apply.

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 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.

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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. All hazardous substances, as per the scope identified in the EU REACH Regulation, are subject, to a registration and notification process before they can be brought onto the market. Hazardous substances and mixtures must be classified in accordance with the EU CLP Regulation in line with their hazardous properties. Further regulations prohibiting and limiting manufacture, marketing and use also apply.

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

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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 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 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$6 million per year.

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. Soil and groundwater remedial costs are not expected to exceed US$14 million. 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. The current costs of monitoring the VCM Plant and Baltimore sites and any foreseeable remediation costs are not expected to be material.

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In addition to Sasol NA's operating sites, Sasol NA is partially reimbursed 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.

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. The Consent Decree was entered on 24 March 2011, and remediation work has begun.

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Sasol NA's total estimated liability at 30 June 2011 for its 10% share of Bayou Verdine and the Calcasieu Estuary CERCLA Site is about US$1,2 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.

Canada

In 2011, Sasol acquired various interests in oil and natural gas properties in British Columbia through a joint venture partnership with Talisman Energy Inc. These subject properties are governed by numerous Canadian provincial (and to a lesser degree, federal) requirements.

Oil and natural gas production

The provincial Petroleum and Natural Gas Act (PNGA) and Oil and Gas Activities Act (OGAA) are the primary sources of regulatory controls over Sasol's interests in oil and gas producing areas in Canada. These statutes include a wide array of tenure, operational and public review requirements. A common theme of the requirements is that producers must hold applicable licences, leases, permits and other approvals.

Water Protection

Substantial volumes of water are needed for British Columbia oil and gas production. For example, large volumes of water are used to fracture shale gas formations. Extractions of water from ground and surface sources are regulated by the OGAA and the provincial Water Act. Water extraction wells are subject to requirements governing well tenure and location, construction and aquifer management. The piping of water to exploration or production sites is governed by special approval requirements (covering fisheries, pipeline construction, tenure and surface rights issues).

Emissions

British Columbia's Environmental Management Act (EMA) prohibits emissions, discharges and the like into the environment without prescribed permits. Several permits apply to activities at the British Columbia subject properties, covering releases to air and water.

Contaminated sites

Soil and groundwater contamination in the British Columbia oilpatch is regulated primarily by the contaminated sites regime in the EMA and its supporting Contaminated Sites Regulation (CSR). The EMA and CSR are highly prescriptive, and are further supported by detailed protocols and guidance documents published by the Ministry of Environment (MOE). The EMA and the CSR use numeric part-per-million standards to define contamination. The definition of "contamination" serves as a benchmark for determining exposure to remediation liability. Liability can be triggered in two ways: (a) a statutory cause of action enables parties who incur "remediation costs" at a "contaminated site" to recover those costs in a civil action from "responsible persons" (in addition to common law tort remedies available to a plaintiff); and (b) the MOE regulator may issue a remediation order against persons responsible for a "contaminated site".

Fisheries

The federal Fisheries Act is the primary source of requirements to protect fish and fish habitat. This Act prohibits, subject to applicable authorisations, the destruction or alteration of fish habitat and the release of "deleterious substances" in fish-bearing water bodies. The Fisheries Act is a prominent consideration in the construction of pipelines and roadways and extractions of surface water.

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Environmental Assessment

Further development of the British Columbia properties might trigger one or both of provincial and federal environmental assessment (EAs) requirements. EAs commonly will require substantive public review and aboriginal (or First Nations) consultation. To date, none of the activities undertaken in relation to the Canadian operations have triggered an EA.

First Nation consultations

A unique and prominent factor in Canadian safety, health and environmental law (SHE law) is the recognition of First Nations rights and the reconciliation of those rights with those held by government or private individuals. In the case of British Columbia, the constitutional recognition of First Nations rights stems from Treaty 8, signed in 1899 between the Crown and First Nations. Government regulators as a result must often discharge a constitutional duty to "consult and accommodate" First Nations in the course of their regulatory functions. Local First Nations have, in the regulatory proceedings, raised concerns about their ability to pursue their Treaty 8 rights, including hunting, fishing, trapping, and gathering. Government consultation about such concerns should, according to case law, attempt to identify potential impacts on treaty rights and reach accommodations that allow, to the extent reasonable and practical, the treaty rights to be exercised. Many aspects of consultation and accommodation have been formalised in the British Columbia oilpatch in the form of agreements and procedures, which continue to evolve in response to judicial guidance. These agreements and procedures often delegate consultation duties to private operating entities. An overview of the First Nation engagement activities carried out of the venture indicated a comprehensive and proactive program in line with best practices for the industry. This engagement with First Nations includes, amongst other things, employment, training and business contracts.

Occupational and workplace safety

The provincial government's Workers Compensation Act and supporting regulations and policies set out detailed rules respecting workplace safety. Special rules (found in the Act's regulations) apply to the petroleum sector.

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

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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.

On 31 December 2010, Decree 67/2010 was enacted to amend articles 23 and 24 and Annexure I and V mentioned in article 7 and on nr.3 of article 16 of Regulation on Environmental Quality and Effluent Emissions Standards (18/2004) of 2 June. Decree 67/2010 approves Annexure IA and IB. On 22 November 2010, new legislation was enacted, namely, Decree 56/2010, the Environmental Regulation for Petroleum Operations.

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.

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. Sasol is co-funding the Strategic Environmental Assessment of the coastal strip of Mozambique in conjunction with other stakeholders. In August 2008, Mozambique's Ministry for the Coordination of Environmental Affairs and the National Petroleum Institute were notified of our decision to contribute to the execution of the Mozambique Strategic Environmental Assessment (SEA) for an amount of US$300 000. The SEA is a condition precedent for Sasol to proceed with production EIA in a success case.

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 its final stage of execution and beneficial operation is expected in October 2011. 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 Inhassoro Development EIA, which began in the 2008 calendar year and was due to be completed in the middle of the 2009 calendar year, was placed on hold, pending the drilling of an

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appraisal well to establish the feasibility of such a development. Drilling of an appraisal well was completed in May 2011 and is being evaluated.

Mineral Rights. Petroleum activities are regulated by the Petroleum Act and Regulation (Law 3/2001, of 21 February and Decree 24/2004, of 20 August, respectively). 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.

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.

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, waste water 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,

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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 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).

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.

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.

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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 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 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.

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4.C Organisational Structure

Sasol Limited is the ultimate parent of the Sasol group of companies. Our wholly owned subsidiary, Sasol Investment Company (Pty) Ltd, 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 2011.

Name	Nature of business	Percentage ownership	Country of incorporation
Sasol Mining (Pty) Ltd	Coal mining activities	89,8[1]	South Africa
Sasol Mining Holdings (Pty) Ltd	Holding company for the group's mining interests	100	South Africa
Sasol Synfuels (Pty) Ltd	Production of liquid fuels, gases and chemical products and refining of tar acids	100	South Africa
Sasol Technology (Pty) Ltd	Engineering services, research and development and technology transfer	100	South Africa
Sasol Financing (Pty) Ltd	Management of cash resources, investment and procurement of loans (for South African operations)	100	South Africa
Sasol Investment Company (Pty) Ltd	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) Ltd	Holding company for the group's gas interests	100	South Africa
Sasol Oil (Pty) Ltd	Marketing of fuels and lubricants	75	South Africa
Republic of Mozambique Pipeline Investments Company (Pty) Ltd	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[3]	South Africa
Sasol Chemical Holdings International (Pty) Ltd	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) Ltd	Supplier of functional core and shared services to the Sasol Group of companies	100	South Africa

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Name	Nature of business	Percentage ownership	Country of incorporation
Sasol Oil International Limited	Buying and selling of crude oil	75[2]	Isle of Man
Sasol Petroleum International (Pty) Ltd	Exploration, production, marketing and distribution of natural oil and gas and its by-products	100	South Africa
Sasol Canada Holdings Limited	Exploration, production, marketing and distribution of shale gas and its by-products	100	Canada
Sasol Polymers International Investments (Pty) Ltd	Holding company for Sasol Polymers' foreign investments	100	South Africa
Sasol Synfuels International (Pty) Ltd	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) Ltd	Investment holding company	75[2]	South Africa
National Petroleum Refiners of South Africa (Pty) Ltd	Refining crude oil	47,73[2]	South Africa
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 Holdings USA (Pty) Ltd	To manage and hold the group's interests in the United States	100	South Africa
Sasol North America Inc.	Manufacturing of commodity and specialty chemicals	100	United States

(1) This represents our effective holding through Sasol Mining Holdings (Pty) Ltd.

(2) This represents our effective holding through our 75% interest in Sasol Oil (Pty) Ltd.

(3) This represents our effective holding through Sasol Gas Holdings (Pty) Ltd.

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".

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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-5 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 the Mozambican capital, Maputo, on a site of approximately 400 000 square metres (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 Canadian facilities

The Farrell Creek and Cypress A assets consist of a number of field production wells, gathering lines and a processing facility in the Montney Basin, in British Columbia, Canada. The approximate total size of these properties is 53 000 acres and 63 000 acres, for Farrell Creek and Cypress A, respectively.

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).

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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 US. 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, located at Ras Laffan Industrial City, situated along the northeast coast of Qatar (site size approximately 1 327 km^2).

Our catalyst manufacturing facilities in Sasolburg and The Netherlands

Sasol Cobalt Catalyst Manufacturing (Pty) Ltd is a wholly owned subsidiary of SSI and has the following catalyst manufacturing interests:

- A fully owned 680 tpa cobalt catalyst manufacturing unit, situated in Sasol's Sasolburg site, 80 km south of Johannesburg, South Africa; and

- A manufacturing agreement with BASF, De Meern, The Netherlands, which currently has two 680 tpa cobalt catalyst manufacturing units fully operational, dedicated exclusively to Sasol.

The units above are sufficient to supply cobalt catalyst to current committed ventures and as future GTL and CTL ventures are realised. Sasol plans to expand its cobalt catalyst capacity to ensure supply.

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)	2011 actual production (Mt)	2010 actual production (Mt)
Bosjesspruit (Secunda)	8,2	6,8	7,6
Brandspruit (Secunda)	8,4	6,5	8,0
Middelbult (Secunda)	8,5	7,6	8,5
Syferfontein (Secunda)	9,7	9,7	9,9
Twistdraai Export (Secunda)	6,4	6,1	6,6
Sigma : Mooikraal (Sasolburg)	2,0	1,9	2,0

(1) The 2011 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 46,2 Mt of coal has been exported and 5,7 Mt of coal has been sold locally. This was beneficiated from 123 Mt at the Twistdraai Export Plant, from 1996 through 2011. 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 13,2% (air dried) 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 2011, 5,6 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 run of mine (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 (RBCT) in KwaZulu-Natal.

The existing nameplate capacity at the 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. For the foreseeable future, it is anticipated that Sasol Mining will only export approximately 2,85 Mt

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per year. This is due to Transnet Freight Rail constraints and the phasing in process of the new 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. A decision has been made to install a new database (Acquire) during 2012. It is anticipated that this database will assist in maintaining data integrity. Data modelling is conducted by manual interpretation and computer-derived geological models, using the Minex 6 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 88,9% (2010: 87,1%) 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 at Middelbult Colliery and Impumelelo shaft have 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.

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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.

Secondary safety factor[(1)]: the safety factor used in the mine planning, for secondary development, in normal ground conditions is 1,6.

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 6,8% (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 57% 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 15,8% (2010: 12,8%) for Syferfontein, 0,7% (2010: 0,9%) for Twistdraai and 5,3% (2010: 8,3%) for Sigma Mooikraal.

Mining losses: mining loss factor, expressed as a percentage of the mineable in situ coal reserve, vary between 34% for Thubelisha Shaft (2010: 37,0%) and to adjust over 60% (2010: 58,2%) for the Number 2 Seam at Impumelelo and Middelbult. The factor for Twistdraai and Thubelisha is low due to the high proportion of stooping tons 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 0,38% (2010: 0,4%) for Syferfontein and 4,7% for Bossjespruit (2010: 4,2%). 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 3,4% for Twistdraai and 4,7% for the C2 at Middlebult (2010: 4,2% for Thubelisha Shaft and 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 2011)

We have approximately 4,6 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 maps on pages M-4 and M-5, 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 2011, 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[4] (%)	Proved/ probable
Middelbult mine, number 4 seam	781	126	72	42	260	100	Proved
Middelbult mine, number 2 seam	162	32	89	40	17	100	Proved
Bosjesspruit mine	419	29	129	54,8	145	100	Proved
Twistdraai mine	52	3	18	57	27	P51,S20	Proved
Syferfontein mine	461	32	57	40	154	100	Proved
Brandspruit mine	192	13	110	56	50	100	Proved
Twistdraai Thubelisha shaft[6]	423	63	51	66	162	P35,S45	Proved
Impumelelo, Block 2, number 4 seam	814	122	310	43	207	100	Proved
Impumelelo, Block 2, number 2 seam	492	98	230	35	84	100	Proved
Block 2 South, number 4 seam	363	98	48	54	122	100	Probable
Block 2 South, number 2 seam	133	36	18	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	**4 617**				**1 371**		

(1) The coal reserve estimations in this table were compiled under supervision of Mr Viren Deonarain 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

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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) Ltd 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. A third party audit was completed in July 2011. This audit concluded that there were no significant discrepancies in the geological database or models.

(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 Sasol 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 2011)

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	4,1	4,7	Assigned	Steam	20,3	0,8
Bosjesspruit mine	Wet	3,5	4,2	Assigned	Steam	20,5	1,0
Twistdraai mine	Wet	3,6	3,4	Assigned	Steam	20,3	1,2
Syferfontein mine	Wet	5,5	4,2	Assigned	Steam	21,8	0,8
Brandspruit mine	Wet	3,9	3,8	Assigned	Steam	18,4	1,3
Twistdraai, Thubelisha shaft	Wet	4,4	4,0	Assigned	Steam	21,0	1,1
Impumelelo, Block 2, number 4 seam.	Wet	4,1	3,7	Assigned	Steam	18,1	1,2
Impumelelo, Block 2, number 2 seam	Wet	3,7	3,7	Assigned	Steam	17,5	0,8
Block 2 South, number 4 seam	Wet	4,1	3,1	Unassigned	Steam	18,2	1,2
Block 2 South, number 2 seam	Wet	3,6	2,7	Unassigned	Steam	17,4	0,7

Block 5 East	Wet	3,7	2,9	Unassigned	Steam	20,8	1,0
Block 3 South	Wet	3,4	3,6	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	4,2	4,7	Assigned	Steam	20,7	0,8
Bosjesspruit mine	Wet	3,6	4,2	Assigned	Steam	20,5	0,9
Twistdraai mine	Wet	3,6	3,4	Assigned	Steam	21,0	1,1
Syferfontein mine	Wet	5,5	4,2	Assigned	Steam	21,7	0,8
Brandspruit mine	Wet	4,0	3,8	Assigned	Steam	18,4	1,3
Twistdraai Colliery, Thubelisha shaft	Wet	4,4	4,0	Assigned	Steam	21,1	1,0
Impumelelo, Block 2, number 4 seam	Wet	4,1	3,7	Assigned	Steam	18,1	1,1
Impumelelo, Block 2, number 2 seam	Wet	3,8	3,7	Assigned	Steam	17,5	0,8
Block 2 South, number 4 seam	Wet	4,1	3,1	Unassigned	Steam	18,2	1,1
Block 2 South, number 2 seam	Wet	3,6	2,7	Unassigned	Steam	17,4	0,7
Block 5 East	Wet	3,7	2,9	Unassigned	Steam	20,8	0,9
Block 3 South	Wet	3,4	3,6	Unassigned	Steam	21,9	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, held 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-5. 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-4 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 2011 is 1,9 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 63 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 (Remainder)	3B	210	23	54	42	63	Proved
Total Sasolburg area		**210**	23	54	42	**63**	Proved

(1) The coal reserve estimations in this table were compiled under supervision of Mr Viren Deonarain 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) Ltd 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. A third party audit was completed in July 2011. This audit concluded that there were no significant discrepancies in the geological database or models.

(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.

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Coal qualities per associated reserve estimation (remaining reserves at 31 March 2011)

In tables 5 and 6 additional information regarding coal qualities is provided.

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 (Remainder)	Wet	4,8	4,0	Assigned	Steam	21,0	0,9

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 (Remainder)	Wet	4,9	4,0	Assigned	Stream	20,5	0,9

Synthetic oil activities

Refer to "Item 4. D Property, plants and equipment Mining properties and operations" for details regarding our mining properties, coal exploration techniques and the mining parameters and assumptions used during the estimation of synthetic oil reserves.

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:

	2011 South Africa (Rand per unit)	2010 South Africa (Rand per unit)
Average sale price per barrel	675,76	564,64
Average production cost per barrel	304,61	272,43

Oil and gas production and exploration operations

Our natural oil and gas exploration, development and production activities are managed by Sasol Petroleum International (Pty) Ltd (SPI). Through SPI, its subsidiaries and Canadian holding companies, Sasol currently has equity in producing assets with proved natural oil and gas reserves in Mozambique, Gabon and Canada; and has additional equity licences in Africa and the Asia Pacific region for exploration and development.

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Mozambique producing assets

In Mozambique, natural gas and condensate is produced from the onshore assets, in which we hold a 70% working interest, under the terms and conditions of the Pande-Temane Production Petroleum Agreement (PPA). Production of natural gas and condensate is from the Temane, Temane East and Pande onshore gas fields via a central production facility located some 700 km north of the Mozambican capital, Maputo. The facilities have been fully operational since the start of production from Temane and Temane East in 2004. Production from Pande commenced in 2009. In 2011, the net economic interest production from the Pande-Temane PPA assets amounted to 79,7 billion standard cubic feet (Bscf) gas and 0,27 million barrels (Mbbl) condensate; and the net economic interest proved reserves at 30 June 2011 are estimated to be 1 521,4 Bscf gas and 4,5 Mbbl condensate.

Other Mozambique licences

We also have equity in five non-producing licences. In the onshore Mozambique 'Pande-Temane PSA' licensed area we hold a 100% interest with Empresa Nacional de Hidrocarbonetos (ENH), the national oil company of Mozambique, being entitled, under the terms and Petroleum Sharing Agreement (PSA), to a calculated share in any production. Two areas have been declared discoveries and are currently subject to appraisal. The remaining exploration areas are being relinquished.

Offshore Mozambique, we hold a 58,8% interest in the 'Blocks 16 & 19' Exploration and Production Concession Contract (our partner holds 41,2%), with ENH assigned a 15% carried interest until approval of the field development decision. One area of the licence has been declared a discovery and the assessment of the development potential is ongoing.

The other offshore Mozambique licences are 'M-10' Exploration and Production Concession Contract and 'Sofala' Exploration and Production Concession Contract. In M-10, we have a 50% interest (our partner holds 50%), with ENH assigned a 15% carried interest until approval of the field development decision. In Sofala, we have a 100% interest, with ENH assigned a 15% carried interest until approval of the field development decision.

The other onshore Mozambique licensed area is 'Block A' Exploration and Production Concession Contract, which was awarded in the 3rd Mozambique licence round in 2010 (effective from 1 June 2011). We hold a 100% interest in Block A, with ENH assigned a 10% carried interest until approval of the field development decision.

Gabon producing assets

In Gabon, oil is produced from the offshore 'Etame Marin Permit' asset. Under the terms of the Etame Marin Permit Exploration and Production Sharing Contract, we hold a 27,75% interest in the areas covered by Production Permits and a 30% interest in permit exploration areas. The asset is operated by VAALCO Gabon (Etame) Inc. The permit contains three oil fields (Etame, Avouma and Ebouri) as well as other discoveries and prospects. The Etame field came on stream in 2002 and is producing oil through a floating production, storage and off-loading (FPSO) vessel moored above the Etame field. In 2007, the Avouma field was brought on stream and the Ebouri field was brought on stream in 2009. Both these fields produce oil via minimum facilities fixed platforms that are tied back by pipelines to the Etame FPSO where production is commingled and processed.

In 2011, the net economic interest production from the Etame Marin Permit asset amounted to 1,9 Mbbl oil and the net economic interest proved reserves at 30 June 2011 are estimated to be 3,7 Mbbl oil.

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Canada producing assets

In Canada, natural gas and condensate is produced from the 'Farrell Creek' and 'Cypress A' shale gas assets which are located in the Montney Basin of British Columbia, Canada. We acquired our 50% working interest in both the Farrell Creek and Cypress A assets in 2011, with licence participation commencing 1 January 2011, from Talisman Energy Inc, who operate the assets under the terms and conditions of the Talisman Sasol Montney Partnership agreements. Our equity is held via Canadian holding companies, that are subsidiaries of Sasol Investment Company (Pty) Ltd, a wholly-owned subsidiary of Sasol Limited, and is managed by SPI. The Farrell Creek assets comprise 17 licences covering some 53 000 acres of land, 23 producing wells (at 30 June 2011), gas gathering systems and processing facilities. The Cypress A assets comprise 27 licences covering some 63 000 acres of land, 6 producing wells, gas gathering systems and processing facilities.

In 2011, from the effective acquisition dates of 1 March 2011 and 10 June 2011, respectively, combined production from the Farrell Creek and Cypress A assets amounted to 2,9 Bscf gas and a small amount of condensate; and the net economic interest proved reserves at 30 June 2011 are estimated to be 54,9 Bscf gas and 0,02 Mbbl condensate.

Other areas

In Papua New Guinea (PNG), we have an interest in four onshore Petroleum Prospecting Licences 'PPL-285', 'PPL-286', 'PPL-287' and 'PPL-288'. At 30 June 2011, we held a 51% interest in all four licences, but have agreed to farm down our equity in PPL-285 to 41%, with effect from May 2011. The equity change will be effective when the assignment is approved by the PNG authorities.

In the offshore Northwest Shelf of Australia, we hold interests in two licences. In the 'WA-388' licence we have, since farming down in November 2010, an 18% interest in the licence; as part of the farm out operatorship was transferred to Apache Northwest Pty Ltd. In the 'ACP-52' licence we have a 45% interest. The ACP-52 licence is operated by Finder Exploration Pty Ltd.

In Nigeria and the Nigeria/São Tomé e Príncipe Joint Development Zone, we currently hold an interest in four licences. In the offshore deepwater 'OML-140' Oil Mining Licence we have a 5% interest. The licence is operated by Chevron. One area of OML-140 has been declared a discovery and the assessment of the development potential is ongoing. The licence also includes part of the Bonga SW/Aparo (BSWAp) oil field in which we have a 0,375% interest. The 'BSWAp' field is operated by Royal Dutch Shell under the terms of a Pre-Unitisation Agreement. In the offshore deepwater 'OPL-214' Oil Prospecting Licence we have a 5% interest. The licence is operated by ExxonMobil. The licence includes three discoveries and the assessment of the development potential is ongoing. We are in the process of relinquishing, with the other licence concessionaires, our 6% interest in the 'OPL-247' Oil Prospecting Licence, and of divesting our 5% interest in the 'JDZ Block 1' licence to two of our partners. At 30 June 2011, the Nigerian Government's formal consent to relinquish OPL-247, as of 31 December 2010, had not been received. In July 2011, approval was received from the Nigeria/São Tomé e Príncipe Joint Development Authority relating to the sale of our interest in the JDZ Block 1.

In South Africa, we have a 10% interest in the offshore 'Block 3A/4A' Exploration Rights/Production Rights licence that is operated by BHP Billiton.

Reserve disclosure

Proved developed and proved undeveloped reserves estimates: The table below summarises the proved developed and proved undeveloped reserves of natural oil and gas for the producing assets managed by SPI, as at 30 June 2011, based on average financial year prices. The total proved reserves estimate is 271,0 million barrels in oil equivalent terms.

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Summary of natural oil and gas proved reserves at 30 June 2011

	Oil (million barrels)	Natural gas (billion standard cubic feet)	Total oil equivalent[1] (million barrels)
Proved developed			
Mozambique	1,7	729,6	123,3
Gabon	3,7		3,7
Canada		7,2	1,2
	5,4	736,8	128,2
Proved undeveloped			
Mozambique	2,8	791,8	134,8
Gabon			
Canada		47,7	8,0
	2,8	839,5	142,8
Total proved reserves	**8,2**	**1 576,3**	**271,0**

(1) One Bsfc of natural gas is converted at a Sasol conversion rate of 6 000 Bscf into one barrel oil equivalent.

Mozambique proved reserves: The Mozambique proved reserves are contained in the Pande-Temane PPA asset. These represent the net economic interest volumes that are attributable to SPI after the deduction of production tax. The reserves are limited by take or pay quantities defined by two existing gas sales agreements for the remainder of the terms of the contracts.

Gabon proved reserves: The Gabon proved reserves are contained in the Etame Marin Permit asset. These represent the net economic interest volumes attributable to SPI after application of the terms of the Production Sharing Contract.

Canada proved reserves: The Canada proved reserves, following the acquisition of the Farrell Creek and Cypress A assets, are disclosed for the first time at 30 June 2011. Full development of these assets will require around 3 000 wells, of which only 1% has been drilled to date. In view of the extensive remaining development programme, reserves are presently limited to those volumes of gas and condensate that are forecast to be produced from existing wells (as developed reserves) or from future wells that are in the approved annual work programme and budget (as undeveloped reserves). At this early stage in the development of the asset, recovery is estimated on a well by well basis by application of conservative type curves derived from analogue developments adjusted to reflect the initial production performance of our wells.

Changes to proved reserves: The table below presents in oil equivalent terms the proved reserves of natural oil and gas for the producing assets managed by SPI, over the years shown and identifies the reasons for the changes in the estimates.

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Natural oil and gas proved reserves at 30 June 2011
(oil equivalent, million barrels)

	Mozambique	Gabon	Canada	Total
Balance at 30 June 2009	279,6	7,2		286,8
Revisions	2,9	(0,9)		2,0
Improved recovery		0,2		0,2
Extensions/discoveries				
Production	(11,5)	(1,9)		(13,4)
Balance at 30 June 2010	271,0	4,6		275,6
Revisions	0,6	0,9		1,5
Improved recovery		0,2		0,2
Purchases			9,7	9,7
Commercial arrangements		(0,1)		(0,1)
Production	(13,5)	(1,9)	(0,5)	(15,9)
Balance at 30 June 2011	258,1	3,7	9,2	271,0
Proved developed				
At 30 June 2009	132,5	6,8		139,3
At 30 June 2010	136,2	2,7		138,9
At 30 June 2011	123,3	3,7	1,2	128,2
Proved undeveloped				
At 30 June 2009	147,1	0,4		147,5
At 30 June 2010	134,8	1,9		136,7
At 30 June 2011	134,8		8,0	142,8

Proved undeveloped reserves converted to proved developed reserves: During 2011, the capital expenditures made in Gabon, with the drilling of two new wells in the Etame Marin Permit, resulted in the conversion of 1,9 Mbbl of previously undeveloped oil reserves to proved developed reserves.

Proved undeveloped reserves remaining undeveloped: A significant volume of proved undeveloped natural gas reserves (around 800 Bscf) has remained undeveloped in the Mozambique Pande-Temane PPA asset for the last 5 years. This represents a volume of gas that will be recovered as part of the approved field development plan and which is required to satisfy the existing 20-year gas sales agreements. Additional compression and wells, which form part of the development plan to achieve contracted gas rates, will not be installed until existing wells and facilities are unable to meet demand. The volumes associated with these activities are presently classed as undeveloped reserves. Once compression is installed and additional wells drilled the undeveloped reserves will be re-classified as developed.

Preparation of reserve estimates: To ensure natural oil and gas reserves are appropriately estimated, are accurately disclosed and are compliant with current SEC regulations and Financial Accounting Standards Board (FASB) requirements, SPI has established and maintains guidelines and procedures (that are reviewed by suitably experienced independent external consultants) and a set of internal controls (that are in accordance with the requirements 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 panel containing an experienced independent external assessor, of all 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

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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.

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 32 years experience in oil and gas exploration and production activities and 24 years experience in reserves estimation.

Natural oil and gas production, production prices and production costs

Oil and gas production quantities: The table below presents net production quantities, by final product sold, for the years shown.

	Net production quantities				
Production for the year ended 30 June	**Mozambique**	**Gabon**	**Canada**	**Other areas**	**Total**
2009					
Natural gas, billion cubic feet	65,3				65,3
Oil, million barrels	0,5	2,0			2,5
Total oil equivalent, million barrels					13,4
2010					
Natural gas, billion cubic feet	68,0				68,0
Oil, million barrels	0,2	1,9			2,1
Total oil equivalent, million barrels					13,4
2011					
Natural gas, billion cubic feet	79,7		2,9		82,6
Oil, million barrels	0,3	1,9			2,2
Total oil equivalent, million barrels					15,9

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Oil and gas production process and costs: The table below summarises the natural oil and gas average sales prices and related production costs for the years shown:

Average sales prices and production costs for the year ended 30 June	Mozambique	Gabon	Canada	Other areas
		(Rand per unit)		
2009				
Average sales prices				
Liquids*, per barrel	439,0	475,1		
Natural gas, per thousand cubic feet	14,9			
Average production cost per thousand cubic feet/barrel**	3,3	93,4		
2010				
Average sales prices				
Liquids*, per barrel	324,2	455,4		
Natural gas, per thousand cubic feet	11,2			
Average production cost per thousand cubic feet/barrel**	2,6	116,21		
2011				
Average sales prices				
Liquids*, per barrel	451,0	558,4	551,8	
Natural gas, per thousand cubic feet	11,9		23,9	
Average production cost per thousand cubic feet /barrel**	2,3	80,8	7,9	

*
Liquids comprise natural oil and condensate.

**
Production cost adjusted for derivative instrument. These do not include *ad valorem* and severance taxes, per unit of production.

Drilling and other exploratory and development activities

Exploratory and development wells: The table below summarises the gross natural oil and gas drilling activities for the years shown:

Number of wells drilled for the year ended 30 June	Mozambique	Gabon	Canada	Other areas	Total
		(number of wells drilled)			
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					
2011					
Exploratory well discovery	1				1
Exploratory well dry	2	1		2	5
Development well productive	3	2			5
Development well dry					

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Exploratory and development activities 2009: In Mozambique, the second phase of the onshore Mozambique Pande-Temane PPA development was completed. In-field flow lines and a trunk line were constructed to enable the transportation of gas and condensate from the Pande field to the central processing facilities where gas from the Pande field is co-mingled with gas from the Temane fields before treatment, ready for sale and transportation.

In the Gabon Etame Marin Permit, the development of the Ebouri field was completed. A minimum facilities fixed platform and pipeline were installed and commissioned and two development wells were drilled. The Ebouri field came on stream in January 2009. 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.

Exploratory and development activities 2010: Key activities undertaken in the Gabon Etame Marin Permit, with the commencement of a rig programme, continued into 2011. The programme included the drilling of a development well (EEBOM-4H), which was placed in production, the workover of a development well (EEBOM-3H), and the drilling of an exploration well (ETSEM-1) and the discovery of oil in the South-East Etame prospect.

Mozambique exploratory and development activities 2011: In the Pande-Temane PPA asset, five Pande wells were successfully worked over. Of these, three are now producing and two are suspended. Other activities included the successful acid remediation treatment on the water disposal well and the drilling of a shallow water disposal well to provide additional water disposal facilities. Work is underway to increase the throughput capacity of the central processing facilities.

In the Pande-Temane PSA licence, three wells were drilled. One, a horizontal well (Inhassoro-9z) was drilled to appraise the reservoir in the Inhassoro field, where liquid hydrocarbons were encountered as anticipated. The second well (North Save-1) encountered non-commercial hydrocarbons and is considered to be dry, the third well (Falcao-1) was dry. Both these wells have now been plugged and abandoned. Other activities in the licence included the final abandonment of a well drilled by a previous operator and the rehabilitation of two old drilling sites.

Airborne gravity and magnetic surveys have been undertaken over areas of the onshore Area A licence and the offshore M-10 and Sofala licences. Analysis of the acquired data is now under way. The Njika discoveries, which were disclosed as productive exploratory wells in 2009, could become commercial on a tie-back basis. The re-evaluation of these discoveries will be undertaken when the results of drilling in the M-10 licence are known.

Gabon exploratory and development activities 2011: In the Etame Marin Permit, the rig programme that started in 2010 was completed. The two development wells (ET-7H and ETBSM-2H) drilled are now producing. Two exploration side-track wells (which are not included in the table above) were drilled on South-East Etame discovery, one encountered hydrocarbons but the other was dry. An exploration well (ETOMG-1) drilled to test the Omangou prospect was also dry. Other activities undertaken include the completion of concept selection studies for the Etame Expansion Project and the installation of subsea conductor guides in preparation for additional wells in the Avouma and Ebouri fields.

Canada exploratory and development activities 2011: A number of wells were drilled in the year but all were completed before our participation became effective (and are therefore not included in the table above). At 20 June 2011, 10 rigs and one hydraulic fracturing crew were active.

Other areas exploratory and development activities 2011: In Papua New Guinea, an exploration well (Awapa-1) was drilled in the PPL-285 licence. The well was dry and has been plugged and abandoned. Also in Papua New Guinea, a 2D seismic survey was acquired, over PPL-285 (227 km), PPL-286 (70 km) and PPL-288 (75 km).

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In Australia, an exploration well (La Rocca-1) was drilled in the WA-388P licence. The well was dry and has been plugged and abandoned. In the Australia ACP-52 licence a 3D seismic survey (517 km^2) was acquired.

In Nigeria, technical studies have been undertaken which will lead to a recommendation to drill two exploration commitment wells in the OPL-214 licence. In the OML-140 licence, pre-front end engineering and design (FEED) studies continue for the BSWAp field development project.

In South Africa, a prospectivity review of the Block 3A/4A licence is being undertaken.

Capitalised exploratory well costs: The table below summarises the capitalised exploratory well costs, providing the amount of costs that are capitalised pending the determination of proved reserves at the beginning and at the end of the year.

	Mozambique	Gabon	Canada	Other areas	Total
			(Rand in millions)		
Balance at 30 June 2010					
Capitalised exploratory wells costs pending the determination of proved reserves	1 027,1	15,9		331,2	1 374,2
Additions of capitalised exploratory wells costs	114,2	31,3		1,5	147,0
Capitalised exploratory well costs reclassified to wells, equipment and facilities in the year					
Capitalised exploratory well costs charged to expense in the year				(8,9)	(8,9)
Translation		(2,9)		(38,9)	(41,8)
Balance at 30 June 2011					
Capitalised exploratory wells costs pending the determination of proved reserves	**1 141,3**	**44,3**		**284,9**	**1 470,5**

Mozambique capitalised exploratory well costs: In the Pande-Temane PSA licence R650,2 million exploratory well costs continue to be capitalised for a period greater than one year after the completion of drilling. This amount mainly relates to the exploration drilling conducted and completed in 2008 and the declaration of discovery areas. Appraisal drilling activities commenced in 2009, continued in 2011 with the drilling of an appraisal well (Inhassoro 9-z) and in 2012, will entail an extended well test. The results of the appraisal programme will determine the possible liquids and gas developments in the Pande-Temane PSA licence.

In Blocks 16 & 19, R421,5 million exploratory well costs continue to be capitalised for a period greater than one year after the completion of drilling. This amount relates to the exploration drilling conducted and completed in 2009 on two offshore exploration wells (Njika-1 and Njika-2) and the declaration of a discovery area. Activities continue to determine if the discovery could be commercial on a tie-back basis to a development in the adjacent M-10 or Sofala licences.

Gabon capitalised exploratory well costs: In the Etame Marin Permit, the exploratory well costs that continue to be capitalised relate to the exploration well (ETSEM-1) that resulted in a discovery in June 2010. Since then, geological and reservoir evaluations have been conducted in order to determine the oil-in-place and potential recoverable volumes in the structure. Studies are currently underway with a view to determining potential field development concepts and the commercial viability of such concepts. Future work required to mature these contingent resources into proved reserves include studies to determine the optimum development concept, together with production, cost and schedule profiles and economic analysis to determine the commercial viability of a field development.

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Other capitalised exploratory well costs: In Nigeria , and the Nigeria/São Tomé e Príncipe Joint Development Zone the exploratory well costs that continue to be capitalised relate to the OML-140 licence, the OPL-214 licence and the JDZ Block 1 licence.

For the OML-140 licence, costs continue to be capitalised pending the completion of pre-FEED studies on the BSWAp development concept and the assessment of the recoverable volumes from a potential Nsiko field development, following the completion of feasibility studies.

For the OPL-214 licence, costs continue to be capitalised pending the assessment of the recoverable volumes from a potential Uge field development, following the completion of feasibility studies.

For the JDZ Block 1 licence, the costs that continue to be capitalised relate to the Obo discovery which is to be appraised with a two well drilling programme scheduled for 2012. The treatment of these costs will be determined on completion of the divestment of our interest to two of our partners.

Present activities

Wells being drilled and temporarily suspended wells: The table below summarises the gross number of natural oil and gas wells being drilled or that are temporarily suspended at 30 June 2011.

	Mozambique	Gabon	Canada	Other areas	Total
			(number of wells)		
Wells being drilled			10		10
Suspended wells	18				18

Mozambique present activities: In the Pande-Temane asset, planning is underway to hook-up the two wells that were worked over in 2011, to the flow and trunk lines that will transport production to the central processing facilities, with completion of the work scheduled in 2012. Hook-up of the water disposal well to the central processing facilities is also scheduled in 2012. Work on the compressors at the central processing facilities is being undertaken to lower the inlet pressure. Additionally, work continues on the project to increase the throughput capacity of the central processing facilities to 183 petajoules per annum (PJ/a).

In the Pande-Temane PSA licence, a programme is underway to appraise the two discovery areas (Pande/Corvo/Tafula and Temane/Temane East/Inhassoro) and the viability of a liquids development is being determined.

In the Blocks 16 & 19 licence, re-interpretation work of the 3D seismic data is underway and a reservoir engineering study is being undertaken on the Njika discovery. The results of this work will assist in reservoir quality predictions and assess how productivity could be improved. In the M-10 licence, planning activities, including site surveys, have commenced for drilling one exploration well. In the Sofala and Area A licences, processing work on the data obtained from the airborne gravity and magnetic surveys is being undertaken. In Area A, an environmental impact assessment is being conducted.

Gabon present activities: In the Etame Marin Permit, asset surface facilities equipment is being constructed to enable the drilling and completion of future wells in the Avouma and Ebouri fields, and the design of the new wells, scheduled to be drilled in 2012, is being undertaken. Feasibility studies to expand the production facilities in the Etame field have commenced with project sanction scheduled for early in 2012. Additionally, a produced water system for the Avouma platform is being engineered.

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Canada present activities: For the Farrell Creek assets, 10 rigs are active and 10 development wells are being drilled. Additionally, the processing of 3D seismic data is being undertaken. No drilling activity in the Cypress A assets is currently planned for the immediate future.

Other areas present activities: In Papua New Guinea, the interpretation of the seismic data, acquired in 2011, is being undertaken on the PPL-285, PPL-286 and PPL-287 licences.

In Australia, seismic reprocessing work and geological and geophysical study work is being undertaken for the WA-388P licence. In the ACP-52 licence, the interpretation of the seismic data, acquired in 2011, is being undertaken.

In Nigeria, preparatory work for drilling two exploration wells in the OPL-214 licence is under way and a plan for the development of the Uge discovery is being considered. In the OML-140 licence, pre-FEED studies continue for the BSWAp field development project.

In South Africa, an evaluation of the work on the Block 3A/4A licence undertaken by the operator is being conducted.

Delivery commitments

Mozambique assets production: All Pande-Temane PPA natural gas produced, other than royalty gas that is provided to the Mozambican government, is exported to South Africa and sold to Sasol Gas. Sasol Gas uses the gas for marketing in South Africa and as part of the feedstock for Sasol's chemical and synthetic fuel operations in Secunda and Sasolburg. 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 Maputo. The Pande-Temane natural gas condensate is currently sold locally at the central production facilities. The buyer trucks the condensate to Beira, Mozambique, for export via the port of Beira to offshore markets.

Gabon assets production: Oil production from Etame Marin Permit operations is sold internationally on the open market. An annual sales contract is typically entered into for the sale of the Etame Marin Permit oil based on a competitive bidding process with sales prices linked to international oil prices. The current Sale and Purchase Agreement, for 2011, required all production from Etame Marin Permit to be delivered to the buyer.

Canada assets production: Shale gas from the Farrell Creek and the Cypress A assets is sold by the Talisman Sasol Montney Partnership under a long-term marketing agreement which is currently valid until 2024. Production of shale gas is sufficient to meet obligations. Gas egress capacity is obtained via existing pipeline infrastructure, under the provisions of medium- to long-term gas transmission contracts. The partnership has the ability to assume, and will remain liable for, gas transmission contracts should the marketing agreement be terminated earlier than envisaged. The gas transportation market is highly liquid and availability of gas transmission capacity is not a concern, with the managing partner (Talisman) ensuring placement of additional gas transmission capacity in the open gas transmission market. The small quantities of condensate are sold under the same marketing agreement.

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Oil and gas properties, wells, operations and area

Productive wells and area: The table below provides details of the productive wells and area at 30 June 2011.

	Mozambique	Gabon	Canada	Other	Total
Productive oil wells (number)					
Gross		12			12
Net		3,3			3,3
Productive gas wells (number)					
Gross	22		29		51
Net	15,4		14,5		29,9
Developed area (km^2)					
Gross	1 745	116	90		1 951
Net	1 222	32	45		1 299
Undeveloped area (km^2)					
Gross	38 122	2 958	385	68 896	110 388
Net	30 219	821	193	23 497	54 730

Licence terms Mozambique: The Petroleum Production Agreement for the Pande-Temane PPA asset expires in 2034 and carries two possible five year extensions. There are no remaining licence obligations.

In the Pande-Temane PSA licence, there are two discovery areas (Pande/Corvo/Tafula and Temane/Temane East/Inhassoro) which are currently being appraised. The appraisal phase is scheduled to end in December 2012. The remaining exploration areas of the licence are in the process of being relinquished. The Block 16 & 19 licence is in the 3rd exploration period which expires in June 2013. There are no remaining commitments. The M-10 licence is in the 2nd exploration period which carries a one well commitment and is due to expire in January 2013. The 3rd exploration period, if entered, will expire in January 2015. The Sofala licence is in the 2nd exploration period which carries seismic and gravity survey commitments and is due to expire in January 2013. The Area A licence is in the 1st exploration period which carries seismic and gravity survey commitments and is due to expire in May 2014. The 2nd and 3rd exploration periods, if entered, will expire in May 2016 and May 2019, respectively.

Licence terms Gabon: The exploration area of the Gabon Etame Marin Permit expires in July 2014 and the Exclusive Exploitation Authorisations for Etame, Avouma and Ebouri expire in August 2011, March 2015 and June 2016, respectively. An extension to the Etame Exclusive Exploitation Authorisation has been applied for to July 2016 and an amendment to the Etame Production Sharing Agreement is being prepared.

Licence terms Canada: The Farrell Creek assets currently comprise 17 licences all with varying expiry dates from 2011 up until 2020. All of the licences that are due to expire in 2011 will be extended. Licence 57483 which is due to expire in December 2011 will be extended as there are sufficient drilling credits to validate a 10 year extension. Licence 60073 which is due to expire in November 2011 is licensed to drill and in the success case will be extended to November 2016. Licences 60075 and 60076, which are also due to expire in November 2011, will be grouped and validated with the drilling of a well and an application for the five year lease will be made prior to the expiry.

The Cypress A asset currently comprises 27 licences all with varying expiry dates from 2012 up until 2020. Licences will be extended as and when required.

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Licence terms other areas: The Papua New Guinea licences are all in the 2nd exploration term. A proposal to amend the terms of the PPL-287 licence, which expired in August 2011, was submitted in July 2011, we are awaiting a response. The 2nd terms of the PPL-285, PPL-286 and PPL-288 licences expire in October 2011 and studies are under way to determine our future plans.

The Australia WA-388P licence current Year 5 term ended in August 2011 with entry into the Year 6 term. The ACP-52 licence current Year 3 term ends in May 2012.

The Nigeria OPL-214 licence, for exploration, expires in June 2012. The OML-140 licence, for development and production expires in 2029.

Supplemental oil and gas information

Supplemental oil and gas information: See "Item 18 Financial Statements Supplemental Oil and Gas Information" relating to natural oil and gas producing activities.

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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 2011.

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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 2011, 2010 and 2009, and for the years ended 30 June 2011, 2010 and 2009, 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 chemicals company. We add value to coal, natural oil and gas reserves, using these feedstocks to produce liquid fuels, fuel components and chemicals through our proprietary processes. We mine coal in South Africa and produce natural gas and condensate in Mozambique, oil in Gabon and shale gas in Canada. We continue to advance our upstream oil and gas activities in West and Southern Africa, the Asia Pacific region and Canada. In South Africa, we refine imported crude oil and retail liquid fuels through our network of 406 Sasol and Exel service stations, which include five Sasol branded integrated energy centres, and supply gas to industrial customers. We also supply fuel to other licensed wholesalers in the region.

We have chemical manufacturing and marketing operations in South Africa, Europe, the Middle East, Asia and the Americas.

Through Sasol Synfuels International (SSI), we are focused on commercialising our coal-to-liquids (CTL) and gas-to-liquids (GTL) technology internationally. Our first international GTL plant, Oryx GTL, was brought into operation in 2007 in response to the growing international interest in our GTL offering and we expect the second GTL plant, Escravos GTL, currently under construction in Nigeria, to come into operation in 2013. We are promoting our CTL technology in and India, and GTL technology in Uzbekistan and North America.

We employ approximately 33 700 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.

While 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 and North Africa.

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 30 September in the 2011 calendar year:

	US dollars per barrel (US$/b)		
Financial year	**Average[1]**	**High**	**Low**
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	74,37	88,09	58,25
2011 (through 30 June)	96,48	126,64	70,61
July 2011	116,97	118,99	109,82
August 2011	110,22	116,48	103,06
September 2011	112,88	117,99	105,25

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 30 September 2011, the price of European Brent crude oil was US$105,25/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 from time to time, 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 2009, we hedged the equivalent of approximately 30% of Sasol Synfuels' production (45 000 barrels per day (bpd)). A zero cost collar hedge was entered into in August 2008 in terms of which the

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group was protected at crude oil prices below US$90/barrel (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 b) 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.

While we believe that this hedging strategy has been appropriate in the past, there are other risk mitigation measures, such as cost containment, cash conservation and capital prioritisation, which need to be considered in conjunction with this strategy. In 2010, we did not hedge as in the past, as we did not consider there to have been value in the zero cost collars available in the market at that time.

In March 2011, we entered into a zero cost collar for 4,56 million barrels of oil, equivalent to approximately 30% of our planned Sasol Synfuels' production and Sasol Petroleum International's West African output for the final quarter of 2011. In terms of the hedge, the group was protected at crude oil prices below US$85,00/b, and benefited from crude oil prices up to US$172,77/b. As a result of the volatility in crude oil prices during the period in which the oil hedge was in effect, the settlement of the oil hedges in June 2011 had no cash flow impact for the year ended 30 June 2011 as the crude oil price remained within the zero cost collar range for the duration of the oil hedge. This situation is monitored regularly to assess when a suitable time might be to enter into an appropriate hedge again in the future. Refer to "Item 11. Quantitative and qualitative disclosure about market risk".

In 2012, 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 R612 million. This estimate is applicable for a US$108/b crude oil price and an average rand/US dollar exchange rate of R7,15. It should be noted that in the current volatile environment, 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 euros, 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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Source: Thomson Reuters

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. In 2008, the rand weakened slightly against the US dollar and in 2009, the rand further weakened by 24% 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. In 2011, the rand furthetr strengthened by 8% against the US dollar, with the average rate for the year being R7,01 per US dollar. The further strengthening of the rand had a negative impact on our operating results in 2011. 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 and 2011, 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 30 September 2011, the rand/US dollar exchange rate was R8,10.

The average exchange rate for the year has a significant effect on our turnover and our operating profit. In 2012, 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 R946 million, as applicable. This estimate is applicable for a US$108/b crude oil price and an average rand/US dollar exchange rate of R7,15. It should be noted that in the current volatile environment, 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 intervention levels to specifically assess large forward

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cover amounts which have the potential to materially affect Sasol's financial position. These intervention levels are reviewed from time to time. We apply the following principal policies in order to 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 immediately 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 immediately 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.

The recovery of global economic conditions in 2011 and the increase in crude oil prices positively affected overall worldwide chemical product prices. On average, in 2011 we experienced a 13% and 36% increase in polymer and solvent prices, respectively, and a 33% increase in ammonia product prices, compared to 2010.

Although peaks in these cycles 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. 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 internal markets are based on contracts and are subject to periodic price adjustments. Transfer price negotiations are conducted at arm's length and market related.

Approximately 7,77% of coal production is sold to external markets (2,8 million tons (Mt) was sold to the export market in 2011 (2010 3,0 Mt) predominantly in Europe and Asia and 0,1 Mt was sold to the South African market in 2011 (2010 0,1 Mt)). External sales to these markets represented approximately 22,50% of the total turnover generated by Sasol Mining during 2011 (2010 21,68%).

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 price basis.

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The average free on board Richards Bay price index for the past seven financial years:

Source: Argus/McCloskey's Coal Price Index Report

Inflation

While over recent years, inflation and interest rates have been at relatively low levels, the economy of South Africa, though currently well managed has had high inflation and interest rates compared to the US 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. We expect 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 the 2011 calendar year:

Calendar year	CPI	PPI
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)%
2010	4,3%	6,0%
January 2011	3,7%	5,5%
February 2011	3,7%	6,7%
March 2011	4,1%	7,3%
April 2011	4,2%	6,6%
May 2011	4,6%	6,9%
June 2011	5,0%	7,4%
July 2011	5,3%	8,9%
August 2011	5,3%	9,6%

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; 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 Ixia 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.

On 11 October 2007, Sasol Mining announced the implementation of the second phase of its BEE strategy. In a transaction valued at approximately R1,8 billion, a black-women controlled mining company called Ixia Coal (Pty) Ltd (Ixia Coal) acquired 20% of Sasol Mining's shareholding through the issue of new shares. The transaction increased Sasol Mining's BEE ownership component by 20%, and when

considered together with the Sasol Inzalo share transaction, to an estimated 34% (calculated on a direct equity basis). The transaction was financed through equity (R47 million) and a combination of third party funding and appropriate Sasol facilitation. Ixia Coal contributed its share of the financing for the transaction. The implementation of the transaction was conditional upon, *inter alia*, the conversion of the old order mining rights to new order rights and the South African Competition Commission approval. The conversion of the rights was approved by the Department of Mineral

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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 10 years. Sasol Mining has the exclusive right to apply and be granted renewal of the converted mining rights for an additional period not exceeding 30 years. 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 Ixia Coal transaction on 1 September 2010. The effective date of the Ixia Coal transaction was 29 September 2010, when the remaining conditions precedent were met.

The members of Ixia Coal, through a funding company (Ixia Coal Funding (Pty) Ltd), which is consolidated as part of the Sasol group, subscribed for a 20% share in Sasol Mining for a purchase consideration of R1,8 billion. The black-women members of Ixia Coal, through WipCoal (Pty) Ltd (WipCoal), and Sasol Mining Holdings (Pty) Ltd, a wholly-owned subsidiary of Sasol Limited, contributed, in cash, equity of R47 million, in their respective shareholdings of 51% and 49%. The balance of the contribution was funded through preference share debt, including preference shares subscribed for by Sasol, issued by the funding company. Over time, the preference shares will be redeemed with the proceeds of dividends distributed by Sasol Mining.

The parties are entitled to receive dividends on their shareholding in Sasol Mining in proportion to their effective interest in Sasol Mining's issued share capital, subject to the financing requirements of the preference share debt. As a result of the transaction, WipCoal now owns 10,2% of the equity in Sasol Mining.

Preference shares

The preference share funding comprises A preference shares, which are issued to an external financier and B preference shares, which are issued to Sasol. The A preference shares are secured by the preference shares held by Sasol Mining Holdings (Pty) Ltd. In certain limited default circumstances, which include Ixia Coal being in default on the repayment of the preference shares, the external financier may require Sasol to purchase some or all of the outstanding preference shares under a call option (the preference share call option) or, alternatively, to subscribe for new preference shares issued by Ixia Coal Funding to enable Ixia Coal to redeem the preference shares held by the external financier. The B preference shares are not redeemable until the A preference shares have been fully redeemed.

The preference shares are accounted for in the statement of financial position as debt and should the preference share call option be exercised, Sasol will be required to raise the necessary funding in order to either exercise the preference share call option or, alternatively, honour the call under the preference share call option.

Accounting for transaction

At 30 June 2011, the transaction has been accounted for as follows:

The funding vehicle, Ixia Coal Funding, created to facilitate the transaction has been consolidated into the Sasol group results from the effective date of the transaction.

Ixia Coal, in which Sasol Mining Holdings has a 49% interest, has been accounted for as a joint venture investment and accordingly has been proportionately consolidated into the Sasol group results from the effective date of the transaction.

An amount of R565 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 transaction. Of the amount in the share-based payment reserve, R116 million has been allocated to the non-controlling interest on acquisition.

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The total value of the preference shares recognised in the statement of financial position at 30 June 2011 amounts to R707 million, including finance charges and after repayments of debt, issued to financial institutions related to the Ixia Coal transaction. All other preference shares issued as part of the Ixia Coal transaction have been eliminated on consolidation.

A total non-controlling interest of R149 million related to the 10,2% investment that Ixia Coal has in Sasol Mining has been recognised in the statement of changes in equity.

Based on the weighted average number of shares issued at 30 June 2011, the share-based payment expense for 2011 resulted in a decrease in Sasol Limited's earnings per share of R0,94.

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) Ltd (Tshwarisano). Tshwarisano acquired a 25% shareholding in Sasol Oil (Pty) Ltd 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) be 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

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10 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 management 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 an issue price of R366,00 per share, with 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 10 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 an issue price of R366,00 per share, with a 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 10 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 at an issue price of R366,00 per share. 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 2011, 1,1 million (2010 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 10 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 2011, 56 447 (2010 56 452) 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 10 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 could not be traded for the first two years of the transaction term of 10 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. In February 2011, Sasol Limited listed the Sasol BEE ordinary shares on the BEE segment of the JSE Limited's main board. This trading facility provides many Sasol Inzalo shareholders access to a regulated market in line with Sasol's commitment to broad-based shareholder development. At the end of the transaction term, the Sasol BEE ordinary shares will automatically be Sasol ordinary shares. At 30 June 2011, 17 395 (2010 17 405) 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 for the A preference shares, the Sasol ordinary share price falls below approximately R180 per share and R184 per share in respect of the black public and selected participants, respectively. The minimum share cover ratio will be breached when for the B preference shares, the Sasol ordinary share price falls below approximately R206 per share and R187 per share in respect of the black public and selected participants, respectively. The Sasol ordinary share price at 30 June 2011 was R355,98 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 net debt to earnings before interest, taxation, depreciation and amortisation (EBITDA) cover ratio equal to or less than 2,5 times. Our current net debt to EBITDA ratio is 0,0 times at 30 June 2011.

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

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necessary funding in order to either exercise the call option or, alternatively, honour the call under the guarantee.

Accounting for the transaction

At 30 June 2011, 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 R830 million (2010 R824 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 Trusts. The amount in respect of the Employee Trusts represents the current period's expense taking into account the vesting conditions of the rights granted over the tenure of the transaction and an assumed forfeiture rate. 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 R1 585 million at 30 June 2011 (2010 R2 285 million; 2009 R2 889 million). No additional shares were issued to the black public and selected participants during the year ended 30 June 2011. There is an amount of approximately R116 million still to be recognised in respect of the shares held in the Facilitation Trusts that are still available for issue.

The total value of the preference shares related to the Sasol Inzalo share transaction, recognised in the statement of financial position at 30 June 2011 amounts to R7 178 million (2010 R6 960 million), including finance charges.

Based on the weighted average number of shares issued at 30 June 2011, the share-based payment expense for 2011 decreased the earnings per share by R1,38.

The total share-based payment expense relating to the Employee Trusts expected to be recognised in the 2012 financial year is estimated to be R448 million.

Competition from products originating from countries with low production costs

Certain of our chemical production facilities are located in developed countries, including the US 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 period preceding 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 have impacted some of our projects and have adversely affected project construction timing schedules and costs. Furthermore, engineering, procurement and construction costs on capital projects appear to have bottomed out globally. We continue to strive to achieve "best in class" capital project performance as measured and benchmarked by Independent Project Analysis (Inc). We have launched a Capital Excellence initiative with the specific aim of improving our capital project performance on the short-term to better than industry average. Costs are forecast to increase beginning from the 2012 calendar year depending on the region and market dynamics and we could experience a material adverse effect on our business, operating results, cash flows and financial condition.

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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.

Each employee is limited to holding a maximum of 1 million options to acquire Sasol Limited shares.

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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 a share-based payment expense for the years indicated:

	2011	2010	2009
Share-based payment expense (Rand in millions)	**33**	56	91

The unrecognised share-based payment expense related to non-vested share options, expected to be recognised over a weighted average period of 0,6 years, amounted to R17 million at 30 June 2011 (2010 R49 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.

Share-based payment expense recognised	**2011**	**2010**	**2009**
	(Rand in millions)		
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[(1)]	**830**	824	767
The Sasol Inzalo Foundation[(2)]			
Selected participants			
Black public invitations			2 435
	830	824	3 202

(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 2,95 years amounted to R1 585 million at 30 June 2011 (2010 R2 285 million and 2009 R2 889 million).

(2) No share-based payment expense is recognised for The Sasol Inzalo Foundation.

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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 2011	Selected participants 2011	Black Public Invitation Funded 2011	Black Public Invitation Cash 2011
Valuation model		Monte Carlo model	Black-Scholes model	Black-Scholes model	*
Exercise price	Rand	366,00	*	*	
Risk free interest rate	(%)	11,8	*	*	
Expected volatility	(%)	25,7	*	*	
Expected dividend yield	(%)	2,67-4,5	*	*	
Vesting period		6 to 7 years**	*	*	

		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**	*	*	

		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	

* 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.

*** 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.

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 replaced the Sasol Share Incentive Scheme. The objectives of the scheme remain similar to that

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of the Sasol Share Incentive Scheme. The Sasol 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, who participate in the Sasol Medium-term Incentive Scheme, receive only share appreciation rights that contain corporate performance targets. 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 employee has a period of 12 months to exercise these rights.

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:

	2011	**2010**	**2009**
Share-based payment expense (Rand in millions)	**332**	51	32
Average fair value of rights issued during year (Rand)	**121,63**	75,20	110,17

The total unrecognised share-based payment expense related to non-vested share appreciation rights, expected to be recognised over a weighted average period of 1,4 years, amounted to R318 million at 30 June 2011 (2010 R327 million and 2009 R502 million).

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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:

		2011	2010	2009
Risk free interest rate at date of valuation	%	**7,56-8,15**	7,87-8,22	8,79-8,86
Expected volatility	%	**25,58**	28,69	54,32
Expected dividend yield	%	**3,22**	3,35	3,37
Expected forfeiture rate	%	**5,00**	5,00	5,00
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 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 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 rights 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 vesting period of these rights are the same as the share appreciation rights with no corporate 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 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

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of twelve months to exercise these rights. On retirement the appreciation rights vest immediately and the employee has a period of 12 months to exercise these rights.

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:

	2011	2010
Share-based payment expense (Rand in millions)	**163**	6
Average fair value of rights issued during year (Rand)	**127,28**	68,47

The total 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 1,8 years, amounted to R613 million at 30 June 2011 (2010 R25 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:

		2011	2010
Risk free interest rate at date of valuation	%	**7,56-8,15**	7,87-8,22
Expected volatility	%	**25,58**	28,69
Expected dividend yield	%	**3,22**	3,35
Expected forfeiture rate	%	**5,00**	5,00
Vesting period	years	**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.

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 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.

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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. Payment on MTIs forfeited will therefore not be required. On death, the MTIs vest immediately and the amount to be paid out to the deceased estate is calculated to the extent that the corporate performance targets are anticipated to be met. On retirement and retrenchment the MTIs vest immediately and the amount to be paid out to the deceased estate is calculated to the extent that the corporate performance targets are anticipated to be met and is paid within forty days from the date of termination.

We recognised share-based payment expense for the year indicated:

	2011	**2010**
Share-based payment expense (Rand in millions)	**148**	6
Average fair value of rights issued during year (Rand)	**380,18**	202,57

The total unrecognised share-based payment expense related to non-vested MTIs, expected to be recognised over a weighted average period of 1,2 years, amounted to R503 million at 30 June 2011 (2010 R20 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 2011 that were used for right grants are as follows:

		2011	**2010**
Risk free interest rate at date of valuation	%	**7,56-8,15**	7,87-8,22
Expected volatility	%	**25,58**	28,69
Expected dividend yield	%	**3,22**	3,35
Expected forfeiture rate	%	**5,00**	5,00
Vesting period	years	**3**	3

The risk free interest rate for periods within the contractual term of the rights is based on South African government bonds in effect at each reporting date and 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 share-based payment expenses requires a significant degree of judgement to be applied by management.

Estimation of natural oil and gas reserves

The estimation of natural 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 2011 and to Table 5, "Standardised measure of discounted future net cash flows", on page G-7 for our standardised discounted future net cash flow information in respect of proved reserves for the year ended 30 June 2011, which were based on year end prices at the time.

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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 2011, the estimates of the Gabon reserves were increased to reflect the positive performance of some wells, notably ET-4H. Two new wells in Gabon were brought on line in the second half of 2011 and have resulted in an increase in the estimates for both proved reserves and proved developed reserves. These upward adjustments were partially offset by the Etame field's downward adjustments of estimated reserves due to the expiration of the Etame Exclusive Exploitation Authorisation licence in July 2011. The licence has subsequently been extended for a further five years, on revised terms. There were no material revisions to our Mozambican field. 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.

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;

5% interest in the OPL214 licence in deepwater Nigeria;

51% interest in PPL285, PPL286, PPL287 and PPL288 in Papua New Guinea;

18% interest in the Oilex operated WA-388 licence in the Carnarvon Basin in Papua New Guinea;

45% interest in Block AC/P 52, in the Browse Basin of the North West Shelf in Australia;

90% interest in Area "A" Exploration and Production Concession Contract (EPCC) onshore Mozambique;

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100% interest in the Production Sharing Area (PSA) Pande and Temane onshore Mozambique;

70% interest in the Petroleum Production Area (PPA) Pande and Temane onshore Mozambique;

50% interest in Blocks 16 and 19 EPCC offshore Mozambique;

42,5% interest in the M-10 Block EPCC offshore Mozambique;

85% interest in the Sofala Block EPCC offshore Mozambique;

27,75% interest in the Etame Marin Permit offshore Gabon;

50% interest in the Farrell Creek shale gas exploration and development assets in the Montney shale basin in Northwest Canada; and

50% interest in the Cypress A shale gas exploration and development assets in the Montney shale basin in Northwest Canada.

With the exception of the PPA licence in Mozambique, the Etame Marin Permit in Gabon and the Farrell Creek and Cypress A shale gas assets in Canada, none of these assets currently hold any reportable reserves. Development plans will be submitted once exploration activities have been completed and discoveries declared 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".

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 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;

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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 2011, 2010 and 2009.

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 2011 and 2010, was:

	2011	**2010**
	%	**%**
South Africa	**12,95**	13,25
Europe	**8,0 to 8,7**	7,75
United States	**8,0**	7,75

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 removal. Future asset removal costs are also influenced by changing removal technologies, political, environmental, safety, business relations and statutory considerations.

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The group's environmental rehabilitation and decommissioning obligations accrued at 30 June 2011 were R6 900 million compared to R6 109 million in 2010.

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:

	2011	**2010**	**2009**
	%	**%**	**%**
South Africa	**6,0 to 8,5**	6,6 to 8,4	7,4 to 8,9
Europe	**1,9 to 4,1**	1,0 to 3,8	1,2 to 4,2
United States	**0,4 to 4,1**	0,6 to 4,5	0,8 to 4,2
Canada	**1,2 to 4,1**		

An increase in the discount rate by one percentage point would result in a decrease in the long-term obligations recognised of approximately R1 076 million and a decrease of one percentage point would result in an increase of approximately R1 348 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 20 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 R620 million to R3 441 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 R113 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 R265 million as at 31 March 2011 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 quoted market prices of identical instruments, where available. If quoted 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% (2010 10%) of dividends distributed. STC will be replaced by a dividend withholding tax at the rate of 10% with effect from 1 April 2012. Currently, the company is liable to pay the STC arising on dividends distributed to shareholders. 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. The change to the dividend withholding tax will result in the shareholders being liable for this tax.

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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	**2011**	**2010**
	(Rand in millions)	
Net deferred tax liability as reported	**11 171**	9 307
Increase in the deferred tax liability	**11 017**	10 089
Net deferred tax liability based on the tax rate applicable to distributed earnings	**22 188**	19 396
Shareholders' equity as reported	**107 649**	94 730
Decrease in shareholders' equity	**(11 017)**	(10 089)
Shareholders' equity after the effect of providing for deferred tax using the tax rate applicable to distributed earnings	**96 632**	84 641

Income statement	**2011**	**2010**	**2009**
		(Rand in millions)	
Income tax as reported	**(9 196)**	(6 985)	(10 480)
Increase in income tax	**(928)**	(884)	(533)
Income tax after providing for deferred tax at the rate applicable to distributed earnings	**(10 124)**	(7 869)	(11 013)
Earnings attributable to shareholders as reported	**19 794**	15 941	13 648
Decrease in earnings attributable to shareholders	**(928)**	(884)	(533)
Earnings attributable to shareholders after providing for deferred tax at the rate applicable to distributed earnings	**18 866**	15 057	13 115

We expect that R1 885 million of undistributed earnings 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 2011, 2010 and 2009 below are stated in accordance with IFRS as issued by the IASB.

Results of operations

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover	**142 436**	122 256	20 180	17	137 836	(15 580)	(11)
Cost of sales and services rendered	**(90 467)**	(79 183)	(11 284)	14	(88 508)	9 325	(11)
Gross profit	**51 969**	43 073	8 896	21	49 328	(6 255)	(13)
Other operating income	**1 088**	854	234	27	1 021	(167)	(16)
Other operating expenditure	**(23 107)**	(19 990)	(3 117)	16	(25 683)	5 693	(22)
Operating profit	**29 950**	23 937	6 013	25	24 666	(729)	(3)
Net other expenses	**(534)**	(565)	31	(5)	(471)	(94)	20
Profit before tax	**29 416**	23 372	6 044	26	24 195	(823)	(3)
Taxation	**(9 196)**	(6 985)	(2 211)	32	(10 480)	3 495	(33)
Profit	**20 220**	16 387	3 833	23	13 715	2 672	19
Attributable to							
Shareholders	**19 794**	15 941	3 853	24	13 648	2 293	17
Non-controlling interests in subsidiaries	**426**	446	(20)	(4)	67	379	566
	20 220	16 387	3 833	23	13 715	2 672	19

Overview

The effect of higher average crude oil prices (dated Brent US$96,48/b for 2011 compared with US$74,37/b for 2010 and US$68,14/b in 2009) 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 were 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 2011 (average rate R7,01 per US dollar for 2011 compared with R7,59 per US dollar for 2010 and R9,04 per US dollar for 2009).

In addition, operating profit in 2011 was negatively impacted by once-off charges totalling R1 103 million (2010 R46 million credit). The once-off charges in 2011 included competition related administrative penalties of R112 million, the share-based payment expense of R565 million resulting from the Ixia Coal transaction and remeasurement items of R426 million (2010 R46 million credit). The current period also includes a Sasol Inzalo share-based payment expense of R830 million compared with R824 million in the prior year.

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Turnover

Turnover consists of the following categories:

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Sale of products	**141 018**	120 820	20 198	17	136 482	(15 662)	(11)
Services rendered	**867**	889	(22)	(2)	777	112	14
Commission and marketing income	**551**	547	4	1	577	(30)	(5)
Turnover	**142 436**	122 256	20 180	17	137 836	(15 580)	(11)

The primary factors contributing to these increases/(decreases) were:

	Change 2011/2010 (Rand in millions)	%	Change 2010/2009 (Rand in millions)	%
Turnover, 2010 and 2009, respectively	**122 256**		137 836	
Exchange rate effects	**(6 206)**	(5)	(11 493)	(8)
Product prices	**22 630**	19	(8 573)	(6)
crude oil	***3 101***	3	*480*	
other products (including chemicals)	***19 529***	16	*(9 053)*	(6)
Net volume increases	**3 639**	3	4 510	3
Other effects	**117**		(24)	
Turnover, 2011 and 2010, respectively	**142 436**		122 256	

Cost of sales and services rendered

Cost of sales of products. The cost of sales in 2011 amounted to R90 088 million, an increase of R11 202 million, or 14%, compared with R78 886 million in 2010 which decreased by 10% from R87 995 million in 2009. The increase in 2011 compared with 2010 was mainly due to the increase in feedstock prices resulting from higher average crude oil prices. Included in cost of sales in 2011 is an amount of R112 million (2010 R118 million and 2009 R965 million) in respect of the write-down of inventories to net realisable value. The decrease in 2010 compared with 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 inflation levels. Compared to turnover from the sale of products, cost of sales of products was 64% in 2011, 65% in 2010 and 64% in 2009.

Other operating income

Other operating income in 2011 amounted to R1 088 million, which represents an increase of R234 million, or 27%, compared with R854 million in 2010, which decreased by R167 million compared with R1 021 million in 2009. Included in other operating income for the 2011 year is a gain on hedging activities realised by Sasol Financing on foreign exchange contracts of R276 million (2010 R218 million and 2009 R187 million), insurance proceeds of R46 million (2010 R25 million and 2009 R111 million) and R79 million (2010 R143 million and 2009 R182 million) in respect of deferred income received related to emission rights.

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Other operating expenditure

Other operating expenditure consists of the following categories:

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Translation losses	**(1 016)**	(1 007)	(9)	1	(166)	(841)	507
Marketing and distribution expenditure	**(6 796)**	(6 496)	(300)	5	(7 583)	1 087	(14)
Administrative expenditure	**(9 887)**	(9 451)	(436)	5	(10 063)	612	(6)
Other expenses	**(5 408)**	(3 036)	(2 372)	78	(7 871)	4 835	(61)
Other operating expenditure	**(23 107)**	(19 990)	(3 117)	16	(25 683)	5 693	(22)

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. Translation losses arising primarily from the translation of monetary assets and liabilities amounted to R1 016 million in 2011. The loss recognised is due to the strengthening of the rand/US dollar exchange rate towards the end of the year closing at R6,77 at 30 June 2011, compared with the closing rate at 30 June 2010 of R7,67 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 2011. The strengthening of the rand has a positive impact on the translation of our monetary liabilities, while the weakening of the rand has a negative impact the translation of our monetary assets. In 2010, foreign exchange losses of R1 007 million were recognised 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. A net foreign exchange loss of R166 million was recognised in 2009.

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 2011 amounted to R6 796 million, R6 496 million in 2010 and R7 583 million in 2009. Compared to sales of products, marketing and distribution costs represented 5% in 2011 compared with 5% in 2010 and 6% in 2009. The variation in these costs has been contained to inflation 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 2011 amounted to R9 887 million, an increase of R436 million, or 5%, compared with R9 451 million in 2010 which decreased by 6% from R10 063 million in 2009. The increase in 2011 is mainly related to higher labour 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 our Canadian shale gas operations. These increases were partially offset by the reduction of costs in line with the group's cost containment initiative to contain costs to within inflation levels. The decrease in 2010 was mainly due 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 inflation levels.

Other expenses. Other expenses in 2011 amounted to R5 408 million, an increase of R2 372 million, compared to R3 036 million in 2010 which decreased by R4 835 million from R7 871 million in 2009. This amount includes impairments of R190 million (2010 R110 million and 2009 R458 million), reversal of impairments of R535 million (2010 R365 million and 2009 Nil), scrapping of assets of R359 million (2010 R156 million and 2009 R234 million), the write off of

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unsuccessful exploration wells of R441 million (2010 R58 million and 2009 R16 million) and net profit on the disposal of property, plant and equipment and other intangible assets of R14 million (2009 R3 million and 2009 R9 million). Other expenses also includes the effects of our crude oil hedging activities amounting to a net gain of R118 million (2010 a loss of R87 million and 2009 a gain of R4 603 million), share-based payment expenses of R2 071 million (2009 R943 million and 2009 R3 325 million) and a profit of R15 million (2010 profit of R2 million and 2009 loss of R770 million) which was realised on the disposal of businesses. Further, impairments of R293 million (2010 R138 million and 2009 R198 million) were raised in respect of trade receivables during the year resulting from the impairment of a specific debtor in 2011. In addition, other expenses also included R112 million in respect of competition related administrative penalties (2010 Nil and 2009 R3 947 million). 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:

	2011	2010	2009
	(Rand in millions)		
South African Energy Cluster			
Sasol Mining	**3**	*1*	*3*
scrapping of assets	***5***	*5*	*5*
profit on disposal of property, plant and equipment	***(2)***	*(4)*	*(2)*
Sasol Gas	**6**		*4*
scrapping of assets	***6***		*4*
Sasol Synfuels	**197**	*58*	*137*
scrapping of assets	***197***	*59*	*138*
profit on disposal of property, plant and equipment		*(1)*	*(1)*
Sasol Oil	**17**	*10*	*(3)*
impairments	***7***		
scrapping of assets	***25***	*15*	*3*
profit on disposal of property, plant and equipment	***(15)***	*(5)*	*(6)*
International Energy Cluster			
Synfuels International	**126**	*4*	*777*
impairments	***123***		
scrapping of assets	***3***		*5*
loss on disposal of property, plant and equipment		*4*	*1*
loss on disposal of business (EGTL)			*771*
Petroleum International	**442**	*108*	*17*
loss on disposal of property, plant and equipment			*1*
impairments	***1***	*50*	
write off of unsuccessful exploration wells	***441***	*58*	*16*

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	2011	2010	2009
	(Rand in millions)		
Chemical Cluster			
Sasol Polymers	**46**	*14*	*(1)*
impairments	***5***	*5*	
scrapping of assets	***42***	*6*	*4*
(profit)/loss on disposal of property, plant and equipment	***(1)***	*3*	*(5)*
Sasol Solvents	**63**	*58*	*158*
impairments	***38***	*14*	*96*
reversal of impairment of property, plant and equipment	***(15)***		
scrapping of assets	***32***	*44*	*62*
loss on disposal of property, plant and equipment	***8***		
Sasol Olefins & Surfactants	**(500)**	*(344)*	*106*
impairments	***6***	*8*	*102*
reversal of impairments	***(520)***	*(365)*	
scrapping of assets	***4***	*2*	*1*
loss on disposal of property, plant and equipment	***13***	*6*	*3*
(profit)/loss on disposal of business	***(3)***	*5*	
Other Chemicals	**(11)**	*21*	*247*
impairments	***6***	*13*	*237*
scrapping of assets	***10***	*17*	*5*
(profit)/loss on disposal of property, plant and equipment	***(15)***	*(3)*	*2*
loss on disposal of intangible assets		*1*	*2*
(profit)/loss on disposal of associate	***(6)***	*(7)*	*1*
profit on disposal of businesses	***(6)***		
Other businesses	**37**	*24*	*24*
impairments	***4***	*20*	*23*
scrapping of assets	***35***	*8*	*7*
profit on disposal of business and equipment			*(6)*
profit on disposal of property, plant and equipment	***(2)***	*(4)*	
Remeasurement items included in other operating expenses	**426**	*(46)*	*1 469*

(1) Remeasurement items include impairments, reversal of impairments, scrapping of assets and (profits)/losses on disposals of businesses, property, plant and equipment and other intangible assets.

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Operating profit

The main factors contributing to the increase in operating profit were:

	Change 2011/2010 (Rand in millions)	%	Change 2010/2009 (Rand in millions)	%
Operating profit, 2010 and 2009, respectively	**23 937**		24 666	
Exchange rate effects[1]	**(4 545)**	(19)	(10 457)	(42)
Net product and feedstock price increases[2]	**13 913**	58	1 578	6
crude oil effects	***6 965***	29	*2 674*	10
effect of the crude oil zero cost collar[3]			*(5 056)*	(20)
other products (including chemicals)	***6 948***	29	*3 960*	16
Inflation on other operating costs	**(2 285)**	(10)	(2 304)	(9)
Net volume and productivity effects[4]	**238**	1	1 854	7
Effects of remeasurement items[5]	**(472)**	(2)	1 515	6
Other effects[6]	**(836)**	(3)	7 085	29
Operating profit, 2011 and 2010, respectively	**29 950**		23 937	

(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) The crude oil zero cost collar had no impact on operating profit as the settlement of the oil hedges in June 2011, which had no cash flow impact, as the crude oil price remained within the zero cost collar range during the duration of the oil hedge. The group did not enter into any oil hedges in 2010.

(4) This arises primarily from the effects of plant volumes and productivity on cost of sales and services rendered.

(5) This arises primarily from the effects of remeasurement items refer to previous analysis.

(6) These primarily include the effects of the once-off share-based payment expense relating to the Ixia Coal transaction recognised in 2011 and the competition related administrative penalty paid in 2011. There were no competition related administrative penalties in 2010.

Net other (expenses)/income

Net other (expenses)/income consist of the following:

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Dividends received	**40**	31	9	29	27	4	15
Share of profit of associates (net of tax)	**292**	217	75	35	270	(53)	(20)
Interest received	**951**	1 301	(350)	(27)	1 763	(462)	(26)
Finance costs	**(1 817)**	(2 114)	297	14	(2 531)	417	16
interest incurred	**(1 860)**	(2 172)	312	14	(2 565)	393	15

interest capitalised	**43**	58	15	26	34	24	71
Net other expenses	**(534)**	(565)	31	5	(471)	(94)	(20)

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The share of profit of associates (net of tax) amounted to R292 million in 2011 compared with R217 million in 2010 and R270 million in 2009. The increase in 2011 is attributable to the increase in the share of associates profit earned during the year.

Interest received amounted to R951 million in 2011 compared with R1 301 million in 2010 and R1 763 million in 2009. The decrease in the interest received during 2011 and 2010 is attributable to the decrease in short-term interest bearing deposits included in cash and cash equivalents during the year as well as the decrease in interest rates. The group reflected a net decrease in short-term deposits for the year of R2 billion (2010 R3 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.

Interest incurred in 2011 amounted to R1 860 million, a decrease of 14% from 2010, of which R43 million was capitalised, compared with interest incurred of R2 172 million in 2010 and R2 565 million in 2009, of which R58 million and R34 million was capitalised for the respective years. The decrease in 2011 is mainly due to decreasing interest rates from 2010 to 2011 of approximately 100 basis points and the 4% decrease in net debt from 2010. Interest capitalised in 2011, 2010 and 2009 relates to interest on specific borrowings only. Included in interest incurred is an amount of R468 million in 2011, R373 million in 2010 and R374 million in 2009 related to notional interest (unwinding of discount) primarily in respect of environmental rehabilitation and decommissioning obligations.

Income tax

Income tax expense in 2011 amounted to R9 196 million, an increase of 32%, compared with R6 985 million in 2010 which decreased by 33% from R10 480 million in 2009.

The income statement charge consists of the following:

	2011	2010	2009
	(Rand in millions)		
Current tax			
South African normal tax	**5 235**	4 270	8 067
Secondary tax on companies (STC)	**771**	606	831
Foreign tax	**1 192**	726	515
Total current tax	**7 198**	5 602	9 413
Deferred tax			
South African	**1 491**	1 105	826
Foreign	**507**	278	241
Total deferred tax expense	**1 998**	1 383	1 067
Income tax expense for the year	**9 196**	6 985	10 480

The effective tax rate was 31,3% in 2011, 29,9% in 2010 and 43,3% in 2009. The difference in 2011 between the South African statutory tax rate of 28% and the effective tax rate results mainly from the STC which is levied at a rate of 10% on dividends paid, differences in foreign tax rates, the recognition in 2011 of deferred tax assets previously not recognised, utilisation of tax losses and disallowed expenditure, which mainly related to share-based payment expenses, competition related administrative penalties and preference share dividends.

The increase in the effective tax rate from 29,9% in 2010 to 31,3% in 2011 is primarily as a result of the higher share-based payment expenses, resulting from the Ixia Coal transaction and competition related administrative penalties paid in 2011 compared with the prior year. The competition related administrative penalties and share-based payment expenses are not deductible for tax purposes.

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The decrease in the effective tax rate from 43,3% in 2009 to 29,9% in 2010 is as a result of the absence of competition related administrative penalties and lower share-based payment expenses, both of which are not deductible for tax purposes. Refer to Item 18 "Financial Statements Note 41 Taxation".

Non-controlling interests in subsidiaries

Non-controlling interests in subsidiaries in 2011 amounted to R426 million compared with R446 million in 2010 and R67 million in 2009. In 2010, the non-controlling interests in subsidiaries increased due to an increase 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)												
2011													
External turnover	2 029	3 170	1 208	54 265		3 715	1 211	16 985	16 156	31 116	12 554	27	142 436
% of external turnover	1%	2%	1%	38%		3%	1%	12%	11%	22%	9%		100%
Inter-segment turnover	7 117	2 275	36 277	519			946	97	1 124	599	4 223	6 016	59 193
% of inter-segment turnover	12%	4%	61%	1%			2%		2%	1%	7%	10%	100%
Total turnover	**9 146**	**5 445**	**37 485**	**54 784**		**3 715**	**2 157**	**17 082**	**17 280**	**31 715**	**16 777**	**6 043**	**201 629**
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**

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) 2011 (Rm)	1 063	2 578	15 188	1 180	(62)	1 205	382	1 579	1 655	4 161	1 317	(296)	29 950
% of total	4%	9%	51%	3%		4%	1%	5%	6%	14%	4%	(1%)	100%
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%

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Segment review

South African energy cluster

Sasol Mining results of operations

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	2 029	1 696	333	20	2 885	(1 189)	(41)
Inter-segment	7 117	6 167	950	15	5 412	755	14
Total turnover	**9 146**	**7 863**	**1 283**	**16**	**8 297**	**(434)**	**(5)**
Operating costs and expenses[1]	(8 083)	(7 048)	(1 035)	15	(6 704)	(344)	5
Operating profit	**1 063**	**815**	**248**	**30**	**1 593**	**(778)**	**(49)**
Operating margin %	12	10			19		

(1) Operating costs and expenses net of other income.

Results of operations 2011 compared to 2010

Total turnover increased by 16% from R7 863 million to R9 146 million mainly due to the higher average US dollar export coal price per ton compared with the prior year and the positive impact of higher sales prices to Sasol Synfuels, despite lower sales volumes. The effect of this increase was partially offset by the negative impact of a stronger rand/US dollar exchange rate (average rate R7,01 per US dollar for 2011 year compared with R7,59 per US dollar for 2010).

Production volumes were 9% lower at 38,6 million tons (Mt) for 2011 compared with 42,6 Mt in 2010. The decrease in production is mainly as a result of lower off take from Sasol Synfuels due to the Sasol Synfuels' planned maintenance outage as well as adverse geological conditions due to some collieries reaching the end of their life of mine.

Operating costs and expenses increased by 7%, excluding the effects of the share-based payment resulting from the Ixia Coal transaction of R565 million. The remaining increase in operating costs is mainly due to increased labour costs, maintenance and inflation, which was partially offset by a decrease in pre-feasibility and bulk sample costs related to Project Mafutha.

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 with 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 with 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 with 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%.

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The main factors contributing to the increase/decrease in operating profit were:

	Change 2011/2010 (Rand in millions)	%	Change 2010/2009 (Rand in millions)	%
Operating profit, 2010 and 2009, respectively	**815**		1 593	
Exchange rate effects	**(182)**	(22)	(275)	(17)
Net product price increases	**1 917**	235	(165)	(10)
Inflation on other operating costs	**(251)**	(31)	(229)	(15)
Net volume and productivity effects	**(487)**	(60)	64	4
Effects of remeasurement items	**(2)**		2	
Other effects[1]	**(747)**	(92)	(175)	(11)
Operating profit, 2011 and 2010, respectively	**1 063**		815	

(1) This arises primarily from the effects of the share-based payment expense resulting from the Ixia Coal transaction.

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2011	2010	2009
	(Rand in millions)		
Scrapping of property, plant and equipment	**5**	5	5
Profit on disposal of property, plant and equipment	**(2)**	(4)	(2)
Total loss	**3**	1	3

During 2011, 2010 and 2009 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 R2 million in 2011 (2010 R4 million and 2009 R2 million).

Sasol Gas results of operations

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	3 170	2 986	184	6	2 829	157	6
Inter-segment	2 275	2 385	(110)	(4)	2 837	(452)	(16)
Total turnover	**5 445**	**5 371**	**74**	**1**	**5 666**	**(295)**	**(5)**
Operating costs and expenses[1]	(2 867)	(2 892)	25	(1)	(3 242)	350	(11)
Operating profit	**2 578**	**2 479**	**99**	**4**	**2 424**	**55**	**2**
Operating margin %	47	46			43		

(1) Operating costs and expenses net of other income.

Results of operations 2011 compared to 2010

Total turnover increased marginally by 1% from R5 371 million in 2010 to R5 445 million in 2011 mainly due to higher sales volumes due to stronger demand from Sasol's operations in Sasolburg and

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Secunda and the successful commissioning of the open cycle turbines at Sasol Synfuels. This was negated by lower gas prices due to the strong rand/US dollar exchange rate.

Operating costs and expenses decreased by 1% mainly due to a reduction of costs resulting from the sale of the auto thermal reformer (ATR) to Sasol Infrachem. The decrease in operating costs and expenses were partially offset by start-up costs in respect of a new compressor station in Mozambique, which was commissioned in August 2010.

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 costs through continued cost containment.

The main factors contributing to the increase in operating profit were:

	Change 2011/2010 (Rand in millions)	**%**	**Change 2010/2009 (Rand in millions)**	**%**
Operating profit, 2010 and 2009, respectively	**2 479**		2 424	
Exchange rate effects	**5**		15	
Net product price increases	**(525)**	(21)	(32)	(1)
Inflation on other operating costs	**(13)**	(1)	20	1
Net volume and productivity effects	**687**	28	48	2
Effects of remeasurement items	**(6)**		4	
Other effects	**(49)**	(2)		
Operating profit, 2011 and 2010, respectively	**2 578**		2 479	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2011	**2010**	**2009**
	(Rand in millions)		
Scrapping of assets under construction	**6**		
Scrapping of property, plant and equipment			4
Total loss	**6**		4

In 2011, smaller projects which are no longer considered economically viable were written off.

In 2009, smaller assets were retired from use and the remaining carrying values attributable to these assets were written off.

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Sasol Synfuels results of operations

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	1 208	879	329	37	1 367	(488)	(36)
Inter-segment	36 277	33 014	3 263	10	36 334	(3 320)	(9)
Total turnover	**37 485**	**33 893**	**3 592**	**11**	**37 701**	**(3 808)**	**(10)**
Operating costs and expenses[(1)]	(22 297)	(20 718)	(1 579)	8	(12 513)	(8 205)	66
Operating profit	**15 188**	**13 175**	**2 013**	**15**	**25 188**	**(12 013)**	**(48)**
Operating margin %	41	39			67		

(1) Operating costs and expenses net of other income.

Results of operations 2011 compared to 2010

Total turnover increased by 11% from R33 893 million in 2010 to R37 485 million in 2011 mainly due to the higher average crude oil prices, which were partially negated by the strengthening of the rand against the US dollar (average rate R7,01 per US dollar for 2011 compared with R7,59 per US dollar for 2010).

Production volumes decreased by 4% from 7,4 Mt in 2010 to 7,1 Mt in 2011 due to the largest planned maintenance outage in Sasol Synfuels' history.

The open cycle gas turbines were commissioned during July 2010 and have resulted in an additional 200 megawatts of electricity generation for the Sasol Synfuels operations, thereby reducing the impact of above inflation electricity price increases in Sasol Synfuels' unit cost.

Operating costs and expenses increased by 8% mainly due to increased depreciation resulting from the commissioning of the open cycle gas turbines.

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 with 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.

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The main factors contributing to the increase/decrease in operating profit were:

	Change 2011/2010 (Rand in millions)	%	Change 2010/2009 (Rand in millions)	%
Operating profit, 2010 and 2009, respectively	**13 175**		25 188	
Exchange rate effects	**(2 702)**	(21)	(5 764)	(23)
Net product and feedstock price	**6 676**	51	(7 352)	(29)
crude oil effects	**6 531**	50	673	3
effect of crude oil hedge			(4 904)	(20)
other products	**145**	1	(3 121)	(12)
Inflation on other operating costs	**(797)**	(6)	(989)	(4)
Net volume and productivity effects	**(1 743)**	(13)	2 013	8
Effects of remeasurement items	**(139)**	(1)	79	
Other effects[(1)]	**718**	5		
Operating profit, 2011 and 2010, respectively	**15 188**		13 175	

(1) This arises primarily from the effects of the decrease in electricity costs resulting from the commissioning of the open cycle gas turbines.

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2011	2010	2009
	(Rand in millions)		
Scrapping of property, plant and equipment	**151**	35	40
Scrapping of assets under construction	**46**	24	98
Profit on disposal of property, plant and equipment		(1)	(1)
Total loss	**197**	58	137

The remeasurement items in 2011 include the scrapping of sections of projects and property, plant and equipment which are no longer economically viable and whose technologies can no longer be used (R140 million), critical spares (R7 million), term operating assets (R7 million), precious metals (R13 million), catalyst losses (R9 million) and other smaller items (R21 million).

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).

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Sasol Oil results of operations

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	54 265	47 932	6 333	13	51 086	(3 154)	(6)
Inter-segment	519	479	40	8	608	(129)	(21)
Total turnover	**54 784**	**48 411**	**6 373**	**13**	**51 694**	**(3 283)**	**(6)**
Operating costs and expenses[(1)]	(53 604)	(47 047)	(6 557)	14	(52 045)	4 998	(10)
Operating profit/(loss)	**1 180**	**1 364**	**(184)**	**(13)**	**(351)**	**1 715**	**489**
Operating margin %	2	3			(1)		

(1) Operating costs and expenses net of other income.

Results of operations 2011 compared to 2010

Total turnover increased by 13% from R48 411 million in 2010 to R54 784 million in 2011 mainly due to higher retail sales volumes. Total liquid fuel sales were marginally lower at 10,54 million cubic metres (Mm^3) in 2011 compared with 10,55 Mm^3 in 2010, specifically to the overland exporters into Southern Africa. Retail sales were 4% higher at 1,39 Mm^3 in 2011 compared with 1,33 Mm^3 in 2010.

The increase in volumes was supported by improved production. The crude oil throughput at our Natref refinery increased by 12% from 3,3 Mm^3 in 2010 to 3,7 Mm^3 in 2011. The increased level of production in 2011 resulted in reduced imports to meet contractual obligations.

Operating costs and expenses increased by 14% mainly as a result of higher raw material input and component prices as well as a bad debt provision recognised in 2011 in respect of a specific customer amounting to R215 million. Higher wholesale margins were also partly negated by weaker refining margins and the impact of the stronger rand/US dollar exchange rate.

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 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.

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The main factors contributing to the decrease/increase in operating profit were:

	Change 2011/2010 (Rand in millions)	%	Change 2010/2009 (Rand in millions)	%
Operating profit/(loss), 2010 and 2009, respectively	**1 364**		(351)	
Exchange rate effects	**(344)**	(25)	(824)	(235)
Net product and feedstock price decreases	**533**	39	2 343	668
Inflation on other operating costs	**(100)**	(7)	(97)	(28)
Net volume and productivity effects	**70**	5	306	87
Effects of remeasurement items	**(7)**		(13)	(3)
Other effects[(1)]	**(336)**	(25)		
Operating profit, 2011 and 2010, respectively	**1 180**		1 364	

(1) This amount includes a bad debt provision of R215 million recognised.

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2011	2010	2009
	(Rand in millions)		
Impairment of property, plant and equipment	**7**		
Scrapping of property, plant and equipment	**18**	15	3
Scrapping of assets under construction	**7**		
Profit on disposal of property, plant and equipment	**(15)**	(5)	(6)
Total loss/(gain)	**17**	10	(3)

The remeasurement items in 2011 include the impairment of property, plant and equipment of R7 million relating to the poor operational performance of a retail convenience centre in Durban, South Africa. In addition, various projects and assets with small carrying values were retired from use and scrapped, with the remaining carrying values attributable to these assets written off. The profit on the disposal of property, plant and equipment relates to various small items.

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.

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International energy cluster

Sasol Synfuels International (SSI) results of operations

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	3 715	2 282	1 433	63	3 027	(745)	(25)
Inter-segment							
Total turnover	**3 715**	**2 282**	**1 433**	**63**	**3 027**	**(745)**	**(25)**
Operating costs and expenses[(1)]	(2 510)	(2 151)	(359)	17	(3 262)	1 111	(34)
Operating profit/(loss)	**1 205**	**131**	**1 074**	**820**	**(235)**	**366**	**156**
Operating margin %	32	6			(8)		

(1) Operating costs and expenses net of other income.

Results of operations 2011 compared to 2010

Total turnover increased significantly by 63% from R2 282 million in 2010 to R3 715 million in 2011 mainly due to increased production volumes at the Oryx GTL plant in Qatar and higher product prices derived from crude oil prices, which were partially offset by a stronger rand/US dollar exchange rate.

Operating costs and expenses increased by 17% from R2 151 million in 2010 to R2 510 million in 2011 primarily due to the partial impairment of the investment in the EGTL project amounting to R123 million in 2011.

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.

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The main factors contributing to the increase in operating profit were:

	Change 2011/2010 (Rand in millions)	%	Change 2010/2009 (Rand in millions)	%
Operating profit/(loss), 2010 and 2009, respectively	**131**		(235)	
Exchange rate effects	**(46)**	(35)	(113)	(48)
Net product price	**774**	590		
Inflation on other operating costs	**(36)**	(27)		
Net volume and productivity effects	**714**	545	(294)	(125)
Effects of remeasurement items	**(122)**	(93)	773	329
Other effects	**(210)**	(160)		
Operating profit, 2011 and 2010, respectively	**1 205**		131	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2011	2010	2009
	(Rand in millions)		
Scrapping of property, plant and equipment	**3**		5
Loss on disposal of property, plant and equipment		4	1
Disposal of business			771
Impairment of investment in associate	**123**		
Total loss	**126**	4	777

The remeasurement items in 2011 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 10% interest in EGTL is recognised as an investment in associate. Due to the delay in the project and the increasing costs of completion, an impairment review was performed based on the current project economics. The results of the impairment review indicated that the value in use was lower than the carrying value of the investment. A partial impairment of R123 million was recognised in 2011.

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.

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Sasol Petroleum International (SPI) results of operations

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	1 211	916	295	32	1 156	(240)	(21)
Inter-segment	946	769	177	23	983	(214)	(22)
Total turnover	**2 157**	**1 685**	**472**	**28**	**2 139**	**(454)**	**(21)**
Operating costs and expenses[(1)]	(1 775)	(1 348)	(427)	32	(1 024)	(324)	32
Operating profit	**382**	**337**	**45**	**13**	**1 115**	**(778)**	**(70)**
Operating margin %	18	20			52		

(1) Operating costs and expenses net of other income and including exploration costs.

Results of operations 2011 compared to 2010

Total turnover increased by 28% from R1 685 million in 2010 to R2 157 million in 2011 mainly due to the higher sales volumes resulting from increased production. This was further underpinned by higher average crude oil and gas prices.

Total natural gas sales volumes from Mozambique increased from 75,1 million gigajoules (MGJ) in 2010 to 88,0 MGJ in 2011. Condensate sales increased by 50% from 0,2 million bbl in 2010 to 0,3 million bbl in 2011. Total oil sales from Gabon were maintained at 1,9 million bbl from 2010 to 2011.

In 2011, SPI acquired a 50% stake in the Farrell Creek and Cypress A shale gas assets of Talisman Energy Inc. (Talisman), a Canadian-based company, located in the Montney Basin, of British Columbia, Canada. The combined shale gas production from the Farrell Creek and Cypress A assets amounted to 2,9 billion standard cubic feet (Bscf). Production from the Canadian operation is ramping up.

Operating costs and expenses increased by 32% mainly due to the write off of unsuccessful exploration wells of R441 million in 2011 and higher cash fixed costs related to the expansion of the onshore gas production facilities in Pande and Temane, Mozambique, to increase the current annual production capacity from 120 MGJ to 183 MGJ.

Results of operations 2010 compared to 2009

Total turnover decreased by 21% from R2 139 million in 2009 to R1 685 million in 2010 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 MGJ in 2009 to 75,1 MGJ in 2010, while condensate sales decreased by 62% from 0,5 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.

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The main factors contributing to the increase/decrease in operating profit were:

	Change 2011/2010 (Rand in millions)	%	Change 2010/2009 (Rand in millions)	%
Operating profit, 2010 and 2009, respectively	**337**		1 115	
Exchange rate effects	**(22)**	(7)	(415)	(38)
Net product and feedstock price decreases	**407**	121	(23)	(2)
crude oil effects	**273**	81	74	7
effect of crude oil hedge			(152)	(14)
other products	**134**	40	55	5
Inflation on other operating costs	**(24)**	(7)		
Net volume and productivity effects	**196**	58	(249)	(22)
Effects of remeasurement items	**(334)**	(99)	(91)	(8)
Other effects	**(178)**	(53)		
Operating profit, 2010 and 2010, respectively	**382**		337	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2011	2010	2009
	(Rand in millions)		
Loss on disposal of property, plant and equipment			1
Write off of unsuccessful exploration wells	**441**	58	16
Impairment of assets under construction	**1**	50	
Total loss	**442**	108	17

In 2011, an amount of R441 million was written off in respect of capitalised exploration wells subsequently appraised to be unsuccessful.

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.

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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) Ltd, a subsidiary of the Sasol Investment Company (Pty) Ltd.

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	16 985	14 236	2 749	19	15 326	(1 090)	(7)
Inter-segment	97	85	12	14	199	(114)	(57)
Total turnover	**17 082**	**14 321**	**2 761**	**19**	**15 525**	**(1 204)**	**(8)**
Operating costs and expenses[(1)]	(15 503)	(13 363)	2 140	16	(14 579)	1 216	(8)
Operating profit	**1 579**	**958**	**621**	**65**	**946**	**12**	**1**
Operating margin %	9	7			6		

(1) Operating costs and expenses net of other income.

Results of operations 2011 compared to 2010

Total turnover increased by 19% from R14 321 million in 2010 to R17 082 million in 2011 mainly due to the increase in production volumes and the recovery of international polymer prices which was partly offset by the strengthening of the rand against the US dollar.

Operating costs and expenses increased by 16% from R13 363 million in 2010 to R15 503 million in 2011 primarily due to the once-off administrative penalty of R112 million paid to the South African Competition Commission and increased feedstock prices resulting from higher average oil prices.

Arya Sasol Polymer Company contributed positively with an average capacity utilisation of 80% for the year.

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 from the reorganisation of the Polymers business in South Africa. This positive impact was partially offset by foreign exchange translation differences.

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The main factors contributing to the increase in operating profit were:

	Change 2011/2010 (Rand in millions)	%	Change 2010/2009 (Rand in millions)	%
Operating profit, 2010 and 2009, respectively	**958**		946	
Exchange rate effects	**(30)**	(3)	(1 703)	(180)
Net product and feedstock price	**254**	27	1 738	184
crude oil	**(1 145)**	(119)	61	7
other products	**1 399**	146	1 677	177
Inflation on other operating costs	**(182)**	(19)	(216)	(23)
Net volume and productivity effects	**943**	98	208	22
Effects of remeasurement items	**(32)**	(3)	(15)	(2)
Other effects[1]	**(332)**	(35)		
Operating profit, 2011 and 2010, respectively	**1 579**		958	

(1) Other effects include the competition related administrative penalty.

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2011	2010	2009
	(Rand in millions)		
Impairment of property, plant and equipment	**5**	5	
Scrapping of property, plant and equipment	**42**	6	1
Scrapping of assets under construction			3
(Profit)/ loss on disposal of property, plant and equipment	**(1)**	3	(5)
Total loss/(gain)	**46**	14	(1)

The remeasurement items in 2011 include the impairment of property, plant and equipment relating to a railway line at Petlin, which is no longer in use. In addition, various projects and assets were retired from use and disposed of realising a profit of R1 million. 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 R42 million.

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 smaller projects which are no longer considered economically viable were also written off to the value of R3 million in 2009.

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Sasol Solvents results of operations

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	16 156	14 425	1 731	12	16 317	(1 892)	(12)
Inter-segment	1 124	1 340	(216)	(16)	1 798	(458)	(25)
Total turnover	**17 280**	**15 765**	**1 515**	**10**	**18 115**	**(2 350)**	**(13)**
Operating costs and expenses[(1)]	(15 625)	(14 611)	(1 014)	7	(17 620)	3 009	(17)
Operating profit	**1 655**	**1 154**	**501**	**43**	**495**	**659**	**133**
Operating margin %	10	7			3		

(1) Operating costs and expenses net of other income.

Results of operations 2011 compared to 2010

Total turnover increased by 10% from R15 765 million in 2010 to R17 280 million in 2011. The increase was primarily due to higher sales prices resulting from market shortages and the increase in crude oil prices in 2011.

Total production volumes for Sasol Solvents decreased by 9% from 1,71 Mt in 2010 to 1,55 Mt in 2011. Total sales volumes decreased from 1,71 Mt in 2010 to 1,61 Mt in 2011 due to scheduled outages at production facilities.

Operating costs and expenses increased by 7% from R14 611 million in 2010 to R15 625 million in 2011 due to the increased cost of feedstock and the impact of the stronger rand US dollar exchange rate.

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.

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The main factors contributing to the increase in operating profit were:

	Change 2011/2010 (Rand in millions)	%	Change 2010/2009 (Rand in millions)	%
Operating profit, 2010 and 2009, respectively	**1 154**		495	
Exchange rate effects	**(373)**	(32)	(710)	(143)
Net product and feedstock price	**937**	81	1 173	237
crude oil	**854**	74	223	45
other products	**83**	7	950	192
Inflation on other operating costs	**(172)**	(15)	(245)	(50)
Net volume and productivity effects	**(189)**	(16)	341	69
Effects of remeasurement items	**(5)**		100	20
Other effects	**303**	25		
Operating profit, 2011 and 2010, respectively	**1 655**		1 154	

Remeasurement items for the years ended 30 June

Operating costs and expenses include the effect of the following remeasurement items:

	2011	2010	2009
	(Rand in millions)		
Impairment of property, plant and equipment	**31**	12	69
Impairment of assets under construction	**1**	2	
Impairment of intangible assets	**6**		27
Reversal of impairment of property, plant and equipment	**(15)**		
Scrapping of property, plant and equipment	**32**	44	62
Loss on disposal of property, plant and equipment	**8**		
Total loss	**63**	58	158

During 2011, further impairments amounting to R34 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.

In addition, an impairment of R4 million was recognised in respect of intangible assets due to the decrease in the market price of emission rights during the year.

In 2007, the Methyl Ethyl Ketone in Moers, Germany, was impaired as a result of recurring losses. During 2011, the economics of the business had improved due to the successful implementation of a restructuring plan and the increase in sales prices. The previous impairment was reassessed by management and a reversal of R9 million of the previous impairment was recognised in 2011. In addition, the previously recognised impairment of R6 million of the Acrylates Glacial Acrylic Acid plant in South Africa was reversed

The scrapping of property, plant and equipment relates to in process consumption of Rhodium catalyst amounting to R30 million. The remaining scrapping of R2 million relates to other smaller assets.

In addition, various projects and assets were retired from use and disposed of realising a loss of R8 million.

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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.

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.

Sasol Olefins & Surfactants (O&S) results of operations

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	31 116	24 774	6 342	26	28 867	(4 093)	14
Inter-segment	599	509	90	18	667	(158)	(24)
Total turnover	**31 715**	**25 283**	**6 432**	**25**	**29 534**	**(4 251)**	**(14)**
Operating costs and expenses[(1)]	(27 554)	(22 791)	(4 763)	21	(29 694)	6 903	(23)
Operating profit/(loss)	**4 161**	**2 492**	**1 669**	**67**	**(160)**	**2 652**	**1 658**
Operating margin %	13	10			(1)		

(1) Operating costs and expenses net of other income.

Results of operations 2011 compared to 2010

Total turnover increased by 25% from R25 283 million in 2010 to R31 715 million in 2011 mainly due to increased sales volumes and improved margins. Sales volumes increased by 6% from 1,92 Mt in 2010 to 2,04 Mt in 2011 as demand in the market recovered.

Operating costs and expenses increased by 21% from R22 791 million in 2010 to R27 554 million in 2011. The effect of higher crude oil prices impacted negatively on oil-derived feedstock prices resulting in increased cost of sales of approximately 25%. This was offset to some extent by lower cash fixed costs. In addition, included in operating costs and expenses is the partial reversal of the impairment of the Sasol Italy assets of R491 million.

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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 increase in operating profit were:

	Change 2011/2010 (Rand in millions)	**%**	**Change 2010/2009 (Rand in millions)**	**%**
Operating profit/(loss), 2010 and 2009, respectively	**2 492**		(160)	
Exchange rate effects	**(403)**	(16)	(422)	(264)
Net product and feedstock price	**1 769**	71	3 077	1 923
Inflation on other operating costs	**(72)**	(3)		
Net volume and productivity effects	**302**	12	(453)	(283)
Effects of remeasurement items	**156**	6	450	282
Other effects	**(83)**	(3)		
Operating profit, 2011 and 2010, respectively	**4 161**		2 492	

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:

	2011	**2010**	**2009**
	(Rand in millions)		
Impairment of property, plant and equipment		8	18
Impairment of intangible assets	**6**		84
Reversal of impairment of property, plant and equipment	**(514)**	(348)	
Reversal of impairment of intangible assets	**(4)**	(15)	
Reversal of impairment of assets under construction	**(2)**	(2)	
Scrapping of property, plant and equipment	**4**	2	1
Loss on disposal of property, plant and equipment	**13**	6	3
(Profit)/loss on disposal of business	**(3)**	5	
Total (gain)/loss	**(500)**	(344)	106

The remeasurement items in 2011 include:

Reversal of impairments

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 implemented a turnaround programme. The Sasol O&S turnaround programme included, among others, the closure of the Porto Torres and Augusta plants in

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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 reversal of the previously recognised impairment of approximately R900 million (€96 million) was appropriate. Accordingly, an amount of R491 million was recognised in 2011 as a reversal of the impairment;

Reversal of impairment of property, plant and equipment during 2007, the Cumol Sulfonate and Butyl Glycol Ether businesses within the Sasol Germany Organics cash generating unit were impaired as these assets were not performing. In 2008, management implemented a restructuring plan which was focused on the reduction of cash fixed costs and improved asset utilisation. Based on the current indicators from the turnaround process, management concluded that these businesses are showing signs of sustainable improvement and recorded a reversal of R29 million of the previously recognised impairment;

Impairment of intangible assets amounting to R6 million resulted from the decrease 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 R4 million;

Various projects and assets were retired from use and disposed of realising a loss of R13 million in 2011; and

Profit on disposal of business during 2007, Sasol Olefins & Surfactants approved the closure and dissolution of its investment in Sasol O&S China Investment Co. Ltd. (CHC). The liquidation was finalised in December 2011, resulting in a profit of R3 million.

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; and

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.

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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;

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; and

Various projects and assets were retired from use and disposed of realising a loss of R3 million in 2009.

Other Chemicals results of operations

Other chemical business includes Sasol Nitro, Sasol Wax, Merisol, Sasol Infrachem and various smaller chemical businesses.

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	12 554	11 951	603	5	14 805	(2 854)	(19)
Inter-segment	4 223	4 257	(34)	(1)	3 934	323	8
Total turnover	**16 777**	**16 208**	**569**	**4**	**18 739**	**(2 531)**	**(14)**
Operating costs and expenses[(1)]	(15 460)	(15 316)	(144)	1	(22 264)	6 948	31
Operating profit/(loss)	**1 317**	**892**	**425**	**48**	**(3 525)**	**4 417**	**125**
Operating margin %	8	6			(19)		
Sasol Nitro							
Total turnover	4 798	4 709	89	2	6 829	(2 120)	(31)
Operating profit/(loss)	610	306	304	99	(370)	676	183
Sasol Wax							
Total turnover	7 123	6 636	487	7	7 397	(761)	(10)
Operating profit/(loss)	742	659	83	13	(2 994)	3 653	122
Merisol							
Total turnover	846	759	87	11	766	(7)	(1)
Operating profit	92	22	70	318	92	(70)	(76)
Sasol Infrachem							
Total turnover	4 008	4 102	(94)	(2)	3 746	356	10
Operating profit/(loss)	7	(56)	63	113	(192)	136	71

(1) Operating costs and expenses net of other income.

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Results of operations 2011 compared to 2010

Sasol Nitro, which comprises our South African ammonia, fertilisers, phosphates and explosives portfolios, increased operating profit by 99% from R306 million in 2010 to R610 million in 2011 due to improved product margins in the ammonia, explosives and fertiliser businesses, higher commodity selling prices and the reduction of cash fixed costs. These results were partially offset by the effect of the stronger rand/US dollar exchange rate. In addition, lower fertiliser sales volumes were realised due to the settlement agreement with the South African Competition Commission to exit the retail fertiliser sales sector of the market as well as exiting fertiliser trading activities.

Sasol Wax produces and markets wax and wax related products to commodity and specialty wax markets globally. Total turnover has increased by 7%, primarily as a result of increased sales volumes in the South African and European wax market. This impact was partially negated by the strengthening of the rand against the US dollar. Operating profit increased by 13% from R659 million in 2010 to R742 million in 2011 despite higher raw material prices. Cash fixed costs were contained within inflation levels.

Merisol, our 50:50 cresylic acids joint venture with Merichem Company, produces about a third of the world's phenolics. Total turnover increased by 11% from R759 million to R846 million in 2011 mainly due to increased sales volumes.

Sasol Infrachem's total turnover decreased by 2% from R4 102 million in 2010 to R4 008 million in 2011 due to lower sales volumes resulting from scheduled outages at the various business unit production facilities. Sasol Infrachem realised an operating loss of R56 million in 2010 compared with an operating profit of R7 million in 2011. Gas production increased marginally by 2% from 37,2 MGJ in 2010 to 37,8 MGJ in 2011.

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 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.

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Remeasurement items for the years ended 30 June

Operating costs and expenses includes the effect of the following remeasurement items:

	2011	2010	2009
	(Rand in millions)		
Impairment of property, plant and equipment	**6**	5	211
Impairment of assets under construction		7	13
Impairment of intangible and other assets			5
Impairment of investments		1	8
Scrapping of property, plant and equipment	**10**	9	5
Scrapping of assets under construction		8	
(Profit)/loss on disposal of property, plant and equipment	**(15)**	(3)	2
Loss on disposal of intangible assets		1	2
(Profit)/loss on disposal of businesses	**(6)**		1
Profit on disposal of associate	**(6)**	(7)	
Total loss	**(11)**	21	247

The remeasurement items in 2011 include:

Impairment of property, plant and equipment R6 million related to the Sasol Nitro fertiliser downstream bagging facilities;

Scrapping of property, plant and equipment 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 R10 million;

Profit on disposal of property, plant and equipment various projects and assets were retired from use and disposed of realising a profit of R15 million;

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 2011, the additional conditions precedent were met resulting in the receipt of additional consideration of R6 million; and

Profit on disposal of businesses On 20 July 2010, Sasol Nitro concluded an agreement with the South African Competition Commission to dispose of the bulk blending and liquid fertiliser blending facilities in Potchefstroom, Durban, Bellville, Endicott and Kimberley. As a result, Sasol entered into negotiations with potential buyers for the purchase of the plants. In June 2011, the Potchefstroom facility was sold resulting in a profit of R6 million. The remaining facilities have been accounted for as assets held for sale.

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

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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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Other businesses results of operations

Other businesses include Sasol Financing, Sasol Technology, the group's central administration activities and alternative energy businesses.

	2011	2010	Change 2011/2010	Change 2011/2010	2009	Change 2010/2009	Change 2010/2009
	(Rand in millions)			(%)	(Rand in millions)		(%)
Turnover							
External	27	179	(152)	(85)	171	8	5
Inter-segment	6 016	5 241	775	15	5 038	203	4
Total turnover	**6 043**	**5 420**	**623**	**(11)**	**5 209**	**211**	**4**
Operating costs and expenses[(1)]	(6 339)	(5 255)	(1 084)	21	(7 863)	2 608	33
Operating (loss)/profit	**(296)**	**165**	**(461)**	**(279)**	**(2 654)**	**2 819**	**106**

(1) Operating costs and expenses net of other income.

Results of operations 2011 compared to 2010

Operating profit for 2011 was negatively impacted by net losses incurred on hedging activities and operating expenses incurred in the ramping up of the new energy business.

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.

Remeasurement items for the years ended 30 June

Operating costs and expenses includes the effect of the following remeasurement items:

	2011	2010	2009
	(Rand in millions)		
Impairment of property, plant and equipment		17	
Impairment of intangible and other assets	**4**	1	23
Impairment of assets under construction		2	
Scrapping of property, plant and equipment	**2**	8	7
Scrapping of assets under construction	**33**		
Profit on disposal of property, plant and equipment			