sasol
reaching new frontiers



annual integrated report
30 June 2013

better together... we deliver

Committed to excellence in all we do, Sasol is an international integrated energy and chemical company that leverages the talent and expertise of our more than 35 000 people working in 37 countries. We develop and commercialise technologies, and build and operate world-scale facilities to produce a range of product streams, including liquid fuels, high-value chemicals and low-carbon electricity.

While remaining committed to our home-base of South Africa, Sasol is expanding internationally based on a unique value proposition.

about this report

In preparing Sasol's annual integrated report for the year ended 30 June 2013, we took cognisance of the principles in the International Integrated Reporting Council's draft Prototype Framework, and its Consultation Draft published in April 2013. This has supported our progressive approach to integrated reporting. Our management reporting processes and our suite of reporting publications already align to the integrated reporting requirements of the King Code of Governance Principles for South Africa 2009 (King III Code), including the Integrated Reporting Committee of South Africa's guidance published in January 2011. Sasol has an integrated reporting steering committee in place.

The annual integrated report is our primary report to stakeholders. The scope of this report includes the group's main business units and key functions, including our joint ventures and investments, over which we exert control, joint control or significant influence, as shown on pages 90 to 121. With respect to comparability, all significant items are reported on a like-for-like basis, with no major restatements.

Our annual financial statements, Form 20-F and sustainable development report, which supplement the annual integrated report, aim to provide information of specific relevance to certain stakeholders. These reports are available on our website, www.sasol.com, or on request from the Sasol corporate affairs division. Refer to the contact details on page 123.

IR **Our main stakeholders, how we engage with them, their respective contributions to our ability to create value and their expectations are set out on pages 38 to 39.**

The chief executive officer, Mr DE Constable, and the acting chief financial officer, Mr P Victor, approved this annual integrated report.

Reporting frameworks

Our annual integrated report conforms to the requirements of local and international integrated reporting frameworks, including those of the South African Companies Act 2008 and Johannesburg Stock Exchange (JSE) Listings Requirements. We continue to use the Global Reporting Initiative (GRI) G4 guidelines to inform our sustainable development reporting and to facilitate comparability with the reports of other organisations. A detailed GRI table, providing responses to each of the GRI G4 criteria, can be found on our website at www.sasolsdr.com.

Companies Act

JSE

The Global Compact — We support

International Accounting Standards Board

Local and international benchmarking

Sasol's 2012 annual integrated report was ranked joint first globally in the 2013 ReportWatch survey. This survey is conducted annually and aims to benchmark best reporting practice. Our report was also placed fifth in the 2013 South African EY Excellence in Integrated Reporting survey.

Sasol is participating in the International Integrated Reporting Council's pilot programme (http://www.theiirc.org/). More than 80 companies globally have joined the programme's business network since it launched in October 2011. These companies interact with the council and each other at regional and sector meetings, through web-based seminars, conferences and a pilot programme website. This wide-ranging interaction provides the opportunity to discuss and challenge technical matters, test the application of the draft framework, and share knowledge and experience.

Sasol has qualified for inclusion in the Dow Jones Sustainability Index (DJSI) in the Oil and Gas Producers' sector with an overall score of 70%. This is the seventh consecutive year we have been included in the DJSI.

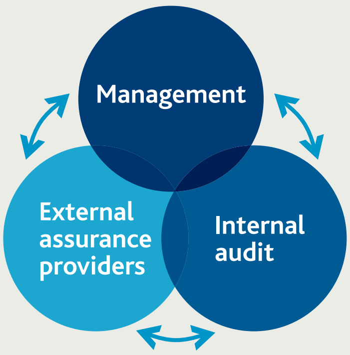
Sasol has been included in the JSE Social Responsibility Index since 2011.

Dow Jones Sustainability Indexes
Member 2012/13

Determining materiality

Our annual integrated report aims to provide a balanced, accurate and accessible assessment of our strategy, performance and prospects in relation to material financial, economic, social, environmental and governance issues. The material focus areas that are comprehensively dealt with in our annual integrated report were determined based on:

- set quantitative and qualitative criteria;
- matters that are critical in relation to achieving our strategic objectives and the sustainability of our business model and integrated value chain;
- matters covered in reports submitted to the board of directors for discussion or approval;
- key risks identified by our risk management process;
- feedback obtained from our key stakeholders during the course of the year; and
- media releases over the course of the year.



Assurance

Sasol applies a combined assurance model, which seeks to optimise the assurance obtained from management and internal and external assurance providers.

Management provides the Sasol Limited board with assurance that it has implemented and monitored the group's risk management plan, and that it is integrated into day-to-day activities. Management is responsible for monitoring and implementing the necessary internal controls, including reporting in terms of section 404 of the Sarbanes-Oxley Act, 2002.

The **internal audit** function, overseen by the group's audit committee, assesses the effectiveness of Sasol's system of internal control and risk management.

The group receives **external assurance** on certain aspects of the business. For example, our external auditors, KPMG Inc. and Environmental Resources Management Southern Africa (Pty) Ltd, provide an opinion on the fair presentation of the group's annual financial statements and certain information in the sustainable development report, respectively.

The **group audit committee** ensures that the combined assurance model introduced by the King III Code is applied to provide a co-ordinated approach to all assurance activities and addresses all the significant risks facing the group. The committee also monitors the relationship between the external service providers and the group.

IR For more information on assurance, refer to the summarised corporate governance report on pages 56 to 61.

How to read our annual integrated report

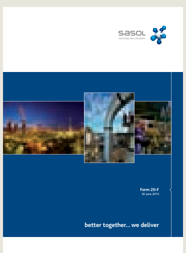
Our annual integrated report provides extensive cross-references to our other reporting publications, shown below:

Annual integrated report

IR Our primary annual report to stakeholders. Contains succinct material information and conforms to local and international integrated reporting frameworks.

Annual financial statements

AFS Contains a full analysis of the group's financial results, with detailed financial statements, prepared in accordance with International Financial Reporting Standards, as well as full corporate governance and remuneration reports.



Form 20-F

20-F Form 20-F, our annual report issued in accordance with the Securities Exchange Act of 1934, which is filed with the United States Securities and Exchange Commission (SEC), in line with the requirement of our New York Stock Exchange listing.

Sustainable development report

SD Our annual report covering environmental, social and governance matters. Prepared in accordance with the GRI G4 framework.

Readers are referred to the glossary of terms used in this report on page 122, as well as important information relating to forward-looking statements on the inside back cover.

building the Sasol of the future

Sasol's consistent performance, despite the significant challenges in our markets, demonstrates the resilience of our strategy. As we execute the group's near- to medium-term strategy, and advance our longer-term strategic aspirations, we are confident we will continue to meet the expectations of our stakeholders.

In the year under review, Sasol posted another excellent all-round performance against safety, operational and financial performance targets. We also refocused our strategy, to nurture and grow our existing asset base and expand our presence in Southern Africa and internationally by progressing our growth projects. We prioritised and focused our efforts and have begun to implement the significant organisational change required to deliver on our ambitious strategy. In all our undertakings, we are guided by our definition of victory – to grow shareholder value sustainably – and our responsibility to ensure our decisions stand the test of time.

"As we take bold steps forward, we are focused on becoming a more effective, efficient and competitive organisation – making Sasol fit for the future, both at home and abroad. Our high-performing people, trusted business partners, loyal customers and suppliers, together with our strong project pipeline and long-term strategic vision will ensure that we deliver sustainable value to all of our stakeholders in the years ahead. In all that we do, we remain committed to act responsibly and to continuously improve."

David E. Constable
chief executive officer

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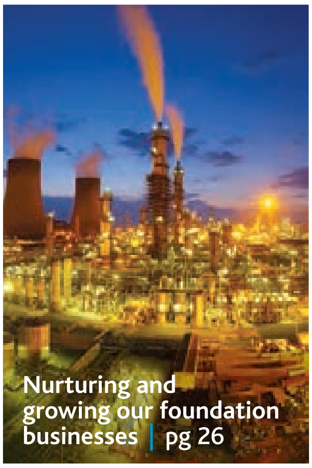
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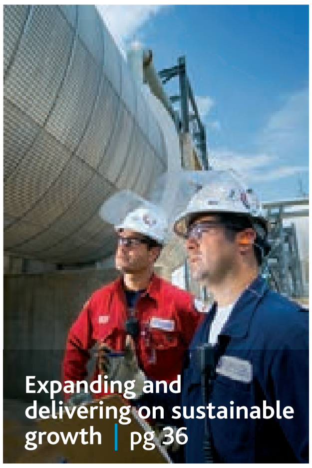
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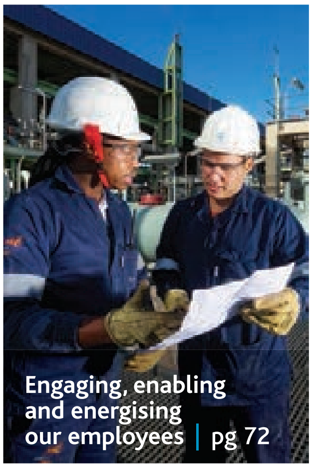

Engaging, enabling and energising our employees | pg 72

our **performance highlights**

how we performed in 2013

Financial performance

We delivered a solid financial performance, showing the resilience of our strategy, and maintained our track record of growing shareholder value.

Operating profit **up by a record 26%,** excluding once-offs

Cash generated by operating activities (Rm)

24% ▲ **R59 267**

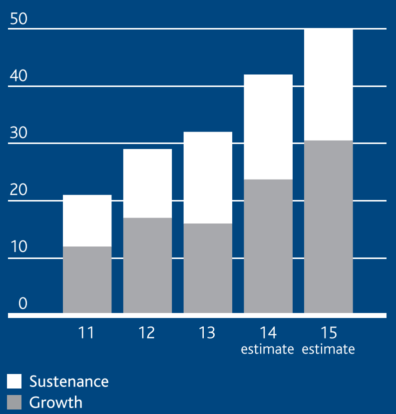
Total dividend paid (Rand)

9% ▲ **R19,00 per share**

Headline earnings per share **up by 25%** to R52,62

Cash fixed costs (excluding exchange rate effects) increased **by 7%,** in real terms

Capital investments (R billion)



		2013	2012
Selected ratios			
Net borrowings to shareholders' equity (gearing)	%	**(0,3)**	2,7
Return on shareholders' equity	%	**19,1**	20,3
Return on total assets	%	**18,4**	20,0
Operating profit margin	%	**22,4**	21,7
Finance costs cover	times	**63,7**	57,1
Dividend cover	times	**2,3**	2,3
Net working capital to turnover	%	**15,4**	14,3
Financial targets			
Net borrowings to shareholders' equity	%	**20 – 40**	20 – 40
Return on invested equity	%	**16,8**	16,8
Earnings growth*	%	**10,0**	10,0
Net working capital to turnover	%	**16,0**	16,0
Share statistics			
Total shares in issue	million	**677,2**	673,2
Share price (closing)	Rand	**431,54**	342,40
Market capitalisation – Sasol ordinary shares	Rm	**279 983**	220 788
Market capitalisation – Sasol BEE ordinary shares	Rm	**871**	686
Net asset value per share	Rand	**247,19**	208,27
Total dividend per share	Rand	**19,00**	17,50
Other financial information			
Additions to non-current assets	Rm	**32 288**	29 160
Total debt (including bank overdraft)	Rm	**24 805**	16 122
Capital commitments – property, plant and equipment	Rm	**67 752**	45 819
Effective tax rate	%	**31,7**	32,6
Economic indicators			
Average crude oil price – dated Brent	US$/barrel	**108,66**	112,42
Average rand/US$ exchange rate	1US$ = Rand	**8,85**	7,78
Closing rand/US$ exchange rate	1US$ = Rand	**9,88**	8,17
Employee-related information			
Total number of employees	number	**35 471**	34 916
Employee costs	Rm	**25 038**	20 520
Employee costs to turnover	%	**13,8**	12,1
Share-based payment expenses	Rm	**2 038**	691

* *US dollar earnings of 10% per annum on a three-year moving average basis.*

Sustainability performance

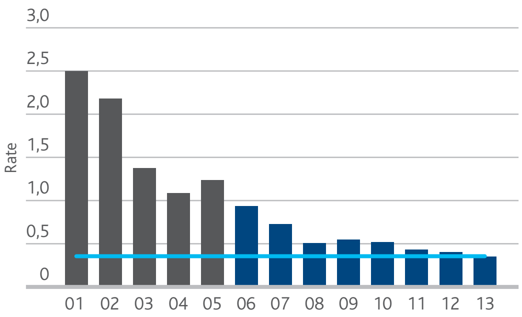
We improved our safety performance, setting a new annual record for the group in its 63-year history. We reduced our greenhouse gas emissions by 3% and continue to manage our environmental impact. We further achieved level 3 broad-based black economic empowerment contributor status.

safety

RCR of 0,31* lowest annual result in our 63-year history.

Target: achieve a RCR** of less than 0,35 by 2013[1]

Recordable case rate (RCR)
(recordable cases per 200 000 hours)

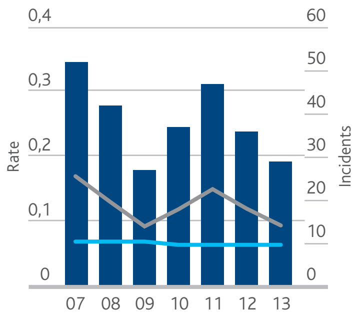


product transportation incidents

Focus on product transportation safety delivers improvement in managing this key safety risk.

Target: achieve a 30% reduction over five years, based on the 2009 actual transport indicator of performance

Product transportation incident rate
(incidents per 100 kt product transported)

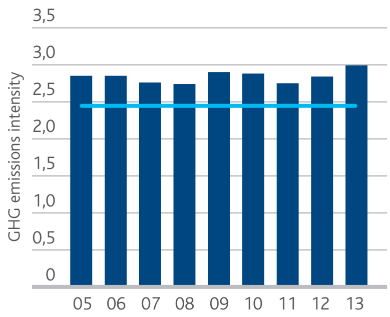


greenhouse gas (GHG) emissions intensity

Higher GHG emissions intensity due to lower production levels.

Target: reduce emissions intensity by 15% in all our operations off a 2005 baseline by 2020[2]

Greenhouse gas emissions intensity
(tons CO_2 equivalent per ton production)



1 Further interim milestones to be set.
2 Based on the restated absolute GHG emissions from 2000 to 2012.
* *Excluding illnesses (further detail on page 35).*
** *The recordable case rate (RCR) is a standard international measure for reporting work-related injuries and illnesses and other safety incidents resulting in injury. The RCR is the number of fatalities, lost workday injuries, restricted work injuries, medical treatment cases and occupational illnesses for every 200 000 employee hours worked.*

Social performance

- Contributed **R135 million of the total R800 million** committed through our Ikusasa public/private partnership
- Invested **R627,3 million** in socioeconomic development
- Spent **R837 million** on skills development

our common **vision** and common **objectives**

what we aspire to and work towards

our common vision

To grow profitably, sustainably and inclusively, while delivering value to stakeholders through technology and the talent of our people in the energy and chemical markets in Southern Africa and worldwide.

our common objectives

Our common objectives are our common goal and our definition of victory.

our common goal

To make Sasol a great company that delivers long-term value to its shareholders and employees; a company that has a positive association for all stakeholders.

+

our definition of victory

To grow shareholder value sustainably.

IR For more details, refer to our strategy on page 24.

our shared **values** and **culture**

what we stand for and how we do things

Our shared values define what we stand for as an organisation and inform our actions and our behaviour. They determine the way in which we interpret and respond to business opportunities and challenges.

Being a values-driven organisation means that, at Sasol, we all embrace and live our organisation's shared values as the foundation of our high-performance culture. It also means that our partners and suppliers are expected to align their actions and behaviour to our shared values.

Safety

We are committed to zero harm and all that we do, we do safely. We create a safe, secure, productive and rewarding work environment.

People

We create a caring, engaged and enabled work environment that recognises both individual and team contributions in pursuit of high performance.

Integrity

We act consistently based on a set of values, ethical standards and principles.

Accountability

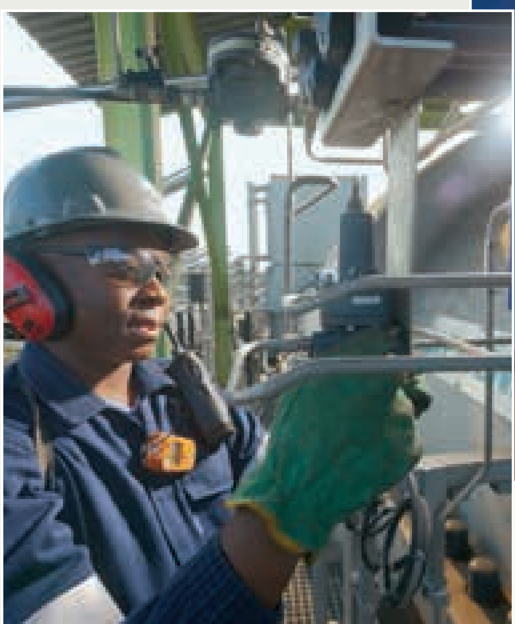
We take ownership of our behaviour and responsibility to perform both individually and in teams.

Stakeholder focus

We serve our stakeholders through quality products, service solutions and value creation.

Excellence in all we do

We deliver what we promise and add value beyond expectations.

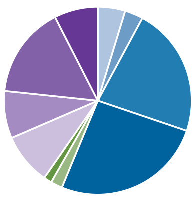


our **group structure**

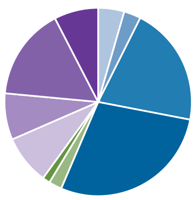
how our businesses and functions fit together

Total turnover

2013: R261 413 million

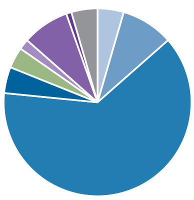


2012: R237 045 million

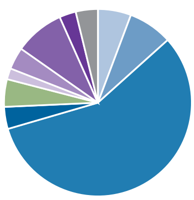


Operating profit after remeasurement items

2013: R40 628 million



2012: R36 758 million



South African Energy Cluster
- Mining
- Gas
- Synfuels
- Oil

International Energy Cluster
- Synfuels International
- Petroleum International

Chemical Cluster
- Polymers
- Solvents
- Olefins & Surfactants
- Other chemical businesses

- Other businesses

Sasol group

South African Energy Cluster 91%*

Sasol Mining
Sasol Gas
Sasol Synfuels
Sasol Oil

This cluster comprises the businesses upon which Sasol was founded. It supplies around a third of South Africa's inland liquid fuels requirements, while delivering on the national transformation agenda and developing values-driven and high-performing people.

pg 92

Sasol Mining operates six coal mines that supply the feedstock for our Secunda and Sasolburg complexes in South Africa. The coal we supply to Sasol Synfuels is mainly used as gasification feedstock, but is also used to generate electricity. The coal we supply to utilities provider, Sasol Infrachem, is used to generate electricity as well as steam. We also export coal to international power-generation customers.

pg 94

Sasol Gas buys and markets more than 150 million gigajoules (MGJ) a year of natural and methane-rich gas, transporting it along pipelines to approximately 550 industrial and commercial customers. We operate and maintain a supply network of around 2 500 kilometres, including a 865 kilometre pipeline linking the gas fields in Mozambique to our network in South Africa.

pg 96

Sasol Synfuels operates the world's only commercial, coal-based synthetic fuels manufacturing facility. We produce synthetic fuel through coal gasification and natural gas reforming using Sasol's proprietary technologies to convert syngas to synthetic fuel components, pipeline gas and chemical feedstock.

pg 98

Sasol Oil markets fuels blended at Secunda and those refined through our 63,64% share in the Natref oil refinery at Sasolburg, South Africa. Our products include petrol, diesel, jet fuel, illuminating paraffin, liquefied petroleum gas, fuel oils, base bitumen and lubricants. We also import fuels, when necessary, to balance our product slate and to meet our contractual obligations.

International Energy Cluster (1%)*

Sasol Synfuels International
Sasol Petroleum International

This cluster is key to Sasol's growth aspirations outside South Africa. In a world seeking energy security and cleaner energy alternatives, we are able to leverage the group's considerable experience and proven proprietary technologies to add value to gas resources across the world.

pg 102

Sasol Synfuels International (SSI) is responsible for developing, implementing and managing international ventures based on Sasol's proprietary technology. Currently, our primary focus is on securing opportunities to advance the group's gas-to-liquids (GTL) ambitions. We are progressing GTL projects in the United States, Uzbekistan and Nigeria. We have achieved stable operations at ORYX GTL in Qatar.

pg 104

Sasol Petroleum International (SPI) develops and manages the group's upstream interests in oil and gas exploration and production in Mozambique, South Africa, Canada, Gabon, Botswana, Australia and Nigeria. It produces gas from Mozambique's Temane and Pande fields, shale gas from the Farrell Creek and Cypress A asset in Canada and oil in Gabon through our share in the offshore Etame oilfield cluster. SPI sells natural gas under long-term contracts to Sasol Gas and external customers and oil to customers under annual contracts. Canadian gas is sold into the market at spot prices.

* *Contribution to group operating profit after remeasurement items.*

Sasol's diverse businesses, supported and enabled by top-class functions, work together to contribute to the group's common objectives, which comprise our common goal and our definition of victory.

Chemical Cluster 5%*

Sasol Polymers
Sasol Solvents
Sasol Olefins & Surfactants
Sasol Wax
Sasol Nitro
Sasol Infrachem
Merisol

In South Africa, our chemical businesses are integrated in the Fischer-Tropsch value chain. Outside South Africa, we operate chemical businesses based on backward integration into feedstock and/or competitive market positions

pg 110

Sasol Polymers supplies ethylene, propylene, polyethylene, polypropylene, polyvinyl chloride, chlor-alkali chemicals and mining reagents to domestic and international customers from its plants at Sasolburg and Secunda, South Africa. We also have a joint venture monomer and polymer interest in Malaysia and an interest in a polymers distribution company in China.

pg 112

Sasol Solvents has plants in South Africa and Germany, and supplies alcohols, ketones, esters, acrylic acid esters, ethyl acetate, ethers and mining chemicals to customers worldwide. We are a world leader in the production of co-monomers, namely hexene and octene.

pg 114

Sasol Olefins & Surfactants (Sasol O&S) headquartered in Hamburg, Germany, is a leading global producer of alcohols, surfactants and related products, as well as high-purity alumina and related speciality products. Our products are used in detergents, cleaning, personal care items, oilfield and enhanced oil recovery, paint and coatings, lubricants, bio ceramics, synthetic sapphires, catalysts, high-performance abrasives and many other industrial intermediates.

pg 116

Other chemical businesses:

- **Sasol Wax** produces and markets wax and wax-related products for commodity and speciality wax markets across the world.
- **Sasol Nitro** produces and markets industrial explosives, mining explosive accessories and fertiliser products and related services, mainly for the Southern African mining and agriculture markets.
- **Sasol Infrachem** houses the Sasolburg ammonia business and provides utilities for the Sasolburg site.
- **Merisol** produces and markets speciality chemical products, derived from phenolic feedstocks. Merisol has plants and sales offices in the United States and South Africa, as well as additional sales offices in the United Kingdom.

Other businesses 5%*

Functions and associated businesses that support and enable

These functions and associated businesses endeavour to leverage Sasol's key competitive advantage, further technological research and development and facilitate optimum funding structures for our projects around the world.

Sasol Group Services

These business functions co-ordinate and provide a steering and safeguarding role in support of all group activities and supply certain specialised services.

- Advisory and Assurance
- Corporate Affairs
- Enterprise Development
- Group Finance
- Group Planning and Optimisation
- Human Resources
- Information Management
- Investor Relations and Shareholder Value Management
- New Business Development
- Public Policy and Regulatory Affairs
- Safety, Health and Environment
- Shared Services
- Stakeholder Relations
- Strategy
- Supply Chain

pg 120

Sasol New Energy works to leverage the Sasol group's key competitive advantage, which is developing and commercialising new alternative energy technologies, and lower-carbon energy solutions.

Sasol Financing manages the group's central treasury and is responsible for ensuring that Sasol can meet its funding requirements and expansion objectives in time and as cost-effectively as possible, while mitigating financial risks.

pg 121

Sasol Technology adds value to the Sasol group through research and development, technology management and innovation, engineering services and project management. We contribute towards Sasol's fuels and chemical businesses to maintain growth and sustainability through appropriate technological solutions and services.

our **business model** and **integrated value chain**

what sets us apart

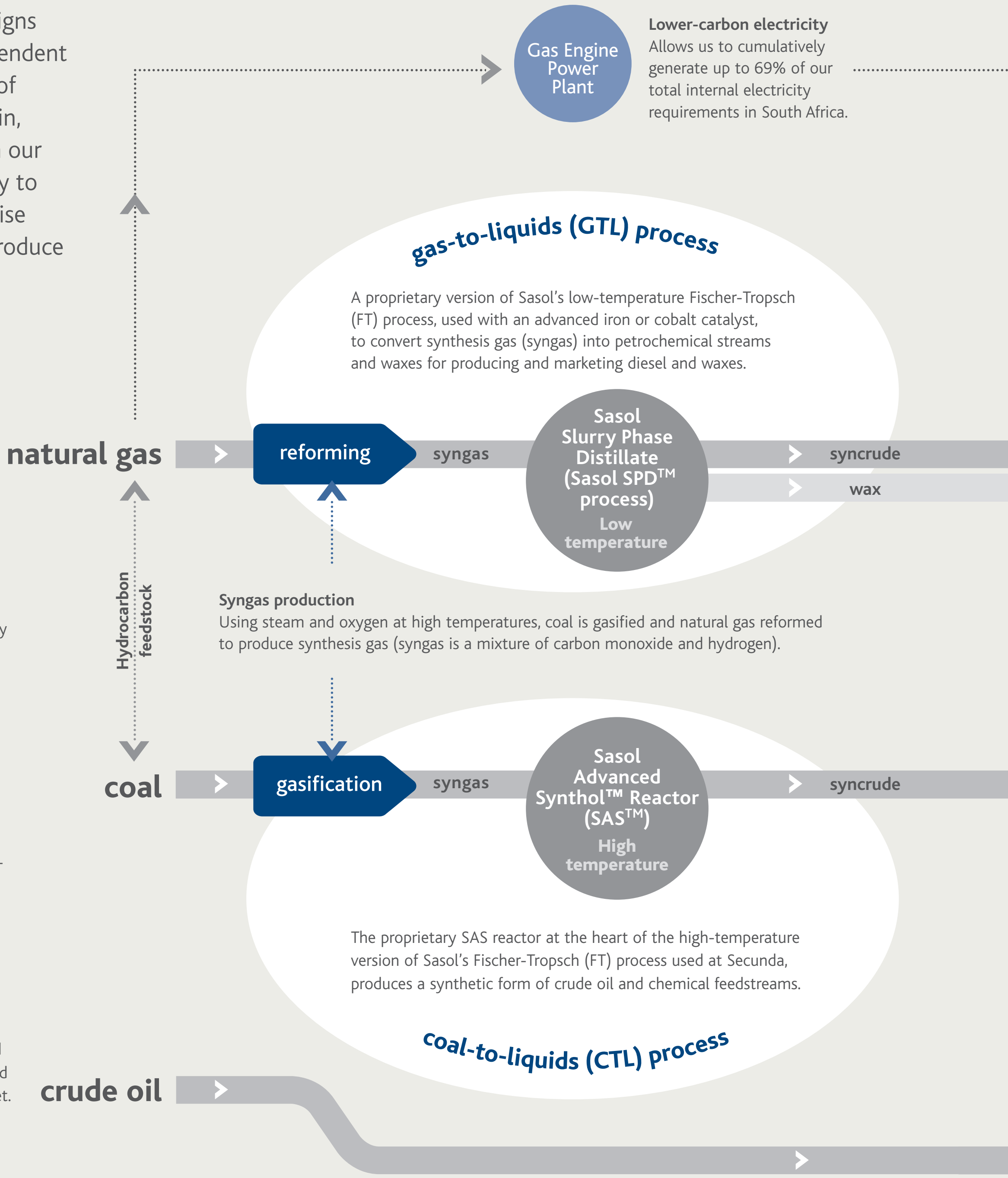
Our value proposition aligns our diverse and interdependent businesses. At the heart of our integrated value chain, which sets us apart from our competitors, is our ability to develop and commercialise technology at scale to produce bulk fuel, chemicals and electricity.

exploration and production

Through Sasol Petroleum International (SPI) and Sasol Gas, we obtain natural gas through the cross-border pipeline linking the Pande and Temane fields in Mozambique to our South African operations. We use this natural gas as our sole hydrocarbon feedstock at Sasolburg and as a supplementary feedstock to coal at Secunda.

Sasol obtains its raw materials through its coal mining activities, oil and natural gas exploration, and purchases from the open market. Some raw materials are sold directly to external markets.

Sasol Mining supplies most of the feedstock coal required for the coal-to-liquids process in Secunda.



Crude oil, coal and natural gas are sold to the open market.

Sustaining our integrated business model

Greenhouse gas (GHG) emissions

Although we have decided not to pursue further coal-to-liquids growth, coal remains an important feedstock for our Secunda complex in South Africa. We are investing in reducing our carbon emissions by developing more efficient production processes, and producing our own lower-carbon electricity. We also continue to investigate carbon capture and storage solutions.

Water

Recognising that water is an essential feedstock for our business, we continue to manage water risks within our control and act collectively on shared risks. We are also transparent and accountable about our water usage and stewardship initiatives. Sasol is partnering with three South African municipalities to save water beyond our factory fence, to the benefit of all users of the Vaal River catchment area in which we operate.

Corporate governance

Sound corporate governance structures and processes are applied throughout the organisation. These are considered by the board to be pivotal to delivering sustainable growth in the interest of all stakeholders.

our products

We produce bulk fuel and chemical commodities as well as high value-add or differentiated products. We mainly supply to industries, but also supply directly to consumers in South Africa through our fuel products retail business. We also export coal to international power generation customers. Our third product stream is low-carbon electricity, produced for our own consumption or sold into the Southern African grid.

syncrude

electricity

fuel components → **refine and blend** → **fuel products:** GTL Diesel, GTL Naphtha, GTL Kerosene (jet fuel), LPG (liquid petroleum gas)

Our GTL diesel is of ultra high purity and therefore is ideal as a low-emissions, premium grade fuel and as a blend stock for upgrading conventional diesels.

chemical components → **chemical processes** → **chemical products:** Alcohols, Olefins, Polymers, Solvents, Surfactants, Co-monomers, Base oils

Chemical intermediates from the FT process are separated, purified and, together with conventional chemical raw materials, converted into a range of final products.

In some of our markets, feedstock is purchased from the open market to produce, using our own and licensed technology, and market a range of chemical products.

co-products → **recovery and beneficiation** → **co-products:** Ammonia, Methanol, Crude tar acids, Sulphur → Explosives, Fertilisers

Coal gasification and the FT process produce co-products for recovery and beneficiation.

fuel components → **refine and blend** → **fuel products:** Petrol, Diesel, LPG, Illuminating paraffin, Bitumen, Fuel oil, Jet fuel

In the liquid fuels business, synthetic fuels components are upgraded and marketed together with conventional fuels produced in a refinery from crude oil.

marketing of products

Research and innovation

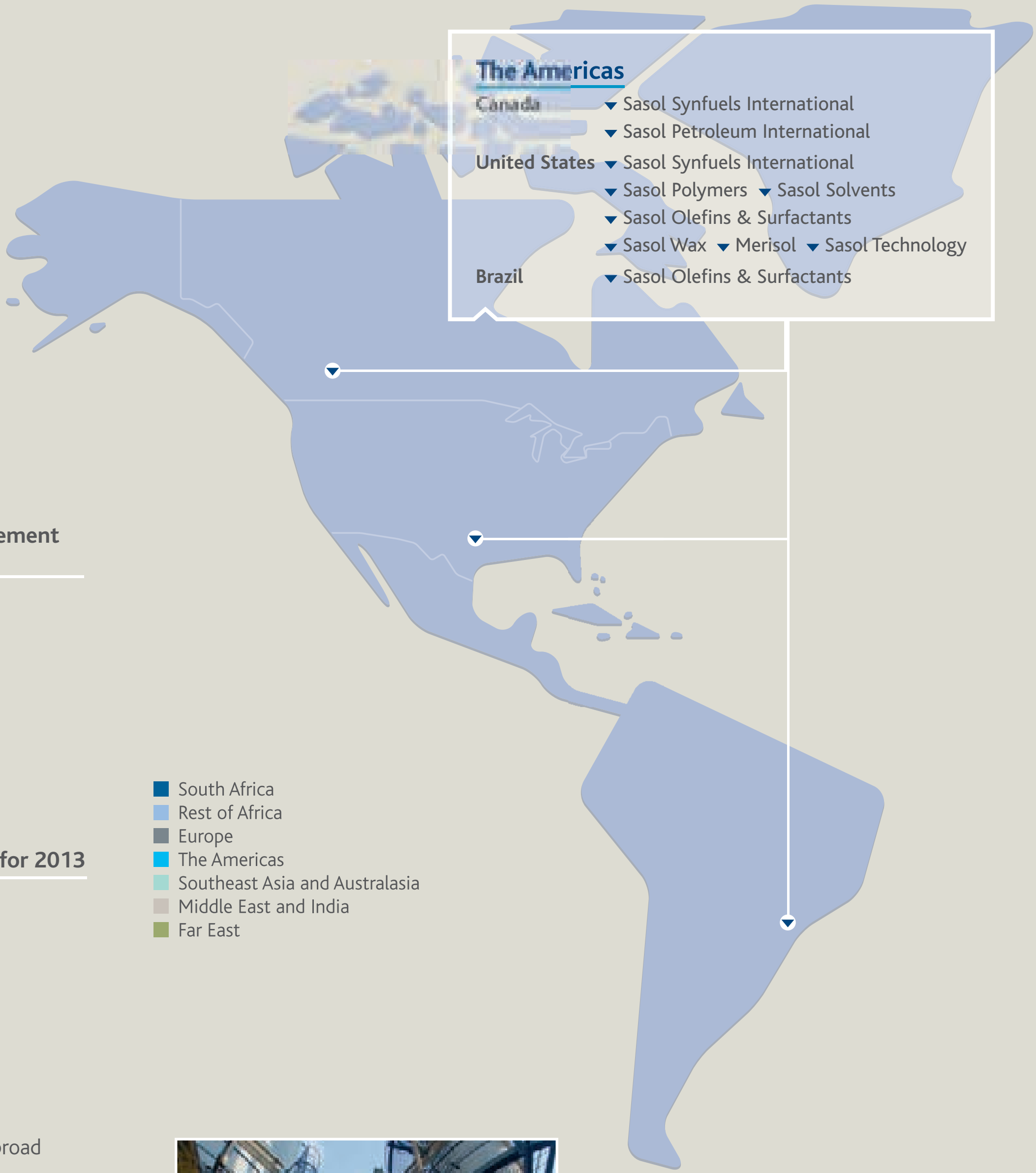
We continue to build on our track record of pioneering innovation. We have developed several proprietary processes in downstream chemical process technology. We have also developed and patented several base-metal catalysts for our FT synthesis processes. In coal exploration and mining, we have developed a number of cost-saving innovations to enhance production, some in partnership with technology suppliers. We continue to invest in liquid fuels research and development and testing through our fuel research group, the Sasol Advanced Fuels Laboratory (in collaboration with the University of Cape Town, South Africa) and the Sasol Fuels Application Centre.

For more information on the inputs, outputs and outcomes of our business model and integrated value chain, in relation to the six capitals model of value creation, which is the model recommended by the International Integrated Reporting Council's Consultation Draft published in April 2013, refer to the video on www.sasol.com.

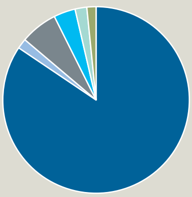
our **global presence**

where we operate

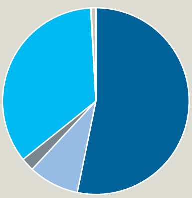
Sasol has exploration, development, production, marketing and sales operations in 37 countries across the world.



Operating profit after remeasurement items by region for 2013

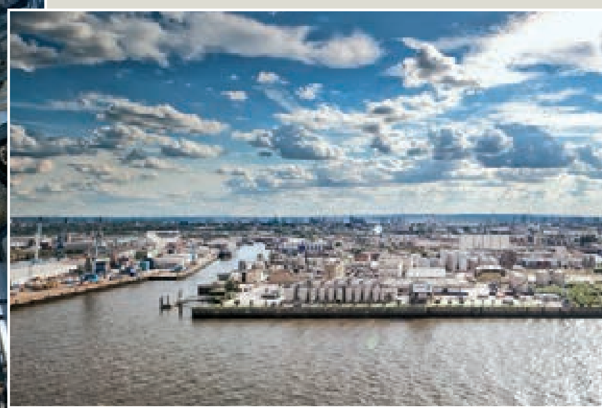


Capital commitments by region for 2013



- South Africa
- Rest of Africa
- Europe
- The Americas
- Southeast Asia and Australasia
- Middle East and India
- Far East

Our financial reporting reflects the broad regions in which we have a presence.



United Kingdom

England – Sasol Petroleum International; Sasol Solvents; Sasol Olefins & Surfactants; Sasol Wax; Merisol; Sasol New Energy

Scotland – Sasol Technology

Isle of Man – Sasol Oil; Sasol Financing; Sasol Petroleum International

Ireland

Ireland – Sasol Financing

Europe

France – Sasol Solvents; Sasol Olefins & Surfactants; Sasol Wax

Belgium – Sasol Solvents

The Netherlands – Sasol Synfuels International; Sasol Technology

Slovakia – Sasol Olefins & Surfactants

Poland – Sasol Olefins & Surfactants; Sasol Wax

Germany – Sasol Solvents; Sasol Olefins & Surfactants; Sasol Wax

Norway – Sasol New Energy

Austria – Sasol Wax

Italy – Sasol Solvents; Sasol Olefins & Surfactants; Sasol Technology

Spain – Sasol Olefins & Surfactants

Northern Asia

Russia – Sasol Olefins & Surfactants

Uzbekistan – Sasol Synfuels International; Sasol Technology

Asia

India – Sasol Synfuels International; Sasol Technology

China – Sasol Polymers; Sasol Solvents; Sasol Olefins & Surfactants; Merisol

Middle East

Qatar – Sasol Synfuels International; Sasol Technology

United Arab Emirates – Sasol Solvents

Southeast Asia

Malaysia – Sasol Polymers

Singapore – Sasol Solvents; Sasol Wax

Far East

Japan – Sasol Solvents; Sasol Olefins & Surfactants

Rest of Africa

Nigeria – Sasol Synfuels International; Sasol Petroleum International; Sasol Technology

Gabon – Sasol Petroleum International

Egypt – Sasol Wax

Southern Africa

South Africa – Sasol Mining; Sasol Gas; Sasol Oil; Sasol Synfuels; Sasol Synfuels International; Sasol Petroleum International; Sasol Polymers; Sasol Solvents; Sasol Olefins & Surfactants; Sasol Wax; Sasol Nitro; Sasol Infrachem; Merisol; Sasol New Energy; Sasol Financing; Sasol Technology

Swaziland – Sasol Oil

Lesotho – Sasol Oil; Sasol Nitro

Mozambique – Sasol Gas; Sasol Oil; Sasol Petroleum International; Sasol Nitro; Sasol New Energy; Sasol Technology

Botswana – Sasol Petroleum International; Sasol Nitro

Namibia – Sasol Nitro

Zambia – Sasol Nitro

Australasia

Australia – Sasol Petroleum International

This map is a broad indication of Sasol's global presence and of its existing operations, but is not location-specific.

Hixonia Nyasulu, *chairman*

responsive actions… delivering growth

During this time of change for Sasol, the board is confident that the decisions and actions taken to further the organisation's strategic intent will underpin a continuation of the strong performance and growth trajectory our stakeholders have come to expect from us.

- Celebrated 10 years on the New York Stock Exchange
- Continued to invest the majority of our capital expenditure in South Africa
- Leveraging our existing asset base to pursue growth in Africa
- Progress made on our mega-projects in the United States

Dear stakeholder

In years to come, we will look back at 2013 as a landmark in Sasol's history. Indeed, a step change in strategic focus, significant progress in relation to our growth projects, and the initiation of a complete organisational redesign were among the most noteworthy features of the year.

These advances found context in a thorough review of Sasol's strategy – to test its robustness in the near- to longer-term. This resulted in the resetting of certain core elements of our strategy, our priorities and our operating model. Our chief executive officer discusses these items in more detail in his review.

During this time of key change for Sasol, the board is confident that the decisions and actions taken to further the organisation's strategic intent will underpin a continuation of the strong performance and growth trajectory our stakeholders have come to expect from us.

Consistent delivery of results shows resilience

In 2013, Sasol celebrated the 10th anniversary of its listing on the New York Stock Exchange. This milestone gave us cause to reflect on the strong performance trend Sasol has shown over the decade.

It is equally important to consider other indicators of performance over this period, which speak to the company's commitment to act responsibly, and to create value not only for shareholders but also for all our other stakeholders. These include our substantially improved safety performance, our enhanced operational track record, and our focused corporate social investment interventions.

Continuing our upward trajectory, the group posted another excellent all-round performance in 2013. This was achieved amid continued global economic uncertainty, commodity market volatility and regional sociopolitical instability.

In South Africa, social and labour unrest remains a concern, impacting the mining, transport and agricultural sectors, as well as the country's credit ratings and reputation. At Sasol, thanks to our frank, transparent and constructive engagements with our unions, we are able to act swiftly and proactively when workforce issues arise.

Indeed, despite persistent turbulence, both at home and abroad, the group's ability to improve on its past performance demonstrates the resilience that has become Sasol's trademark.

Acting responsively to advance our strategic aims

During the year, the board endorsed management's decisions to proceed to the front-end engineering and design (FEED) phase on a world-scale ethane cracker and derivatives plant, and an integrated gas-to-liquids (GTL) and chemicals facility in Lake Charles, Louisiana, United States (US). Once commissioned, these US growth projects, a pivotal part of our "expand and deliver" strategy, will increase the group's production volumes significantly and cement our position on the continent across several industry sectors.

While the scale of these capital projects may be daunting, management's decision to phase in the GTL project after demonstrating our execution capabilities on the new ethane cracker is a responsible approach to executing these projects. The board firmly believes that the appropriate checks and balances are in place. Besides the improvements in project execution made as part of the group's Capital Excellence programme, the project governance structure gives the group executive committee and the board clear oversight, and access to the required information to enable robust investment decisions.

The careful prioritisation of the company's pipeline of projects, the calibre of the integrated project management team in the US, and the phasing of the work, gives the board comfort that the group will be able to maintain its targeted gearing levels and progressive dividend policy.

chairman's statement *continued*

As a board, our objective is to allocate capital according to targeted investment returns that compensate adequately for potential risks and provide a buffer for volatility. As I have written before, ensuring superior returns to our shareholders is ultimately indivisible from meeting the needs of all our many diverse stakeholders.

The relationships we have with key constituents in the United States give further cause for confidence in the potential of the US projects. In June, we held our final board meeting of the financial year in the Louisiana state capital, Baton Rouge. This allowed our directors to visit our existing facilities, proposed project sites, and to meet the Governor of Louisiana. Besides the support of the local community, our good relationships extend to the Louisiana Economic Development department, which understands our sector's requirements and has put in place an enabling legislative environment including key incentives. In addition, we are strengthening our relationships with the US Federal Government, and, more specifically, with the State Department and Department of Commerce.

While our US mega-projects look set to secure Sasol's position as a leading international integrated energy and chemical company, it is our solid foundation of existing businesses in Africa, Europe, North America and the Middle East that provide the capital base for our exciting worldwide expansion opportunities.

Our South African commitment

We are a proud South African company, and our commitment to the country and the region remains unequivocal. Our strategic focus and levels of capital investment will continue to be commensurate with the size of our employee and asset base, and to the contribution to group profit of our operations in the region.

Similarly, our considerable investment in human capital and social upliftment, as well as in infrastructure and enterprise development, will continue to underpin our strong ties to our South African home-base.

To allow us to grow and sustain our in-country operations, Sasol's investment plans for the coming years in South Africa will continue to be considerable. In particular, to ensure the long-term sustainability of our local assets, we have adopted a "nurture and grow" strategy that seeks to extend the lifespan of our business operations and integrated value chain to 2050.

We have, however, identified key risks to our longer-term aspirations. These include significant challenges in accessing natural gas feedstock in the country, and the urgent need for a policy and regulatory environment that provides certainty for our investments, and is supportive of growth and development.

We recognise that it is only in working together with government and other key role players that we can find solutions to these challenges. This collaborative approach will allow us to sustain value for our shareholders, while serving the pressing need to accelerate equitable and responsible economic growth and social development in the country.

Looking ahead

From a macroeconomic perspective, the growth expectations for key emerging and mature economies support the group's dual regional growth focus.

Our home-base of South Africa provides an important entry point to one of the world's growing regions, with the International Monetary Fund expecting Sub-Saharan Africa to grow at around 5,5% annually to 2015. We continue to believe that with realistic policy choices and an enabling investment climate, South Africa can cement its position as a major player in an Africa that is unmistakeably on the rise. On that basis, our investments in the region are focused on maintaining our large existing asset base and enhancing it over the long term.

Looking at the world's mature economies, despite ongoing political turbulence, the expected resilience of the US economy contributes to our relatively positive outlook. Pivotal to its growth path are North America's shale gas reserves, which are revitalising the energy and chemicals sector in the US. Alongside other benefits, such as a business-friendly policy and regulatory landscape, attractive foreign investment incentives and access to the right skills and capacity, the US provides an important opportunity for Sasol to deliver on its value proposition of monetising low-cost in-country natural resources.

Key management interventions

Given the complex parameters we must navigate in a business such as ours, the achievement of Sasol's ambitious strategy is contingent on an organisational structure that enables effectiveness, and a corporate culture that ensures both high performance and values-driven behaviour. The board therefore endorsed the group executive committee's recommendation to overhaul Sasol's operating model and align the top management structure of the group accordingly.

Based on independent analysis, the appropriate design principles have informed these changes. Chiefly, these included delivering on Sasol's overarching strategy, creating a streamlined organisation with clear and manageable accountabilities, as well as structures that maximise the benefits of integration and standardisation. In addition, leveraging scale and scope in the allocation of capital and capabilities across the group will be greatly enhanced under the new operating model and structure.

Strategic clarity has been achieved in the last two years, and the process of aligning the organisational design and culture to the strategic intent of the company is now well underway. There is every reason to feel confident in Sasol's ability to maintain its performance and build on its reputation as an active corporate citizen on the world stage.

The board extends its thanks to our many partners across sectors and geographies, with whom we will continue to work to create sustainable value for our shareholders, and to meet the expectations of all our stakeholders.

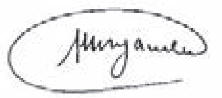
The board also wishes to thank our chief executive officer, David Constable, and the group executive committee, for their contribution to the success of the company during the 2013 financial year.

Closing remarks

When I first assumed the role of chairman of Sasol in 2008, I indicated that I saw this position as a five-year assignment. It is hard to believe that five years have already come and gone. At our annual general meeting on 22 November 2013, I will step down as chairman. I have had the privilege and honour to serve as the chairman of Sasol through a turbulent, yet positive, half decade.

A strong foundation has been laid. Notwithstanding the ongoing global uncertainty that has come to epitomise the past five years, Sasol has remained resilient and strong. With important changes to our strategy, group operating model and growth drivers, the board and I have every confidence that Sasol will continue to grow and flourish.

I wish the new chairman, Dr Mandla Gantsho, and our chief executive officer, David Constable, every success as they take the organisation forward – towards 2020 and beyond. I will keenly follow the company's fortunes, as it enters an exciting and important new era.



Hixonia Nyasulu
chairman

6 September 2013

David E. Constable, *chief executive officer*

gaining momentum... driving change and building for growth

We face a time of substantial and all-encompassing change. Amid the excitement and the exertion of managing great change, we must remain mindful of our overarching mandate, which is to ensure that we maximise long-term shareholder value.

- Best annual safety performance in the organisation's 63-year history
- Significant strides forward in our strategic review and development exercise
- Driving growth in Southern Africa and abroad
- Ongoing substantial investments in socioeconomic development
- Working towards a new operating model to make Sasol fit for the future

Dear stakeholder

It has been another extremely busy and significant year for Sasol. Our wide-reaching management interventions of the past two years are taking shape. As we implement our strategy, we are gaining momentum in pursuit of our definition of victory – to grow shareholder value sustainably.

This past financial year, the group posted another outstanding all-round performance against our safety, operational and financial targets. We also made substantive progress in reviewing, developing and executing Sasol's strategy, both for the near- to medium-term and the longer-term.

More specifically, alongside solid operational results from our foundation businesses, we were able to advance our growth projects in a measured and responsible way.

Delivering a strong share price performance

Earlier this year, Sasol celebrated the 10th anniversary of our listing on the New York Stock Exchange. On 9 April 2003, Sasol's American depositary receipts listed at US$10,73 per share on the NYSE. Just over a decade later, on the day of our year-end results announcement, 9 September 2013, the share price had increased almost fivefold to close at US$49,49 per share.

Over the same period, our market capitalisation rose from US$7,2 billion to US$32,1 billion. Throughout this timeframe, we have remained a consistent and strong performer, with our attributable earnings trending upward to a new all-time high this past financial year.

Comparing our year-on-year share price, the stock rose from R342,40 to R431,54 per share. This represents a 26% increase over the financial year.

While we acknowledge the macroeconomic tailwinds that have supported our business model, our success, in large part, is due to our ability to manage the factors within our control.

From these important indicators, it is clear that our company continues to deliver a solid and stable operational performance. Our strong results are also testament to the resilience of our strategy, notwithstanding a volatile external environment that continues to weigh heavily on economic growth.

I would like to acknowledge and thank my Sasol colleagues from around the world, who have once again distinguished themselves with their commitment, passion and hard work. Thanks to their resolve, we continue to deliver a high level of performance, even through often-uncertain times.

Delivering a record safety performance

I am extremely proud that our financial and operational results were achieved within the context of the best annual safety performance in the organisation's 63-year history. The group's recordable case rate for employees and service providers stood at 0,31 (excluding illnesses) at year-end, improving from 0,35. This is a remarkable achievement, if one takes into account the challenging environments so many of our people work in. Similarly, for the first time in Sasol Mining's history, we suffered no fatalities.

All credit goes to our Sasol men and women throughout our global operations – thank you for making safety a non-negotiable in driving high-performance.

However, it is with great sadness that we recorded five fatalities for the past financial year. On behalf of Sasol, I again extend our deepest condolences to the families, friends and colleagues of Ezette Castles, Ayanda Xolo, Moses Nyembe, a Sasol O&S service provider in Germany who cannot be named for legal reasons, and Thomas Ramuthugi.

Impressive safety milestones and trends have little value if we continue to record tragic losses. At Sasol, we remain steadfast in our unrelenting focus on safety, and our belief that we can, indeed, achieve zero harm.

chief executive officer's review *continued*

Delivering on our key strategic themes

Turning to what has underpinned our safety, operational and financial performance, three sequential strategic themes have come to epitomise the last two years at Sasol. In 2013, we continued to take significant strides forward from the firm footing we established the year before. Let me describe these phases, of "goal-setting and consolidation" (from July 2011 to July 2012), "prioritisation and focus" (from August to December 2012) and "delivery and growth" (from January 2013 to date), in greater detail below.

Goal-setting and consolidation

Shortly after I joined Sasol in June 2011, an extensive evaluation of the group's overarching corporate strategy was initiated. The macroeconomic context for our strategy reassessment centred on key changes in the international environment, specifically following the global financial crisis, as well as shifts in market dynamics.

Our strategy review and development process involved scrutinising all of our businesses to determine our current reality. From here, we examined various future scenarios and possible strategic paths for Sasol beyond 2020.

Through our evaluation process, we confirmed the robustness of our near- to medium-term strategy, which is anchored by our value proposition of monetising gas to produce liquid fuels, high-value chemicals and low-carbon electricity.

Armed with greater clarity regarding our longer-term direction, we further refined our strategic agenda in the year, with two important shifts in our thinking. The first was our decision not to pursue selective growth in coal-to-liquids (CTL) operations, but to focus singularly on accelerating our gas-to-liquids (GTL) growth ambitions – natural gas being a far cleaner hydrocarbon and a bridge to a lower-carbon economy. Secondly, we focused the scope of our New Energy business on developing and growing low-carbon power generation as an important value proposition and a profitable new source of revenue in the future. Both of these strategic shifts talk to our response and commitment to the climate change challenge.

Technology continues to underpin our competitive advantage, specifically in terms of process innovations that drive production output and efficiencies, and mitigate environmental impacts. As such, we clarified the research and development mandate of Sasol Technology to focus on driving improvements within our existing CTL facility at Secunda in South Africa, deepening our compelling GTL value proposition on a global basis, and broadening our product application research.

As we look to become a more competitive organisation, and to retain, develop and attract the talent we require to deliver and grow, our initiatives to embed a high-performance values-driven culture at Sasol are critical. In the year, we introduced differentiated performance management metrics for the organisation's top 100 executives. This will be rolled out to the next level of management in the next two years. We are also focused on developing our diverse talent pipeline and creating succession depth, including at top management level.

This past year, we continued to make excellent progress in our transformation activities in South Africa. We achieved level 3 broad-based black economic empowerment (BBBEE) contributor status, improving from level 4. Our unwavering focus on equity ownership, enterprise and socioeconomic development, employment equity, skills development and preferential procurement are delivering exceptional results – well beyond the stretch targets we had set for ourselves.

In tandem, and also in relation to our commitment to our South African transformation journey, we launched key diversity interventions. These included establishing the Sasol Women's Network, as part of our women's empowerment strategy, and the Sasol Learn, Experience and Accelerate Potential (LEAP) programme, which aims to provide focused career development to our high-potential colleagues.

Prioritisation and focus

From August to December 2012, we focused the executive team and the organisation on the most important and urgent priorities. This enabled us to optimise the utilisation of our resources – from management capacity and specialised skills to our relationships with our partners – and ultimately, to improve our overall performance.

Enhancing operational reliability and stability, and driving production efficiencies, particularly in the international chemicals businesses, was a key focus area. The importance of optimising our foundation businesses, as the generators of capital and providers of expertise to drive our growth ambitions, cannot be overstated.

Given the magnitude of Sasol's growth opportunities, in October 2012, we scrutinised our pipeline of projects in relation to their human capital and financing requirements, as well as the material country risks and policy considerations impacting on them. The overarching purpose of this review was to prioritise new capital expenditure with the best chance of unlocking maximum value for our stakeholders over the long term.

Similarly, as part of the group's Capital Excellence programme, we implemented a more robust and streamlined governance process, aimed at improving the rate of return on projects by reducing costs and optimising project timelines.

Furthermore, our critical evaluation of the drivers that inform our investment decisions has been aimed at supporting the focused delivery of growth projects. Our investment criteria now include the following considerations: access to and timing of funding within the parameters of our targeted gearing levels and progressive dividend policy; the competitive position of our technology and our manufacturing know-how; our ability to secure low-cost feedstock over the long term; a product or market position that provides a compelling business case; and, whether we have access to the required project execution capabilities to deliver the project in question.

As part of our capital allocation determinations, we give due consideration to creating the right balance between investing the company's capital for longer-term benefit and returning cash to the company's shareholders. From this basis, we have made clear decisions regarding our capital projects and their respective timeframes.

Looking at our upstream activities, and as part of our prioritisation efforts, we rationalised our exploration portfolio this past year and relinquished various licences in Mozambique, Papua New Guinea and Australia. In so doing, we high-graded our portfolio which contains a number of promising assets in other parts of Australia, Gabon, North America and Southern Africa.

We decided to reduce our participation in our Uzbekistan GTL joint venture from 44,5% to 25,5% at the end of the front-end engineering and design (FEED) phase, which we expect to be completed during the second half of the 2013 calendar year. This notwithstanding, the Uzbekistan GTL project remains an important project in Sasol's GTL growth portfolio, and the business case for the project remains robust.

We have made significant progress advancing our US mega-projects. Specifically, at our world-scale ethane cracker and downstream derivative units in Lousiana, we have appointed key engineering and technology providers and placed orders for crucial long-lead items. In addition, we have submitted our environmental permit applications and received the requisite approvals for key project incentives from the state.

Our GTL facility in Louisiana will produce at least 96 000 barrels per day (bbl/d) of product, with the potential to produce up to 10% more. The US GTL project will be delivered in two phases after the ethane cracker, with each phase comprising at least 48 000 bbl/d. We expect to take the final investment decision for the project within 18 to 24 months after that of the cracker.

Delivery and growth

Based on the work we did during the prioritisation phase, it became evident that our strategic ambitions required an enhanced dual regional strategy.

In Southern Africa, and across our existing global operational footprint, we talk of our "nurture and grow" strategy. The emphasis here is as much on maintaining and enhancing our existing asset base as it is on growing in new areas, most notably in low-carbon power generation, both in South Africa and in Mozambique.

Looking to North America, elsewhere in Africa and the rest of the world, we speak of "expand and deliver", as we seek to advance on several fronts. In relation to our US mega-projects, it is essential that we deliver on the project milestones in full, on schedule, within budget and with the quality required to ensure successful plant start-ups.

In support of this dual focus, we have continued to drive the projects already underway and begun to activate other key initiatives.

The development of the Impumelelo and Shondoni collieries, which are part of our ongoing mine replacement programme, is progressing well. This is key to our ambitions to extend the lifespan of our Southern Africa integrated value chain to 2050. While the issuing of water licences by the relevant authorities has caused some delay, we expect both collieries to be completed on time and within budget. Beneficial operation should be achieved during the fourth quarter of 2014 and second half of calendar 2015, respectively.

In addition, and also key to our Project 2050 aspirations in Southern Africa, we have made great progress on the Secunda growth programme, which is nearing completion. This will contribute to increased site flexibility and volume growth. Beneficial operation of the entire programme is expected in the second half of the 2014 calendar year. We are extremely pleased with the results to date.

In Mozambique, we advanced the development of our 140 megawatt gas-fired electricity generation plant at Ressano Garcia, in partnership with the country's state-owned power utility, Electricidade de Moçambique (EDM). EDM will be the sole offtaker of the electricity under a power purchase agreement. Construction has commenced and beneficial operation is expected during the first half of the 2014 calendar year.

Delivering a broader contribution

We continued to implement targeted interventions as part of our broader contributions to socioeconomic development over the reporting period. These contributions demonstrate our commitment to act responsibly, and also our intent to create value not only for our shareholders, but also for our other stakeholders.

At the end of last year, we announced our R800 million commitment to the Ikusasa public/private partnership. To date, we have already contributed R135 million to the Govan Mbeki and Metsimaholo municipalities. These contributions serve to improve local infrastructure, upgrade education and resource centres, including public libraries, and to enhance healthcare, sports and recreational facilities.

Through targeted interventions, our global investment in socioeconomic development was R627 million this past year, of which close to R600 million was invested in South Africa alone. In addition, we increased the level of investment in our Sasol people across a wide range of initiatives, spending more than R837 million on skills development.

chief executive officer's review *continued*

Turning to just one of our many environmental initiatives, in April 2013, we launched the Water Sense campaign with the South African Department of Water. The Emfuleni water conservation project achieved 2,1 million cubic metres of water savings through the repair of leaks in 60 000 homes – about half of the municipality's current water usage.

Of particular note, we remain one of the largest corporate taxpayers in South Africa, contributing R30,8 billion in direct and indirect taxes to the national fiscus this past financial year. Importantly, and notwithstanding our international growth aspirations, we remain the largest private company investor of capital in South Africa. Our in-country expenditure in 2013 was R19,8 billion, which equates to 59% of our group's spend.

Driving change to make Sasol fit for the future

Of course, a strong operational and financial performance does not mean that we can afford to be complacent. In fact, the best time for an organisation to make improvements is when things are going well. Our strategy, both in relation to enhancing our existing asset base and delivering our growth projects is an ambitious one. To achieve our strategic goals, we carefully examined where we need to improve, and the level of organisational change required to secure our ongoing success.

During 2013, our focus on operational performance resulted in improved plant stability and higher production volumes. Looking ahead at our business performance enhancement programme, we will continue to improve our operational productivity, while implementing an effective, simplified and tailor-made operating model. Our aim is to drive initiatives which will address both cost creep and organisational complexity, making Sasol more fit for the future. Through this programme, we expect to generate sustainable annual savings of at least R3 billion. This will be achieved, to a large extent, by arresting our cash fixed cost increases over the next two to three years, and then by keeping costs at below inflation going forward.

After detailed analysis, benchmarking, weighing up the trade-offs between different options and reflecting on Sasol's long-term growth aspirations and strategy, the management team recommended a new operating model. The Sasol Limited board approved this operating model, which will be structured by value chain – with a "buy" (upstream), "make" (operations) and "sell" (commercial) focus. Further detailed design work is underway on the new operating model to progress it towards an implementable solution, which will commence from the second half of the 2014 calendar year.

The benefits of the necessary restructuring, rightsizing and repositioning will be profound and include less complexity and greater agility, better decision-making and empowered accountability, while also optimising our cost base. We will measure the success of overhauling our operating model and the associated management restructuring not only in terms of financial metrics, such as cost efficiency, but also in terms of the tangible benefits experienced by our employees. Our new employee engagement and enablement measurement tool, the Heartbeat Survey, assesses our employees' wellbeing, thereby allowing us to proactively action areas for personnel resource improvement on a regular basis.

Maintaining an active board

This year marks the start of a new era for the Sasol Limited board, with our chairman, Hixonia Nyasulu, stepping down at the annual general meeting on 22 November 2013. Hixonia has served on the board for seven years – two years as a non-executive director and five years as chairman.

For me, it has been a great pleasure working with Hixonia and clearly, the group has been positioned extremely well for the future under her watchful eye. Her wise, constructive and frank approach is indicative of her sound and engaging leadership style. On behalf of the management team, I want to sincerely thank Hixonia for her contribution to the company and wish her all the very best as she pursues new and exciting interests and opportunities.

Looking ahead, the Sasol board recently appointed Dr Mandla Gantsho as our new chairman. Mandla is no stranger to Sasol, having served as a non-executive board member for ten years now. I look forward to working with Mandla in his new role. His expertise and knowledge of the company will most certainly prove beneficial to Sasol and our stakeholders in the years to come.

Maintaining a strong management team

After more than seven years with the group, in August 2013, our chief financial officer (CFO), Christine Ramon, announced her resignation to pursue new opportunities. At Sasol, we have a strong and talented team of people within the finance division, which has left us exceptionally well-placed in our appointment of an acting CFO.

Paul Victor, previously our group finance executive, was appointed acting CFO with effect from 10 September 2013. Paul's ten years at Sasol Synfuels, along with his hands-on detailed knowledge at group level, made him an obvious choice to assume this role. I am pleased to have a financial executive of this calibre working alongside me.

Also this year, Lean Strauss, our senior group executive: international energy, new business development and technology, announced his retirement. Although, Lean will continue to support me as an industry advisor, after over three decades of dedicated service, he is enjoying a very well-deserved retirement.

Ernst Oberholster, who was the managing director of Sasol New Business Development, has been appointed as Lean's successor. Ernst has been with Sasol for more than 23 years and has been working closely with Lean in the international energy and business development arenas. Ernst is a seasoned dealmaker and astute businessman, and has been the driving force behind the initiation of many of our largest projects including our US mega-projects, the Canadian gas acquisitions and Uzbekistan GTL.

On behalf of the Sasol Limited board and the management team, I would like to wish both Ernst and Paul all the very best as they assume their new responsibilities on the group executive.

Facing the future with confidence

We face a time of substantial and all-encompassing change. Amid the excitement and the exertion of managing great change, we must remain mindful of our overarching mandate, which is to ensure that we maximise long-term shareholder value. The management team and I fully appreciate and understand that our decisions must stand the test of time and continuously deliver outstanding results.

We stand at the apex of a new age for Sasol, with the responsibility of shaping a global company with exceptional prospects, based on our people, assets and technologies. Only through the ongoing hard work and contributions of our people, trusted business partners, loyal customers, suppliers, and supportive governments, can we continue to deliver sustainable value for all of our stakeholders in the years to come.

I have every confidence that, working together as one team, we will secure a bright future for Sasol.

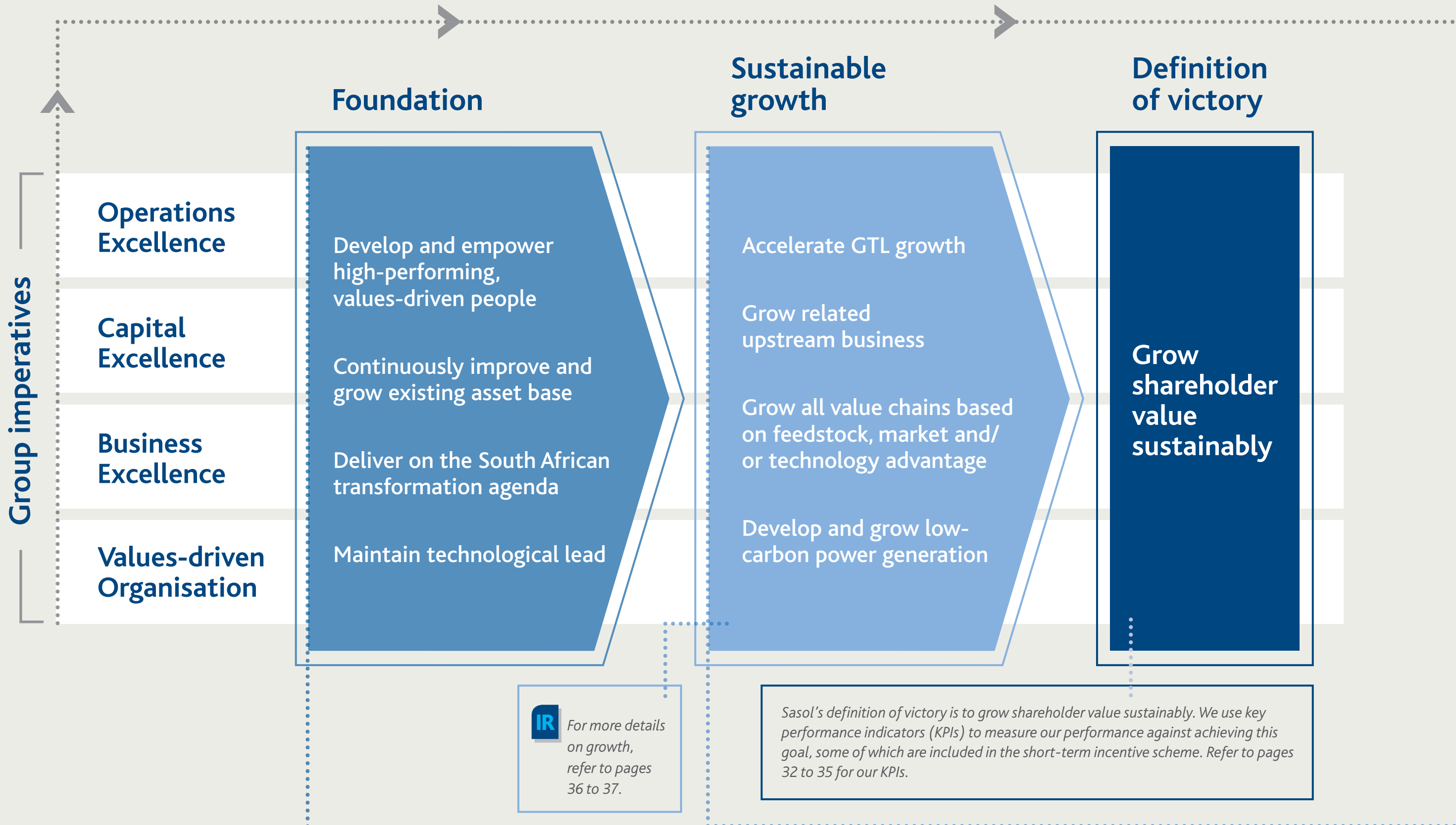
David E. Constable
chief executive officer

6 September 2013

our **strategy**

where we are headed in the near- to medium-term

We continued to evaluate our strategy in relation to significant changes in the global environment and shifting market dynamics. While the evaluation process has confirmed the robustness of our near- to medium-term strategy, we refined our strategic agenda to reflect key shifts in our thinking.



our foundation pillar

This year we further refined both our strategic pillars. The objectives set out in our foundation pillar are executed through our nurture and grow strategy.

Develop and empower high-performing, values-driven people

This underscores the importance of a high-performance culture, adherence to our shared values and individual accountability. We invest significantly in skills development and training, focused leadership development and succession planning. In our quest to attract, develop and retain the right people, there has been a substantial shift in our performance management approach.

Continuously improve and grow our existing asset base

We continue to grow our existing assets, improving the efficiency and reliability of our facilities through our Operations Excellence programme, while also investing in new plants. Our drive to achieve a world-class safety record and moderate our environmental impact is dedicated and persistent, and driven by meaningful targets.

Deliver on the South African transformation agenda

As a proud South African company, we view broad-based black economic empowerment (BBBEE) as a business imperative. At the end of 2012, Sasol Mining exceeded the targets for BBBEE equity ownership ahead of the 2014 deadline. Through our commitment to transformation, we have achieved level 3 BBBEE contributor status. We established the Sasol women's network, as well as a women's empowerment strategy for the group. Our skills development programme, which includes our Learn Experience and Accelerate Potential (LEAP) programme, seeks to build capacity both within Sasol and the broader community.

Maintain technological lead

Through research and development, managing technology and constantly innovating, we maintain the growth and sustainability of our fuels and chemical businesses and grow our competitive advantage.

unpacking our group imperatives

Group imperatives are strategic priorities that require group-wide focus. In 2013, we made tangible progress and our advancements are already yielding significant benefits.

Operations Excellence

This programme aims to improve reliability, sustainability and maintainability across Sasol's value chains by developing standardised, world-class management systems and by implementing best practice in our plants and businesses. It also seeks to develop competent and engaged people who adopt these practices and deliver targeted performance.

Delivery in 2013

We developed and implemented 17 new best practice initiatives across the group. These initiatives, coupled with various other operational improvements realised efficiencies of approximately R400 million in the year.

Capital Excellence

This programme aims to ensure the flexible and effective use of capital in the group's project value chain. It is focused on delivering projects that meet all quality requirements in the shortest possible time, at the lowest possible cost, yielding the greatest possible return on investment.

To ensure flexible and effective use of capital in the group, we optimised and prioritised our project portfolio and implemented a more streamlined approval path. We have also revamped the planning and quality review processes for projects bringing it in line with international best practice and driving improved project delivery.

From 2013, all of our people working in critical project roles will need certification to ensure that their experience and skill sets are aligned with the challenges of a particular project.

Business Excellence

This imperative encompasses improving our marketing and sales function and places a broader emphasis on improving our approach to doing business. Through the more effective management of financial levers such as sales, volumes, costs, inventories and margins in our day-to-day business dealings, we aim to maximise financial impact.

Various profit improvement opportunities were identified and realised by implementing marketing and sales best practices. An intensive price review and margin management capability-building programme was completed in two business units, resulting in further significant profit improvement opportunities. We designed a customer key account management and executive sponsorship programme, which will be piloted in 2014. We are also launching a global business improvement project aimed at streamlining the business and sustainably reducing costs.

Values-driven Organisation

Values define us and ultimately determine Sasol's success. It is not only our leaders that should be values-driven in everything they do – this imperative applies to all of our people.

We have refined our values and rolled them out across the group. We have also incorporated them into the group's performance measurement system to ensure that our people understand our values and apply them in all their interactions.

our sustainable growth pillar

This year we also refined our sustainable growth pillar of our strategy, which ties to our expand and deliver strategy. In particular, we narrowed our focus to the growth of our gas-to-liquids (GTL) technology. Our activities in coal-to-liquids (CTL) will be concentrated on ensuring the continued success and profitability of our CTL facility at Secunda, as part of our Southern Africa 2050 strategy. In addition, we refocused our New Energy business on developing low-carbon electricity. Finally, we broadened our growth focus across all our value chains, not just in our chemical value chains as was previously the case.

Accelerate GTL growth

We are accelerating the application of our GTL offering, the economics of which are attractive based on the large price differential between gas and oil and transportation fuel margins particularly in North America.

Grow related upstream business

We are pursuing growth by exploring for and developing targeted upstream resources to secure the feedstocks we need, and to capitalise on the benefits of integration with our downstream technologies.

Grow all value chains based on feedstock, market and/or technology advantage

In seeking new sources of growth, outside of our integrated GTL and CTL based value chains, we will focus on building on areas of strong competitive advantage. In doing so, we have identified three pillars of competitive advantage (feedstock, technology and market).

Develop and grow low-carbon power generation

Our aim is to develop low-carbon power generation opportunities with a particular focus on Southern Africa. We are leveraging Sasol's key competitive advantage in access to feedstock, specifically natural gas, in this regard.

nurturing and growing our foundation businesses

Our business is becoming increasingly global, growing from our deep roots in Southern Africa. Our businesses here, together with our other existing businesses in Europe, the Middle East and the US comprise our foundation businesses. While our project pipeline, technological innovations and regional focus talk to our growth aspirations, our foundation businesses serve as the platform from which to expand.

focus story

A strong platform for growth

Our existing global businesses are a key component of the foundation pillar of Sasol's strategic agenda, which is executed through our "nuture and grow" strategy, particularly in Southern Africa. So too is working to secure feedstocks and improve the assets of our chemical and upstream operations across the world.

Looking towards 2050

We have put a management process in place to profitably operate our Southern African value chain to 2050. This includes the setting of clear goals for both the near- to medium-term and the long-term, taking appropriate capital investment decisions and managing the process according to detailed roadmaps and milestones. To ensure the sustainability of our operations, we are focused on: improving operational reliability and stability, enhancing our asset base, through appropriate maintenance and renewal expenditure; growing our cash flows by optimising our cost base and capital spending; developing the skills we need; and, working to maintain good relationships with all our stakeholders, specifically our labour force. We also remain acutely aware of the environmental impact of extending our operations to 2050. We are working on initiatives to mitigate greenhouse gas and carbon dioxide (CO_2) emissions as well as on those related to air quality and water stewardship.

IR SD For more information on our environmental initiatives, refer to pages 48 to 49 and to our sustainable development report.

Securing feedstocks and markets

Our intention to extend our foundation businesses to 2050 will depend on the availability of coal, natural gas and suitable water resources. Our broader African growth plans, which form part of the "expand and deliver" pillar of our strategic agenda, will play a vital role in securing the feedstocks and markets we need, to sustain our Southern African value chain.

We have already made progress on securing coal reserves in South Africa through our mine replacement programme. In Secunda, the Thubelisha shaft was inaugurated in May 2012 and construction of the Impumelelo and Shondoni collieries continues on schedule. The further exploration and development of our existing Mozambican upstream operations are focused on providing a sustainable source of natural gas. With regard to water security and stewardship, we have developed a holistic approach to support our current operations in water-stressed areas. We understand that building strong regional relationships with a range of stakeholders will underpin the success of our initiatives to access the feedstocks we need.

Insofar as securing markets for our products, growing consumer markets in Southern and Sub-Saharan Africa provide opportunities for the wider distribution of the products we produce from our regional value chain.

IR For more information on our "expand and deliver" strategic pillar, refer to pages 36 and 37.

Sasol Secunda, South Africa

our **project pipeline**

how our growth projects link to our strategy

Sasol's focused and strong project pipeline means we are actively capitalising on growth opportunities that play to our strengths globally. This will enable us to continue creating value and proudly taking Sasol forward to reach new frontiers.

Strategic drivers	FEED/EPC		Definition of victory
Accelerate GTL growth	• Nigeria Escravos GTL • Uzbekistan GTL	• US GTL and chemical value adds	Grow shareholder value sustainably
Grow chemicals based on feedstock, market and/or technology advantage	• Tetramerisation • Fischer-Tropsch (FT) wax expansion	• US ethane cracker and derivatives	
Develop and grow low-carbon power generation	• Mozambique electricity generation		
Improve and grow existing asset base	• Secunda growth programme • Mine replacement programme • Ethylene purification	• Mozambique gas pipeline • C_3 stabilisation	
	Exploration/Development		
Grow related upstream business	• Mozambique Area A, Sofala, PSA • Canada shale gas • Gabon expansion	• Botswana, Coal Bed Methane • Australia • South Africa offshore	

We apply a systematic approach to developing and implementing projects, known as the business development and implementation (BD&I) model. This model aligns business and operational requirements, and project and technical activities, to ensure the right actions are executed at the right time to deliver world-class projects.

Feasibility phase

Business, technical and project execution alternatives are identified. The selected alternatives are developed into single well-defined concepts. The cost and benefits are calculated and it is determined if the project is viable from a technology and economic point of view.

FEED (front-end engineering and design)

FEED is the process Sasol uses in the conceptual development of new projects. Also referred to as pre-project planning, FEED involves developing sufficient strategic information to address risks, and assist in making decisions to commit resources to maximise the potential for a project's success.

EPC (engineering procurement construction)

The facilities are designed in detail, procured and built as per the operated project execution plan. Once accepted as ready for commissioning (RFC), the facility and business systems are prepared for the first introduction of process feedstocks to achieve ready for operation (RFO) status.

expanding our business globally

how we are enhancing our foundation and advancing growth

We have made progress in expanding our local and global interests. As we look to improve the effectiveness of our regional hubs and strengthen our local partnerships even further, this expanded focus will continue to deliver results.

Nurturing and growing our foundation businesses

Secunda, South Africa

The Secunda growth programme is progressing, with the start of the installation of the gas heated heat exchange reformers. The first set, successfully commissioned in June 2013, will increase flexibility and the timing of the installation of the second set will be planned to maximise volumes. The last of the four new gasifiers was successfully commissioned.

The complex brownfields volatile organic compound abatement project continues, along with the replacement of tar tanks and separators, as well as the coal tar filtration east project.

The R3,5 billion Thubelisha Shaft at the Twistdraai colliery in Mpumalanga has been largely completed. The development of the Impumelelo and Shondoni collieries, which are also part of Sasol Mining's R14 billion mine replacement programme, are progressing as planned.

The R1,3 billion C_3 stabilisation project is expected to be complete by the middle of the 2014 calendar year.

Sasolburg, South Africa

Construction on the R11,9 billion Fischer-Tropsch (FT) wax expansion facility continues to progress. The commissioning of the new slurry bed reactor is expected to take place at the end of March 2014.

Our R1,9 billion ethylene purification unit construction is expected to be completed by the second half of the 2013 calendar year.

Sasol New Energy successfully started operations on the gas engine power plant and began producing electricity at the end of December 2012.

The Secunda Natref integration pipeline, which will facilitate the transfer of liquid fuel components between the two facilities, was commissioned within its approved budget of R1 billion.

Mozambique

Construction is in progress on the R2,4 billion (US$246 million) Sasol New Energy-led gas-fired power generation plant. Power generation is expected to commence towards the end of the 2014 financial year.

United States

Construction is in progress on the world's first commercial ethylene tetramerisation plant in Louisiana. The plant is expected to be completed during the fourth quarter of the 2013 calendar year.

Expanding and delivering on our growth projects

United States

We are proceeding with FEED on a 1,5 million tons per annum, world-scale ethane cracker and a 96 000 barrels per day GTL facility in Louisiana.

Western Canada

The feasibility study to determine the technical and commercial viability of a GTL facility was completed. A decision was made to phase this investment opportunity after the ethane cracker and US GTL facility.

Uzbekistan

The FEED activities for the GTL plant are progressing well and are expected to be completed during the second half of the 2013 calendar year. As a result of the magnitude of our growth portfolio, as well as significant sustenance capital required for our South African operations, the Sasol board approved a decrease in our shareholding in the Uzbekistan GTL project from 44,5% to 25,5% at the end of the FEED phase.

Nigeria

Commissioning and start-up activities for the Escravos GTL project are progressing steadily. The plant is expected to reach the start of beneficial operation towards the end of the 2013 calendar year.

Upstream activities

Canada

The Sasol and Talisman Montney Partnership approved the annual work programme relating to our Canadian shale gas asset. We are actively de-risking this asset to optimise the ramp-up of development activities once gas market prices increase.

Mozambique

Subsequent to the expansion of the central processing facility to 183 million gigajoules per annum, we are progressing two major projects to ensure operational integrity.

Gabon

We approved capital spend for the development of the South East Etame and North Tchibala projects, as well as the expansion project of the Main Etame field.

Botswana

Drilling was completed for the nine core hole exploration programme at our coal bed methane asset.

introduction
strategic performance
governance and remuneration
financial performance
operating performance
additional information

our top issues impacting our **business**

how we are proactively managing prevailing issues

During the past year, we remained focused on those key issues that have the potential to impact most significantly on our reputation, influence our ability to reach our strategic goals and achieve our growth objectives.

In identifying the issues, we ensure that the pertinent implications of policy and regulatory changes as well as the socioeconomic and reputational drivers are properly understood. Equally important, we seek to take proactive steps in a constructive and collaborative manner to either seize potential opportunities or limit any potential negative impacts of a particular issue. In the following table, we describe the top issues for the group at the end of 2013.

Top issues	What we are doing about it
Our response to environmental challenges	We follow a risk-based approach to identifying and managing priority environmental risks, including those relating to air quality, waste management and greenhouse gases. Some of our important initiatives aimed at managing environmental challenges include: • significant investments in environmental improvement projects; • extensive liaising with government on regulatory matters and providing input into the development of climate change policies; and • moving to a lower-carbon economy through the increased use of natural gas for our energy requirements.
Driving a high-performance culture through diversity and inclusion	Developing and empowering high-performing, values-driven people is a key priority for us and is inextricably linked to our diversity agenda. We drive cultural transformation through: • striving for diversity at every management level, including people with disabilities and embedding inclusiveness in our culture; • empowering women through our women empowerment strategy and Sasol Women's Network initiatives; • meeting our employment equity targets by making managers accountable for progress on our 2017 employment equity plan (applicable to our South African operations) by including these targets in performance charters; and • up-skilling and empowering local talent in all the regions in which we operate.
Unlocking growth by optimising our business	We recognise that optimising the way in which we operate is key to our long-term growth ambitions and sustained profitability, and that capital project planning and execution is critical to us delivering on our project portfolio. To ensure that Sasol is running optimally we are: • implementing a cost optimisation project aimed at reducing cash fixed costs; • rigorously screening capital investment projects through our governance structures to ensure that we allocate capital optimally; and • simplifying our operating model and improving operational productivity by redesigning group functions and reducing procurement costs.
Compliance with competition laws	Following our group-wide competition law review, concluded in 2010, we evaluate, on an ongoing basis, our response to any investigations by competition authorities relating to the industries in which we operate. We also continue to provide input to the South African Competition Commission in its investigations of the polymers, fertiliser, piped gas and petroleum sectors. In tandem, we stepped up our internal competition law compliance programme, and enhanced our ethics management systems.
Compliance with the Air Quality Act	We have invested significantly to introduce the appropriate measures to ensure our ongoing compliance with environmental legislation. We have assembled a cross-functional and cross-business team to: • ensure Sasol's continuing compliance with the Air Quality Act in South Africa; • invest in methods to significantly reduce volatile organic compounds, boiler emissions and hydrogen sulphide emissions; • engage with national government and local authorities to find optimal solutions for appropriate emissions reductions while maintaining energy security and supply to South Africa; and • evaluate the compounding effect of competing legislative requirements like clean fuels specifications and climate change policies.

our top **priorities** for **2014**

what we will focus on in the new financial year

Every year the group executive committee sets the company's top priorities for the year ahead. These focus the organisation's mind on the things we need to achieve in the short term to accomplish our longer-term strategy. As we make progress on realising specific items, so we refine our list of priorities. The removal of a particular element does not indicate that it is any less important to Sasol, but rather that sufficient progress has been made in incorporating that priority in our day-to-day business.

IR Our operational reports starting on page 90 detail how each business unit delivered on our priorities for 2013.

Improve safety performance

Based on our unwavering belief that zero harm is possible, even in high-risk environments like ours, we remain focused on improving the positive downward trend in our recordable case rate through clearly articulated safety improvement plans. We are also emphasising a far greater commitment to process safety.

Enhance business performance

Ensuring that our operations continue to run optimally, in all respects, remains key. This includes focusing on predictable, reliable and efficient operations. To secure our long-term growth and competitiveness, we are driving a business performance enhancement programme, to enhance business effectiveness. Underpinning this, is a new group operating model, aligning group functions and overheads with business needs.

Accelerate sustainable growth

To deliver on our preferred project portfolio across the globe, we recognise that world-class capital project planning and execution are essential.

Drive a high-performance culture

We are stepping up our focus on performance management and recognition, and building mutual trust across the organisation. We remain committed to our transformation and diversity endeavours in South Africa and abroad.

our **key performance** indicators

how we measure our strategic performance

Our key performance indicators (KPIs) are aligned to the group's definition of victory to grow shareholder value sustainably.

We have defined a number of targets to measure our performance. We continually monitor our progress against these targets and, when necessary, revise them to take into account changes in the group's strategic outlook. Our KPIs are aligned to the group's key objectives and are employed across the group. They encompass both financial and non-financial indicators as well as quantitative and qualitative factors. While these KPIs are helpful in measuring the group's performance, it is recognised that they are not exhaustive and many other performance measures are also used to monitor progress.

Financial

KPI: Earnings growth

US dollar earnings of 10% per annum on a three-year moving average basis.

Target	Actual 2013	Actual 2012	Actual 2011
10%	11%	24%	10%

Performance against the KPI

We aim to achieve a 10% earnings growth per annum in US dollar terms on a three-year moving average basis, measured against the 2004 – 2006 base of US$1 329 million. Our earnings growth since 2006 has exceeded this target every year, but we aim for improved consistency and more stable and predictable performance.

US$ earnings growth (US$ million)

KPI: Targeted return on capital investment

Return to exceed required rates of return as determined by our weighted average cost of capital (WACC). For new investments, we target returns of 1,3 times WACC.

Target	Actual 2013	Actual 2012	Actual 2011
16,8%	19,4%	20,1%	19,4%

Performance against the KPI

In general, approximately 80% of all new capital investment projects are required to provide a targeted return of at least 1,3 times our WACC, which is currently 12,95% in South African rand terms, 8,00% to 11,20% in Europe, and 8% in the United States in US dollar terms. This rate of return does not apply to sustenance capital expenditure on existing operations, in particular environmental projects where it is typically difficult to demonstrate economic viability.

Our targeted return of at least 1,3 times WACC was selected for two main reasons. Firstly, to take into account that certain capital projects do not generate a return and therefore lower the overall return on assets. Secondly, to ensure that the group only targets capital investment projects that meet the economic returns required by our stakeholders, while providing a buffer for changes in economic conditions applicable to the asset.

KPI: Gearing

Gearing is defined as net borrowings to total shareholders' equity. Our target is to achieve a gearing ratio of between 20% – 40%.

Target	Actual 2013	Actual 2012	Actual 2011
20% – 40%	(0,3%)	2,7%	1,4%

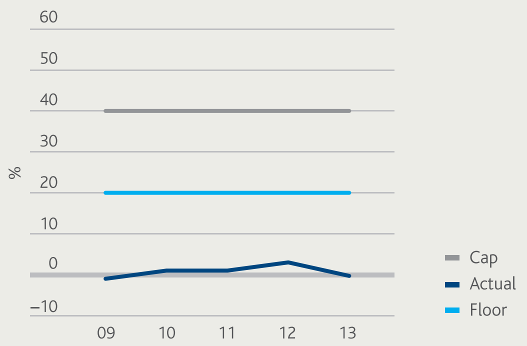
Performance against the KPI

We aim to maintain our gearing ratio (net debt to equity) within a range of 20% – 40%. Our gearing level takes cognisance of our substantial capital investments and susceptibility to external market factors such as crude oil prices, commodity chemical prices and exchange rates.

Our balance sheet reflects an under-geared position of 0,3%. Our gearing remains low as a result of healthy cash flow generation, which reduced our debt after funding capital expenditure. The strong cash flows generated by our South African Energy business resulted in our gearing levels dropping to below our self-imposed preferred range. Our share repurchase programme was suspended during the 2009 financial year, and together with our cash conservation approach, we have seen our gearing levels remain low. This low level of gearing is expected to be maintained in the short term. However, over the medium term, in anticipation of our large capital investment programme, we expect our gearing level to move within our targeted range.

Uncertainty in credit markets remains due to the provisions of Basel 3, which affect liquidity. However, our cash balances position the company well for future growth in these times when liquidity remains tight. Our gearing increases by approximately 0,7% for every R1 billion of debt raised.

Gearing (%)



Non-financial

KPI: Volatile organic compounds (VOCs)

To achieve at least an 80% reduction in emissions to 9,4 kilotons (kt) of defined VOCs off the 2009 baseline, by the end June 2020.

Target	Actual 2013	Actual 2012	Actual 2011
9,4 kt by 2020	**47,5 kt**	47,2 kt	46,5 kt

Performance against the KPI

One of our priority focus areas is to further reduce the release of VOC emissions into the atmosphere. We aim to achieve at least an 80% reduction in emissions of defined VOCs (benzene, toluene, xylene, ethylbenzene, 1,3-butadiene and acetaldehyde) off our 2009 baseline by the end of June 2020. Regenerative thermal oxidisers have been delivered on site in Secunda. The project is progressing and the closure of identified open drains is underway. The project schedule of the R2 billion VOC reduction project is considered under pressure, however the 2020 target is expected to be met. Sasol is actively working with government and other stakeholders in an effort to achieve a sustainable long term atmospheric emissions compliance dispensation, that is aligned with ambient air quality improvement objectives in the South African Air Quality Act.

KPI: Energy efficiency

To improve the energy efficiency of our South African utilities by 15% per unit of production, by 2015 off a 2000 baseline.

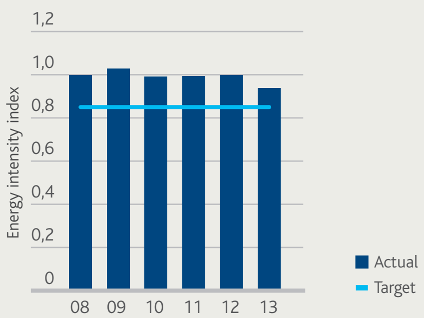
* *The target of 15% is equivalent to 0,850.*

Target	Actual 2013	Actual 2012	Actual 2011
15%* by 2015	**0,937**	0,998	0,993

Performance against the KPI

Efforts were intensified to improve the effectiveness of energy efficiency management structures and operating practices, as well as to embed operating philosophies that drive optimal production and energy decisions. Increased production volumes and more stable operations at both Secunda and Sasolburg operating sites allowed energy efficiency improvements implemented over a number of years to be fully recognised in the intensity index. The commissioning of the Sasolburg gas engine power plant also contributed towards the overall improvement in energy efficiency of 6% compared to 2012. Additional energy efficiency improvement plans have been developed for implementation during the next two years, including waste heat recovery on the Sasolburg gas engines and the Fischer-Tropsch Wax Expansion project, both of which contribute to improved energy efficiency.

Sasol energy efficiency accord measurement



KPI: Product transportation incidents

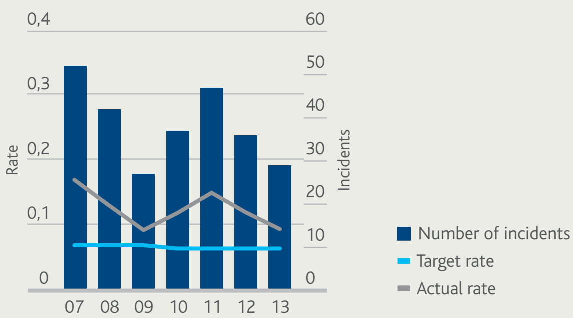
To achieve a 30% reduction over five years, based on the 2009 actual transport indicator of performance (0,0925) measured as incidents per 100 kt product transported.

Target	Actual 2013	Actual 2012	Actual 2011
0,065	**0,091**	0,12	0,15

Performance against the KPI

This year we saw an improvement in product transportation related incidents from 36 last year to 29 this year. All occurred in South Africa. These incidents resulted in nine fatalities (in addition to the five work-related fatalities reported above), four fires, two community evacuations and three extended road closures. Of the nine fatalities, five were drivers or occupants of other vehicles in road accidents, two were pedestrians and two were tanker drivers of third-party hauliers transporting Sasol products. Our product transportation incident rate (measured as the number of significant incidents per 100 kilotons of product transported) improved from 0,12 in 2012 to 0,091 this year.

Product transportation incident rate (incidents per 100 kt product transported)



KPI: Broad-based black economic empowerment (BBBEE)

To achieve level 4 enterprise status by 2013.

1 *Subsequent to 30 June 2013, we achieved level 3 BBBEE contributor status.*

Target	Actual 2013	Actual 2012	Actual 2011
Level 4	Level 4[1]	Level 4	Level 4

KPI: Safety

To achieve a year-on-year reduction in the recordable case rate (RCR) per 200 000 hours worked to less than 0,35 by 2013[1] (including injuries and illnesses among employees, hired labour and service providers). The long term goal is zero harm.

Target	Actual 2013	Actual 2012	Actual 2011
0,35	0,34	0,39	0,42

Performance against the KPI

Our safety strategy is built on a foundation of leadership and competency, strengthened by clear policies and procedures relating to incident investigation, safety risk management, behavioural science and best practice performance standards.

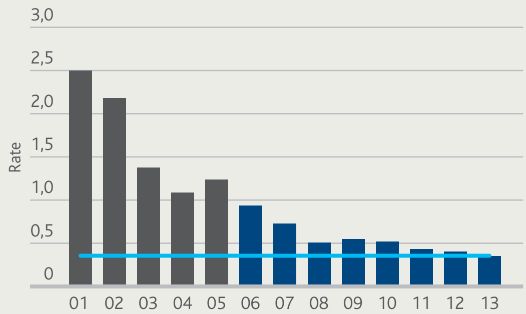
There was a general improvement in our occupational safety performance in the group, characterised by our RCR. We achieved a record 63-year low by achieving a RCR of 0,31 (excluding illnesses) and 0,34 (including illnesses). Notwithstanding the inclusion of illnesses in the RCR, three of our business units achieved a RCR of zero.

Tragically five of our employees died during 2013, of which two fatalities were caused by third-party road accidents.

1 *Further interim milestones to be set.*

SD **Further details on our safety performance and activities are provided in our sustainable development report.**

Recordable case rate (RCR)
(recordable cases per 200 000 hours)



KPI: Greenhouse gas emissions intensity

To reduce our emissions intensity by 15% in all our operations off a 2005 baseline by 2020, measured as tons CO_2 equivalent per ton production.

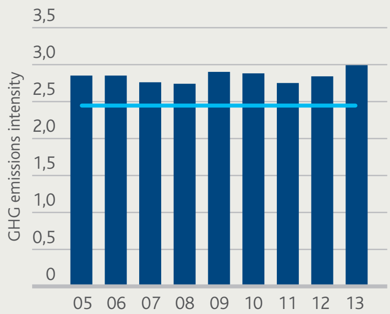
Target	Actual 2013	Actual 2012[1]	Actual 2011[1]
2,47 by 2020	2,98	2,83	2,75

Performance against the KPI

The South African Department of Environmental Affairs (DEA) is planning to implement the 2011 National Climate Change Response White Paper. During 2013, Sasol undertook a rigorous review of our greenhouse gas (GHG) data. We improved methodologies for calculating our GHG emissions and included smaller sources of emissions previously omitted. We also implemented a measurement, reporting and verification standard for the group. This comprehensive GHG data review concluded that the GHG emissions were lower than reported since 2000. As a result, Sasol's global emissions for the past decade were approximately five million tons per annum less than previously reported. This decrease is primarily due to a restatement of the methane emissions associated with our Secunda facility.

Using our recently revised reporting methodology, our group GHG emissions (measured in CO_2 equivalent) decreased to 70,7 million tons (Mt) for 2013, from 72,2 Mt in 2012. Our group GHG emissions intensity (tons CO_2 equivalent per ton production) has increased to 2,98 in 2013, from 2,83 in 2012. The increase in intensity is primarily a result of a reduction in the overall group production levels due to major shutdowns at Natref and ORYX GTL during the year. Notwithstanding this, our GHG intensity target still remains achievable.

Greenhouse gas emissions intensity[1]
(tons CO_2 equivalent per ton production)



1 *Due to a change in our reporting methodology, the greenhouse gas emissions intensity has been restated from 2000 to 2012.*

expanding and delivering on sustainable growth

To ensure the long-term sustainability of our business globally, our "expand and deliver" strategy provides the basis for the execution of our project portfolio. To ensure that we have sufficient and appropriate financial and human capital to deliver on our aspirations, we have prioritised and focused our growth portfolio so that we have a balanced and executable project pipeline.

Demanding cleaner, more efficient energy

Strong growth in emerging markets has boosted the demand for energy and led to insufficient supply to meet this heightened demand. As a result, it has become clear that traditional sources of energy need to be utilised more efficiently and effectively. Hydrocarbons will no doubt remain an important component of the energy mix, but natural gas will play an increasingly important role. This is supported by the fact that natural gas can be developed at a relatively low cost, and so it provides a number of countries with the opportunity to secure their energy supply cost-effectively.

The US shale gas revolution, along with the wide differential between oil and gas prices and the abundance of low-cost ethane, has created attractive opportunities for Sasol's continued growth and investment in the US. The discovery of sustainable oil and natural gas reserves in Africa, underpinned by growth in consumer markets in the region, provides further opportunities for Sasol. Through our unique technologies, we are well positioned to monetise and diversify the use of natural gas resources across the world.

Strengthening our US manufacturing offering

In the US, Sasol is developing a world-scale ethane cracker adjacent to our existing chemical complex near Westlake, Louisiana. This cracker will produce 1,5 million tons of ethylene per year allowing us to expand our high-value differentiated ethylene derivatives business. In seven downstream plants on site, the ethylene will be used to produce a range of derivatives used in everyday consumer products, including detergents, paints, food, packaging and synthetic fibres.

In addition, on the same site, we are advancing work on a proposed gas-to-liquids (GTL) facility, a first for the US, to convert natural gas into more than 96 000 barrels per day of GTL diesel and other valuable products. GTL diesel is a cleaner-burning, next-generation fuel that can be used neat or as a blend stock in existing diesel vehicles and fuel delivery infrastructure, without modifications. Approximately 30% of this plant's production will be chemical products, including paraffin, waxes and base oils.

Both projects seek to strengthen US manufacturing, boost exports and spur economic growth in the region. Combined, these projects will create more than 1 200 permanent jobs, up to 7 000 construction jobs at peak construction and more than 50 000 indirect jobs across the US.

Expanding into other parts of Africa

The "sustainable growth" pillar of our strategic agenda is not only about our plans in shale gas-rich North America. While our US mega-projects are fundamental to our growth aspirations, our strategy talks to our broader, longer-term international ambitions, including our plans in Africa. The continent is experiencing improved political stability and governance, and this is driving its more robust economic performance. However, the commodity-driven region is not without its challenges: growth is coming off a low base; markets are small and fragmented and infrastructure is limited. But we believe that with high projected economic growth rates and yet-to-be-discovered oil and natural gas reserves, Africa provides numerous opportunities.

Greater access to resources and feedstock, coupled with our technology offering, will allow Sasol to further integrate opportunities on the continent with our existing businesses in Southern Africa. These will include further integrated gas monetisation. We already have a substantial presence in Africa, spanning sales offices, manufacturing facilities and exploration and production. Our Africa plans seek to grow our market share as well as our manufacturing and upstream presence. We continue to assess the potential of a number of different countries, but believe that Mozambique currently provides the best opportunities in the short term, with West Africa likely playing a longer-term role.

Executing our strategy

To ensure that we derive maximum value for our stakeholders through our "expand and deliver" strategy, it is imperative that we execute our projects on schedule and within budget. We are reviewing lessons learnt at Sasol and from others on the execution of mega-projects. By appointing world-class engineering contractors to work hand-in-hand with our dedicated project team, we will ensure that appropriate processes are in place to measure progress. We are working to alleviate the shortage of craft skills by moving certain activities off site through modularisation. In addition, we are recruiting people with suitable experience in the region to support the Sasol team. With appropriate project definition and no changes in project scope, we can reduce execution risk.

focus story

In an energy-hungry world, where nations strive for security of supply, common sense dictates that we should make every effort to diversify the sources of energy through the use of natural gas and new technologies. Indeed, the 21st century will be the era of natural gas, leveraging its versatility to meet the world's pressing energy needs.

Lake Charles, United States

our **key relationships**

how we manage the expectations of our stakeholders

Understanding and being responsive to our stakeholders' expectations is critical to our ability to create value. Building and maintaining trust and respect among our stakeholders impacts positively on our reputation, and is essential to proactively address risks and opportunities. Our Global Stakeholder Management Strategy recognises that our engagement with stakeholders should develop sustainable healthy relationships, and directs our organisation's stakeholder management, irrespective of geographic location or stakeholder category.

In line with global best practices and the King III Code, Sasol has adopted an inclusive approach to stakeholder relations. An overview of our principal stakeholders, how we engage with them and the general nature of their expectations, is provided in the table below.

Stake-holder	How we engage with our stakeholders	Stakeholder's expectations	How we respond to stakeholder's expectations	Stakeholder's contribution to value creation	Page
Employees	• Induction programme. • Ongoing safety training. • Personal development and training needs assessment. • Internal newsletter, posters and billboards. • Regular communications from chief executive officer. • Sasol intranet and internet. • Active and continuing shop floor briefings. • Management engagement and road shows. • Performance reviews and development discussions. • Employee surveys. • Transparency in communication.	• A safe, stimulating and rewarding work environment. • Fair remuneration and benefits. • Open communication with management. • Opportunities for personal and career development. • Progress on transformation in South Africa. • Recognition of job well done. • Collaboration and teamwork across business units. • Access to employee wellness programmes and counselling.	• Provide benchmarked competitive remuneration and benefits packages. • Enforce stringent safety measures. • Provide ongoing training and education options. • Encourage open communication between employees and managers. • Offer employee wellness programmes and HIV counselling. • Interventions to address outcomes of employee surveys.	• Form the foundation of our business. Through their effort, commitment and integrity, Sasol can produce, deliver and succeed.	6 7 72
Unions	• Partnership forums with unions at business unit and group level, including two-way discussions on issues and the company's strategy. • Shop floor briefings. • Safety meetings. • Engagement with the group executive committee and chief executive officer.	• A safe working environment. • Fair remuneration and benefits. • Open communication with management. • Skills development, training, and career development. • Progress on transformation in South Africa.	• Enforce stringent safety measures. • Provide benchmarked competitive remuneration and benefits packages. • Partner with unions to address employee issues. • Consult with unions on decisions affecting their members. • Provide effective programmes and initiatives to facilitate safety performance. • Provide effective programmes and initiatives to facilitate employee relations.	• Through engagement and discussion regarding labour issues, we gain a better understanding of employee needs, and we develop and build relationships and grow trust.	6 7 72
Shareholders	• Regular engagements and road shows. • Investor newsletters. • Interim and annual reports. • SENS and media releases. • Results published in media. • Site visits. • Sasol internet.	• Sustained returns on investment through strategic and organic growth, sound risk management and exemplary governance practices.	• Strong leadership who provide strategic direction and who lead by example. • Focus on good corporate governance and ethics. • Progress with project pipeline and future growth projects.	• Provide financial capital required to sustain and grow the business.	14 28 42 56 74
Government, regulators and political role players	• Personal meetings at all levels. • Written communication. • Workshops and presentations. • Government engagement through organised business and industry. • Parliamentary portfolio committee visits and specific engagements. • Participation in government-initiated platforms. • Participation in government's bilateral engagements with other countries.	• Job creation. • Alleviation of poverty. • Contribute to the eradication of inequality. • Demonstrate business growth. • Transparent and responsible behaviour. • Consistency in messages. • Compliance with relevant legislation such as broad-based black economic empowerment (BBBEE) codes and environmental regulations. • Demonstrate commitment to transformation. • Innovative solutions for energy security.	• Engage constructively on new policies and regulations affecting Sasol's operations. • Comply with and report transparently on existing regulations. • Contribute to the economies of countries in which we operate by paying taxes and royalties as well as creating jobs. • Support priorities of the countries in which we operate by participating in government initiatives, for example, reducing energy consumption, and disclosing and managing carbon emissions. • Develop community projects that impact areas of regional and national importance such as education and health.	• Give us our licence to operate and provide the enabling regulatory framework in which we operate.	34 35 41 48 72

Stake-holder	How we engage with our stakeholders	Stakeholder's expectations	How we respond to stakeholder's expectations	Stakeholder's contribution to value creation	Page
Customers	• Sales calls. • Customer meetings. • Site visits. • Conferences. • Business association meetings. • Promotional and marketing campaigns.	• Products that meet their specifications. • Competitive pricing. • Short-term reliable supply of products.	• Produce high quality products. • Provide research and development. • Ensure short-term reliable product supply.	• Their business provides the basis for our continued growth.	24
Business/ joint venture (JV) partners	• Business strategy, performance and governance meetings. • Performance reports and audits.	• Lucrative business opportunities in a responsive and mutually respectful manner.	• Nurture and protect these partnerships so that we learn from and support each other to achieve mutually beneficial results and outcomes.	• Our partners expose us to new opportunities, and support delivery and growth.	24 102 104
Suppliers	• Supplier performance execution meetings and site visits. • Surveys. • Performance reports. • Ongoing engagement with procurement department.	• Opportunity to fairly present their credentials and be given an opportunity to compete for business. • Fair and reasonable contract terms and on time payment.	• An opportunity to compete for business on the basis of clear and transparent procedures and evaluation criteria. • Mutually beneficial relationships in which all parties integrate their talents, resources and efforts to exceed expectations. • Receive, evaluate, accredit and approve or reject applications to ensure a supplier base that meets business needs while minimising risk.	• Maximum returns for shareholders can only be achieved if we enjoy the loyal and unwavering support of our suppliers. • Provide valued expertise, support, products and services that strengthen our business and facilitate growth and expansion.	7 24
Organised business and industry	• Membership of business organisations. • Business association meetings. • Membership of industry organisations. • Participation in meetings and initiatives.	• Responsible and credible contribution to the collective business/industry voice. • Sharing experience.	• Participate constructively in key business and industry initiatives within the constraints of legal frameworks and requirements.	• Share expertise and experience. • Collaborate with governmental and civil society initiatives.	34 35
Communities	• Community outreach forums and meetings. • Multi-stakeholder meetings or forums. • Community development programmes and corporate social investment initiatives. • Academic conferences. • Public participation processes. • Open stakeholder days. • Stakeholder surveys. • Learnership programmes. • Bursaries. • Science and maths fairs.	• Job creation. • Meaningful contribution to education and skills development. • Support and funding of non-governmental organisations (NGOs). • Sponsor or champion worthy causes. • Support local government in service delivery. • Contribute to the standard of living of Sasol's primary communities. • Solutions for affordable energy. • Maintain a balance between profits and investment made. • Environmentally responsible conduct and full compliance with environmental regulations. • Ethical and effective engagement.	• Undertake community development programmes in key areas of need. • Partner with developmental role players to enhance the impact of our community development initiatives. • Transparently and constructively engage with civil society regarding Sasol's environmental and social performance. • Invest in patents and research and development infrastructure. • Build partnerships with local municipalities. • Offer bursaries. • Support various sports, arts cultural and skills development initiatives. • Learnership programmes. • Science and maths fairs.	• Provide deeper understanding of community and environmental issues and alerts us to potential challenges which may need to be addressed.	14 18 30 48
Media	• Media releases. • Face-to-face, telephonic or electronic response to queries. • Site visits. • Briefing sessions.	• Provide responsible and transparent information on business, societal and environmental issues. • Respond to media queries.	• Develop robust relationship with the media. • Respond promptly and professionally to queries. • Share information to deepen understanding of Sasol's business.	• Raise public awareness of our business strategy, products, services and contribution to society.	14 18 28 29 56

value added statement

for the year ended 30 June 2013

Value added is defined as the value created by the activities of a business and its employees and, in the case of Sasol, is determined as turnover less the cost of purchased materials and services.

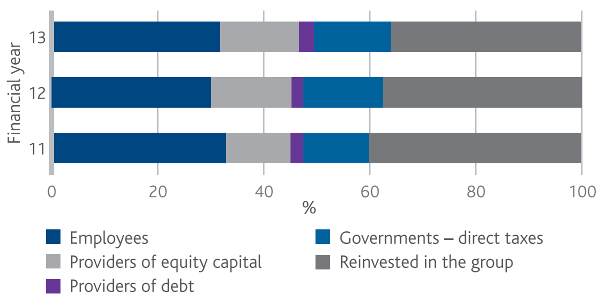
Value added indicates the wealth that Sasol creates through its activities for its main stakeholder groups, being shareholders, employees, financial institutions (providers of debt capital) and governments. It also shows how much capital we re-invest in our business to ensure sustainable growth. What it does not account for, however, is our significant contribution to society in the countries in which we operate, in the form of our investments in socioeconomic development or indirect benefits such as skills development and training of people, other than our employees.

		2013 Rm		2012 Rm		2011 Rm		2010 Rm		2009 Rm
Turnover		**181 269**		169 446		142 436		122 256		137 836
Less purchased materials and services		**(103 572)**		(102 517)		(86 179)		(74 061)		(89 393)
Value added		**77 697**		66 929		56 257		48 195		48 443
Finance income		**1 153**		1 275		1 283		1 549		2 060
Wealth created		**78 850**		68 204		57 540		49 744		50 503
	%		%		%		%		%	
Employees[1]	**31,8**	**25 038**	30,1	20 520	32,9	18 907	35,3	17 546	34,7	17 532
Providers of equity capital	**14,8**	**11 691**	15,1	10 274	12,3	7 040	11,6	5 806	14,4	7 260
Providers of debt	**2,9**	**2 304**	2,3	1 565	2,4	1 392	3,6	1 799	4,3	2 191
Governments-direct taxes	**14,5**	**11 425**	15,0	10 267	12,5	7 198	11,3	5 602	18,7	9 413
Reinvested in the group	**36,0**	**28 392**	37,5	25 578	39,9	23 003	38,2	18 991	27,9	14 107
Wealth distribution	**100,0**	**78 850**	100,0	68 204	100,0	57 540	100,0	49 744	100,0	50 503
Employee statistics										
Number of employees at year end		**35 471**		34 916		33 708		33 054		33 164

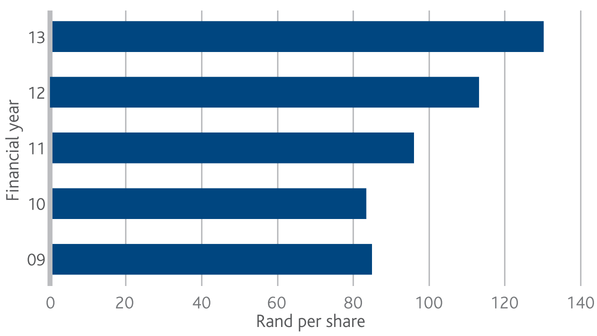
1 *Due to the change in the presentation of the Income Statement from a classification based on function to a classification based on nature, the employees amount has been restated in 2011 and 2012.*

	Rand	Rand	Rand	Rand	Rand
Turnover per employee at year end	**5 110 344**	4 852 961	4 225 584	3 698 675	4 156 193
Value added per employee at year end	**2 190 437**	1 916 858	1 668 951	1 458 069	1 460 710
Wealth created per employee at year end	**2 222 943**	1 953 374	1 707 013	1 504 931	1 522 826

Wealth distribution



Wealth created per share



monetary exchanges with governments

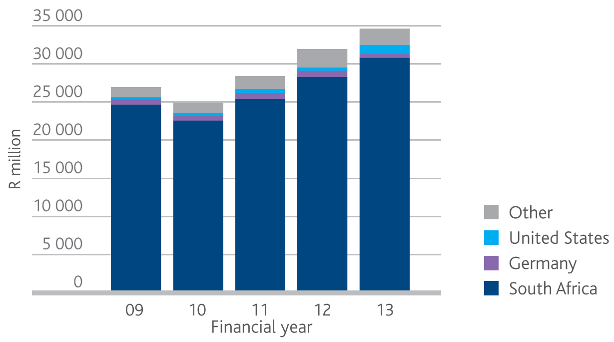
for the year ended 30 June 2013

The direct wealth that Sasol creates for the countries in which we operate includes a range of different taxes, duties and levies. In South Africa, our home-base, Sasol remains one of the largest corporate contributors to the country's tax base.

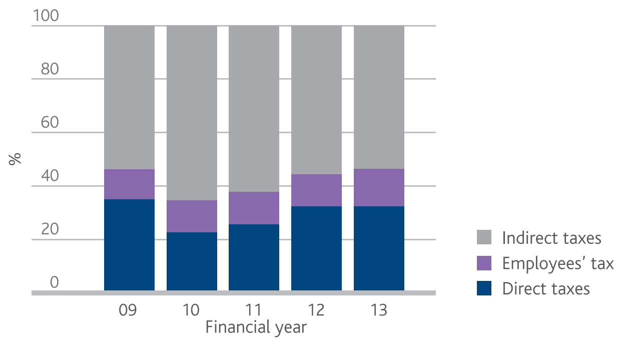
However, like value added, this is a narrow indicator of the total contribution we make to the economies in which we operate. Our ability to partner with governments to monetise hydrocarbon reserves and help to ensure energy security is an example of the significant strategic value we deliver.

	2013 Rm	2012 Rm	2011 Rm	2010 Rm	2009 Rm
Direct taxes	**11 425**	10 267	7 198	5 602	9 413
South African normal tax	**9 355**	7 358	5 235	4 270	8 067
foreign tax	**2 001**	1 861	1 192	726	515
dividend withholding tax	**69**	16	–	–	–
Secondary Taxation on Companies	**–**	1 032	771	606	831
Employees' tax	**4 575**	3 921	3 571	3 028	3 045
Indirect taxes	**18 576**	17 732	17 626	16 292	14 506
customs, excise and fuel duty	**19 359**	18 396	18 200	16 889	13 148
property tax	**128**	98	96	86	92
other levies	**136**	46	8	4	5
net VAT received	**(2 956)**	(2 161)	(1 714)	(1 615)	(1 056)
other	**1 909**	1 353	1 036	928	2 317
Net monetary exchanges with governments	**34 576**	31 920	28 395	24 922	26 964
South Africa	**30 780**	28 242	25 400	22 602	24 646
Germany	**527**	880	792	619	777
United States of America	**1 169**	416	496	370	220
Other	**2 100**	2 382	1 707	1 331	1 321

Monetary exchanges with governments by region



Monetary exchanges with governments



our **risk management**

how we manage risk and opportunity

Sasol is committed to effective risk management. We recognise that the management of business risk is crucial to our continued growth and success. Sasol's risk management strategy is to infuse risk identification, assessment and treatment into decision-making, thereby enhancing shareholder value through risk-adjusted business decisions.

Our approach to risk management

- During the past year, we reviewed our approach to risk management to ensure that our focus is aligned to the changing needs of the business and that our processes and standards follow good international practices. We consulted and took into consideration the needs and expectations of key stakeholder groups, including the Sasol board members, the group executive committee, the managing directors of Sasol business units, leaders of the enterprise functions, our employees and assurance services. The review highlighted the need to ensure an appropriate balance between the management of internal, strategic and external risks.
- During 2013, the Sasol board's risk and safety, health and environment (SHE) committee approved a revised risk management policy that sets the direction for risk management in the group.
- Our broadened definition of risk encompasses uncertain future events that could influence the achievement of business objectives (including any deviation from expected outcomes).
- A rapidly changing external environment demands greater focus on strategic and external risks to enhance our ability to anticipate risks and respond with agility and confidence. Looking ahead, we will prioritise key risk assessment focus areas based on materiality, as determined by the strategy, sustainability issues, and shareholder value drivers.

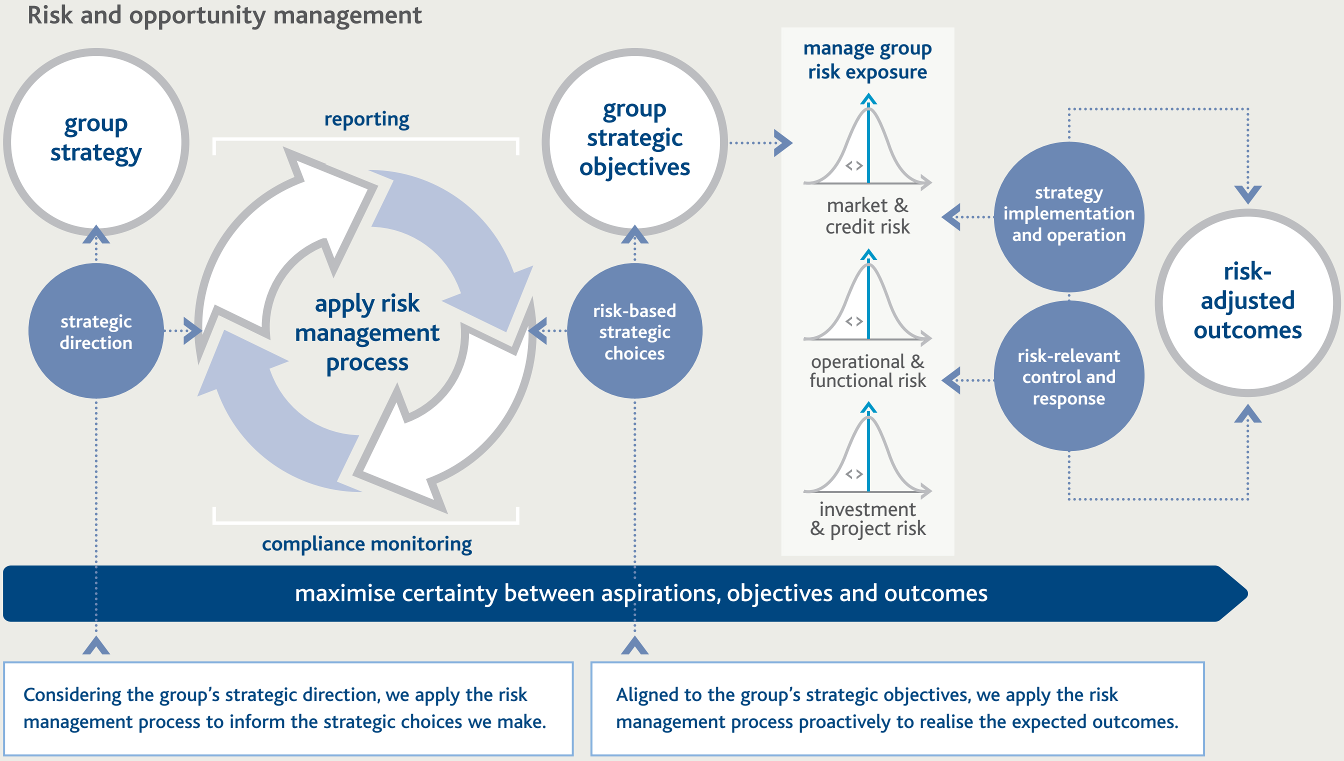
Governance of risk management

- Our board of directors oversees the enterprise risk management process at Sasol. The board's risk and SHE committee and the audit committee work closely to ensure that risk management complies with the relevant standards and that it is working effectively.
- The leaders of each business unit or enterprise function are responsible and accountable for the management of risks in their area and may delegate specific responsibilities appropriately. Oversight of risk management at business and function level takes place through internal risk and governance committees, executive committees and the various boards of the businesses.
- Responsibility and accountability for Sasol's global enterprise risk management process resides with the chief risk officer.
- Significant risks and related mitigation plans are reported at different levels within the organisation (including the Sasol board) in accordance with a defined reporting protocol.

Risk tolerance and risk appetite

The Sasol board has approved a set of risk tolerance and risk appetite measures and targets for the group. The risk appetite targets are based on key financial, social (including safety) and environmental factors that are appropriate to Sasol. Together, risk tolerance and risk appetite are used to inform management judgement and aid in decision-making within Sasol.

Risk and opportunity management



Our risk management process

Sasol's structured risk management process, which is aligned to industry standards, is detailed below. This process is rolled out across the group, and risk profiles are developed at business unit, functional, process and project levels.

Risk reporting Communicate and consult with internal and external stakeholders, as appropriate, at each stage of the risk management process.

Phase 1 Establish context
Establish the strategic, organisational and risk management process context by considering the environment within which the risks are present.

Phase 2 Risk identification
The focus is on identifying all uncertain future events that may impact the achievement of objectives, which form the basis for further analysis.

Phase 3 Risk exploration
Establish an understanding of the risks by considering the relationship between the causes, risks and consequences and thus enable us to evaluate key risk mitigating controls.

Phase 4 Risk assessment
Assess risks in terms of impact and probability and plot them on the Sasol risk matrix to derive a prioritised list of risks for further action.

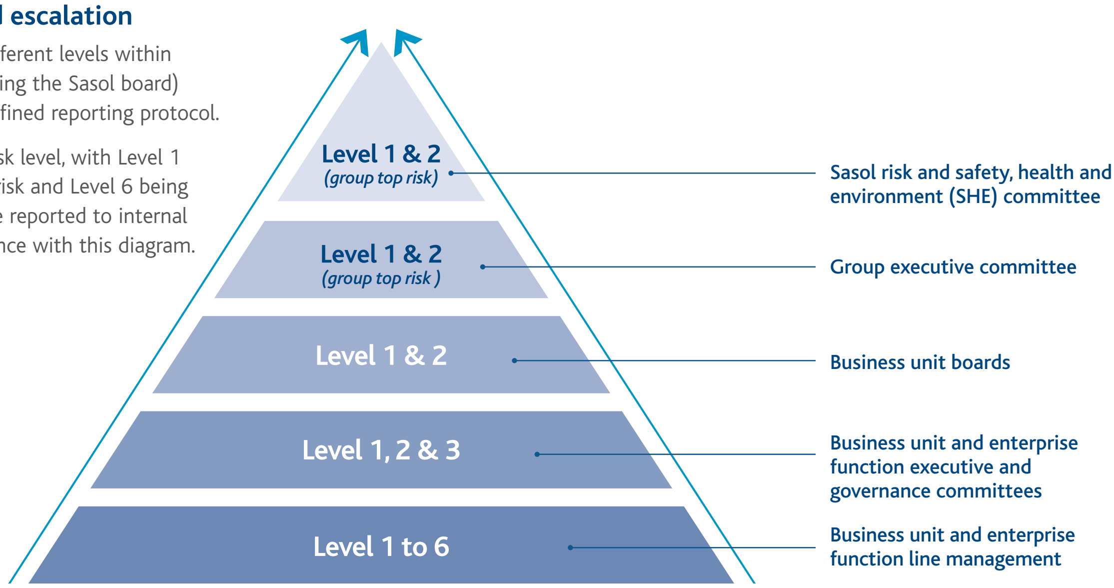
Phase 5 Risk treatment
Identify mitigating controls to manage inherent risk to an acceptable residual risk level, aligned with the risk appetite. Assess the effectiveness of mitigating controls in collaboration with the relevant risk and control owners.

Phase 6 Monitoring and review The monitoring and review process tracks the current status of the risk profile, detects changes in the risk context and ensures that the controls are adequate in both design and operation.

Risk reporting and escalation

Risks are reported at different levels within the organisation (including the Sasol board) in accordance with a defined reporting protocol.

Risks are classified by risk level, with Level 1 being the most critical risk and Level 6 being the lowest risk. Risks are reported to internal stakeholders in accordance with this diagram.



our **top risks**

how we are mitigating our longer-term risks

Our top risks are determined through a top down and bottom up review process that analyses business unit and enterprise functional risks in relation to Sasol's strategic near- to longer-term objectives, and considers the emerging external risk landscape. Top risks are those risks which could result in a breach of risk appetite measures, negatively impact the integrated value chain, cause a deviation from expected strategic outcomes or negatively influence Sasol's reputation, including our licence to operate.

Given that the intensity of risks change from time to time, we have not ranked the risks in order of priority. All these risks are important to the Sasol group and may impact our ability to deliver on our strategy.

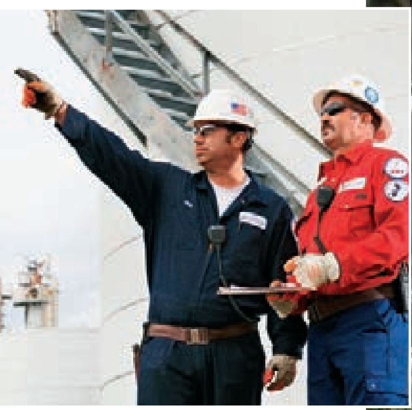
The table below sets out the top risks identified through our enterprise risk management process. It also provides mitigation plans and indicates how the respective risks link to our strategy.

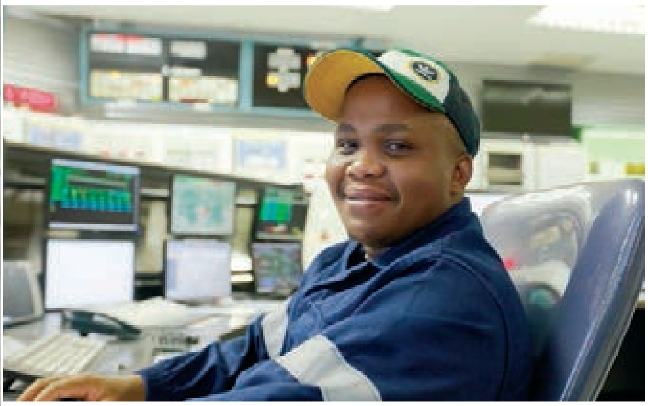
IR **Opportunities associated with these risks are detailed in the individual business unit reports under "Looking ahead".**

20-F **For a comprehensive disclosure of our material risks, please refer to Sasol's annual report on Form 20-F filed with the SEC.**

Top risk	Context	Mitigation	Link to strategy
Strategic growth			
Viable superior or alternative technologies from competitors	Sasol realises that technology advantage is critical to our business growth. For this reason, we strive to achieve technology leadership and remain committed to innovation. In addition, direct technology competitor threats and market forces may lead to the adoption of alternative or substitute technologies that diminish the value of our technology value proposition.	Sasol Technology directs the research and development activities, technology innovation and management process. It helps our fuel and chemical businesses to maintain growth and competitive advantage through appropriate technology solutions and services. We continuously monitor the technology landscape to identify and assess disruptive and competitive technologies.	Sasol's sustainable growth strategy is based on the following strategic drivers: • Accelerate GTL growth. • Grow value chain based on feedstock, market and/or technology advantage. • Develop and grow low-carbon power generation. • Improve and grow existing asset base. • Grow related upstream business.
Not delivering on our GTL growth objectives	Through the use of our unique Sasol proprietary technologies, we add value to coal, oil and gas feedstocks to make liquid fuels, fuel components, chemicals and electricity. The challenge remains to adequately predict, understand and interpret competitive forces in the external environment in terms of better or new technologies. In line with our strategic intent, Sasol is pursuing local and international opportunities to grow our upstream asset base and leverage our proprietary Fischer-Tropsch conversion technology to develop new gas-to-liquids (GTL) facilities. The current environment of high oil prices and low gas prices presents a significant opportunity for the acceleration of our GTL value proposition.	Critical to the success of our GTL strategy is to secure sufficient competitively priced feedstock and maintain a competitive GTL value proposition in relation to other monetisation options. This will include reducing capital intensity, operating costs, and carbon dioxide (CO_2) intensity. Our major projects are managed by robust integrated project management teams that combine Sasol expertise with that of partner companies with project management and deep local experience.	
Not consistently achieving competitive capital project performance	Sasol's success depends on complex, long-term, capital-intensive projects, which are larger and more complex than projects undertaken in the recent past. In general, across many industries, execution of mega-projects is inherently high risk. Unexpected or unanticipated changes in the external environment may result in escalating project costs and schedule delays.	Through Capital Excellence, we are improving our capital project management capabilities and discipline. We review our project management performance against international benchmarks and put into practice relevant learnings from previous projects. To mitigate increases in project costs, we continue to broaden our supply base, building relationships with new equipment manufacturers and industry specialists. Every major project has a manpower development plan and resource strategy to ensure appropriately skilled staff are sourced for the project.	

Top risk	Context	Mitigation	Link to strategy
Human Resources			
Non-availability of sufficient management and technical skills	Sasol is reliant on sufficient management and technical skills, including qualified scientists, engineers, artisans and operators as well as seasoned managers, to pursue our growth strategy and sustain productivity in our current business. Key challenges are access to required skills, ageing population in the developed world, shortage of skills in some areas, competition from developed countries for scarce skills in the targeted areas of growth and changes to labour regulations.	The development of management and technical skills within Sasol is an integral part of our human resources strategy. Sasol's learning strategy balances standardised curriculum-based learning with on-the-job application to achieve a culture of life-long learning. To develop future talent, Sasol runs one of the largest bursary schemes in South Africa. Our total investment for the year was R54,7 million. Our primary focus is on developing talent in science, technology and engineering through various learnership programmes.	Two key foundation elements of Sasol's strategy are to develop and empower high-performing, values-driven people; and to deliver on the South African transformation agenda.
Failure to address transformation, localisation, diversity and cultural requirements in South Africa and other countries in which Sasol operates	Transformation is one of Sasol's strategic objectives. To sustain Sasol's business, the group understands the importance of creating a high-performance, ethical, inclusive culture for all our employees. In this way, we will be able to attract, develop and retain the skills we need. South Africa has various laws in place to meet the country's transformation objectives. Failure to meet these could have material consequences for Sasol's reputation, access to resources, licence to operate and ability to attract and retain skills. More onerous legislation, potential penalties and slow progress in achieving employment equity plans could impact negatively on Sasol's transformation objectives. Cultural awareness and responsiveness is important in the global environment, as Sasol aims to become a key global player. There are localisation and diversity requirements in many countries in which we operate.	Our success in meeting and exceeding transformation requirements is underpinned by talent management and succession planning, employment equity, diversity management and compliance with the broad-based black economic empowerment (BBBEE) scorecard. Where gaps exist, a diversity plan (a suite of qualitative measures to address recruitment, development and retention of under-represented groups) is being implemented. We participate in the broad-based Socio-economic Empowerment Charter for the South African Mining and Minerals Industry, and the South African Liquid Fuels Charter. The group's enterprise development arm, Sasol ChemCity, now houses the BBBEE office, delivering a more integrated approach to the five pillars of BBBEE. Sasol remains committed to being culturally sensitive and globally aware to succeed in doing business in different cultural environments.	





our **top risks** *continued*

Top risk	Context	Mitigation	Link to strategy
Operational			
A major safety, health or environmental (SHE) incident or liability	Safety improvement is a strategic imperative for sustainable and competitive operations. Our recordable case rate, excluding illnesses, improved from 0,35 in 2012 to 0,31 in 2013, however, we reported five fatalities in our operations. We remain committed to achieving our goal of zero harm to people and the environment and being a responsible and accountable corporate citizen. Our facilities and their respective operations are subject to various risks, including the occurrence of a major process safety incident. The development of facilities in new territories presents a challenge to ensuring that Sasol's SHE policies and design standards are strictly followed.	Our zero harm philosophy underpins all our activities. Focus on business unit safety improvement plan continues, building on business unit initiatives to develop safety leadership at management and supervisory levels. We have strict performance targets on safety and health, process safety management, greenhouse gas (GHG) emissions, water management, energy efficiency and volatile organic compounds. We regularly update and train our staff on these key SHE requirements and carry out internal and external audits to check our compliance.	One of Sasol's top priorities is to improve safety performance, and process safety in particular, with the aim of achieving zero harm. Improving stakeholder relationships and safety awareness including with our employees, unions and the local communities is a strategic priority. Operations Excellence is a group imperative to improve operational and production practices across Sasol's value chain.
Risk of major unplanned production interruptions along Sasol's integrated value chain	Sasol's growth ambitions rely on the ability of current production assets to generate cash for new projects. If the existing operations cannot produce as planned, this may impact our ability to maintain the assets or execute new projects. Key threats in this regard are strikes and related labour unrest, supply chain interruptions and feedstock supply constraints and disruptions.	We continuously improve the necessary attitudes, skills, processes and systems to mitigate the risk of SHE incidents and production interruptions. We continue to maintain good relations with our unions and interact regularly with them. We have also invested significantly in the communities in which we operate. We also procure property damage, business interruption and liability insurance at acceptable levels.	
Increasing utility and infrastructure risks	South Africa faces challenges in respect of its electricity, water, rail, road, pipeline and port services. Sasol's operations rely heavily on these services and any inefficiencies or disruptions have a direct impact on our variable costs and may reduce our competitiveness in the markets we serve.	Sasol has mitigation plans in place to, as far as practical, reduce the impact of failures by the public sector to deliver affordable and efficient utility services. As a major consumer of these services, private public partnerships form the basis for finding sustainable solutions. In response to the immediate power supply constraints in the country, we increased our own electricity generation capacity to meet our commitment to conserve electricity and achieve the compulsory Energy Conservation Scheme (ECS) targets.	

Top risk	Context	Mitigation	Link to strategy
Regulatory			
Non-compliance with applicable laws, and regulations	Authorities globally are intensifying efforts to enforce compliance with laws, and are focused on anti-competitive behaviour in particular. Various jurisdictions have specialised legislation aimed at combating corruption and companies found guilty of contraventions face fines and damage to their reputations. Tax laws are becoming increasingly complex, as are sanctions against certain jurisdictions. In addition, South Africa and other countries are in the process of considering new climate change requirements, including a carbon tax. Significant challenges are associated with meeting the requirements of the new Air Quality Act, the Waste Act and new fuels specifications in South Africa. The government is also reviewing the Mine Health and Safety Act and is intensifying its enforcement of environmental laws.	Sasol is focused on identifying changes in the regulatory landscape that have implications for the group and ensuring that we are prepared to respond to these changes. Specific efforts to meet various requirements are described throughout the annual integrated report and the sustainable development report. Systems and processes are in place to ensure compliance with applicable laws and regulations by all employees, and annual training and certification takes place. We have taken various measures to comply with sanctions legislation and have divested our interest in Iran.	Sasol remains a values-driven organisation. Our focus on strong compliance and governance programmes will support this.
Risk of climate change and related policies impacting Sasol's operations growth strategy and earnings	Sasol's efforts in reducing greenhouse gas (GHG) emissions are aimed at contributing to the fight against global warming. Global efforts to reduce GHG emissions are intensifying. The costs and challenges associated with GHG emissions are rising and could increase substantially with the potential introduction of regulatory regimes in countries where we operate. These regulations could include carbon taxes, product carbon labelling, carbon budgets and carbon-related border tax adjustments linked to bilateral agreements.	The group's approach to mitigating these risks is based on a combination of approaches which include: strategic-level actions to ensure alignment in communication, stakeholder engagement and regulatory responses; a co-ordinated regulatory intervention especially in South Africa; and business-unit level interventions including specific energy efficiency and other GHG mitigation projects. A GHG intensity target is in place. The group's approach to reducing its GHG emissions is based on the following areas: • increased use of lower-carbon energy; • utilisation of environmental offsets; and • improved energy efficiency at our operations.	The foundation pillar of our strategic agenda – to continuously improve and grow our existing asset base – focuses on moderating our environmental impact.
Financial			
Risk of macroeconomic factors impacting on Sasol's ability to sustain the business and execute the growth strategy	Sasol's operations and earnings may be significantly affected by changes in the rand/US dollar exchange rate as well as changes in crude oil, gas and petrochemical prices. The price and demand for energy and petrochemical products also correlates closely with general economic growth rates of major global economies.	We use financial instruments to protect against adverse movements in exchange rates on certain transactional risks in accordance with our group's hedging policies, as well as against day-to-day changes in the US dollar oil price. Sound financial management practices, such as cost containment and counterparty credit risk management, have delivered robust financial performance to manage the risk.	As part of developing Sasol's long-term strategy, beyond 2020, we are looking at longer-term macroeconomic and supply/demand dynamics, as well as the competitive landscape likely to influence our markets in the future, to ensure that our strategy takes them into account.

focus story

Integrating environmental responsibility into our activities

We have adopted a risk-based approach to managing our environmental impacts. All operations, new projects and joint ventures under our operational control are governed by an integrated safety, health and environmental (SHE) policy. In addition, we have implemented a hierarchy of performance standards and group targets. Each business unit submits quarterly performance reports to its board, outlining major risks and liabilities, identifying progress against group targets, and reporting on any major incidents and events of non-compliance. Over the past ten years, we have spent more than R20 billion on capital projects to minimise our environmental footprint.

Accountability and engagement with our environmental stakeholders

Transparency and accountability is the cornerstone of responsible business practice. Since 1996, we have publicly reported on our environmental impact. We are active participants in public reporting initiatives, such as the Global Reporting Initiative (GRI) and the Carbon and Water Disclosure Projects. We engage proactively with governments on environmental policy and regulatory matters, and strive to foster positive relationships with all other stakeholders. We support disclosure on our environmental performance to external parties, and facilitate site visits so that our environmental information is explained and contextualised.

Managing our atmospheric emissions

The South African government has introduced amended emissions standards for some of our existing plants that raise significant challenges in terms of technical and financial feasibility. We are committed to working with government to find appropriate solutions that contribute to the desired environmental outcomes, while also providing for the country's socioeconomic development. We are working with the government and other stakeholders to explore avenues to achieve ambient air quality improvements. This includes investigating the feasibility of offset projects. During 2013, we released 158,4 kilotons (kt) of nitrogen oxides (NO_x), compared to 155 kt in 2012. Total emissions of sulphur oxides (SO_x) amounted to 214,6 kt, up from 202 kt in 2012, while particulate (fly ash) emissions were 11,7 kt compared to 7,47 kt in 2012. The increase in particulate (fly ash) emissions is due to temporary instabilities of our boilers during 2013 and changes due to the introduction of a new monitoring protocol. SO_x emissions are higher due to a higher sulphur content in the coal.

Responding to the climate change challenge

As a carbon-intensive company, we have a responsibility and opportunity to contribute towards finding solutions to climate change. We have set an ambitious intensity target for all our operations. Our greenhouse gas (GHG) mitigation strategy includes: energy efficiency, increased use of natural gas for electricity generation and the use of environmental offsets. We have decided not to pursue selective growth in CTL technology but to focus primarily on accelerated GTL growth. As a result of replacing coal with natural gas from Mozambique in 2004/2005, and transforming the Sasolburg complex at a cost of R12 billion, we achieved reductions in GHG emissions at the facility. We are continuing to invest in energy efficiency initiatives. We also continue to investigate carbon capture and storage solutions. In 2013, we commissioned an adaptation study to assess the impact of historic weather events on our operations.

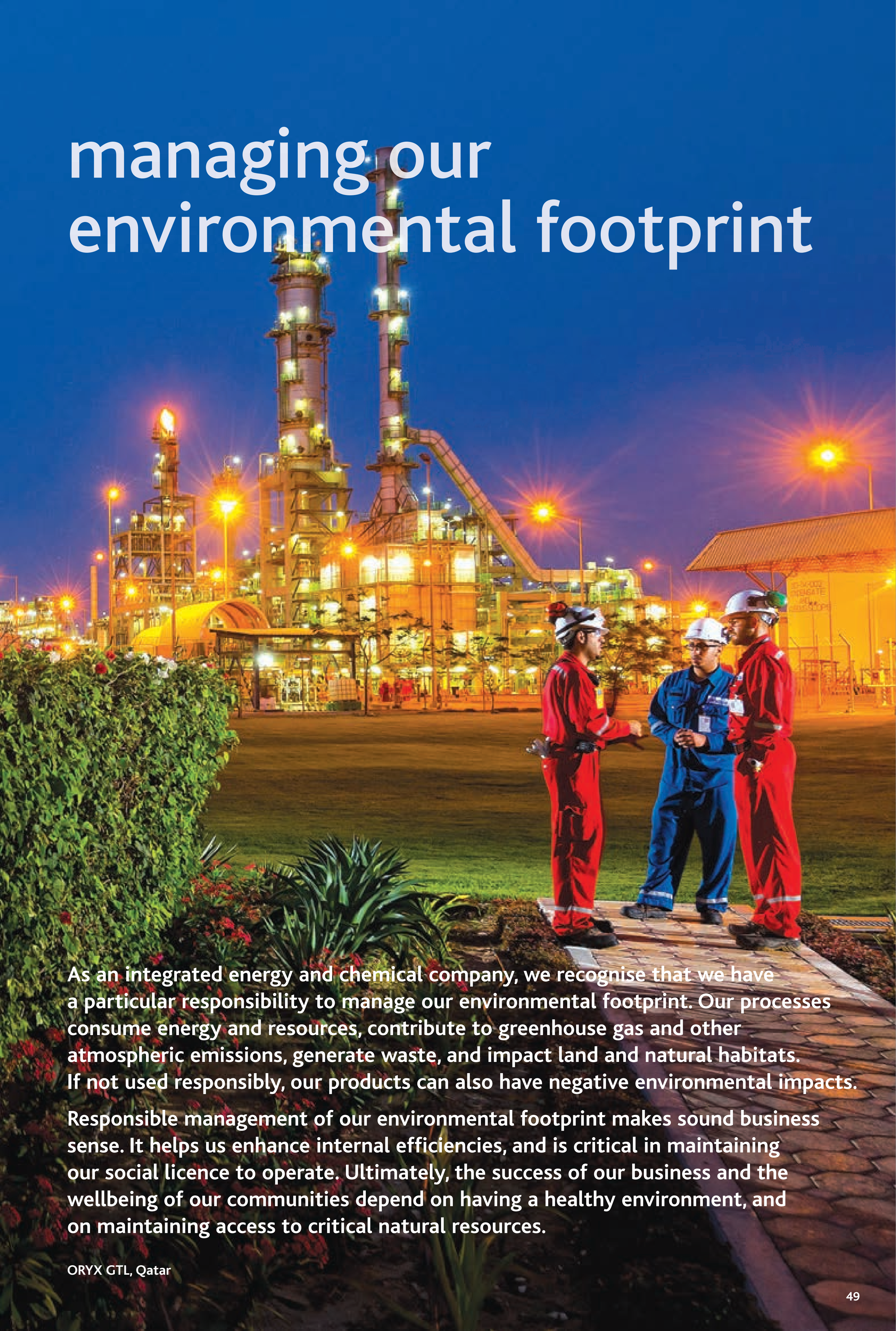
Promoting responsible water stewardship

Water is a critical feedstock for Sasol. We have adopted a holistic approach to water security and stewardship that focuses on minimising our direct impacts, and on working with stakeholders in the catchments where we operate. We have invested in promoting water-use efficiency in our operations and have set water-use efficiency targets for our two most water-intensive businesses. In our most strategically sensitive water catchment area, the Vaal River system in South Africa, we have entered into water-conservation partnerships with three municipalities to identify and capture the most cost-effective high-impact opportunities for improved water usage. Through these partnerships we have been repairing leaks beyond the factory fence, and have undertaken a comprehensive water education and awareness campaign.

Minimising the impacts of our products

We have a product stewardship strategy aimed at minimising the environmental impacts of our products through its life cycle. This includes a product labelling and classification programme aligned with international expectations. We have calculated the gate-to-gate carbon footprint of several of our chemical products, and started conducting streamlined life cycle assessments on certain products. Some products assist customers to reduce their own environmental footprints. Our GTL kerosene offers the world's airline operators a cost-effective means of improving their emissions profile. Similarly, Sasol recently launched Sasol turbo10™ diesel which delivers significant air quality advantages: it has almost zero sulphur and contributes to reductions in emissions of particulates, NO_x and volatile organic compounds (VOCs).

managing our environmental footprint



As an integrated energy and chemical company, we recognise that we have a particular responsibility to manage our environmental footprint. Our processes consume energy and resources, contribute to greenhouse gas and other atmospheric emissions, generate waste, and impact land and natural habitats. If not used responsibly, our products can also have negative environmental impacts.

Responsible management of our environmental footprint makes sound business sense. It helps us enhance internal efficiencies, and is critical in maintaining our social licence to operate. Ultimately, the success of our business and the wellbeing of our communities depend on having a healthy environment, and on maintaining access to critical natural resources.

ORYX GTL, Qatar

our **board** of **directors**

who governs the company

The board is responsible for the strategic direction and ultimate control of the company according to its memorandum of incorporation and board charter.

Executive directors

Personal details

David E. Constable

BSc Eng (Civil)

Canadian, born 1961

chief executive officer and executive director

Appointed to the board in 2011

Role at Sasol

Member of risk and safety, health and environment committee.

Expertise and experience

Before joining Sasol, Mr DE Constable was the group president, Operations, of Fluor Corporation from March 2009 to end May 2011, responsible for project execution services, project management, global procurement and construction, risk management, information technology, and sustainability across all Fluor's core business groups. Before that, he served Fluor in various international sales, operations and group president positions in the oil, gas, petrochemicals, mining and power industries.

He attended the International Management Programme at Thunderbird University in 1997 and the Advanced Management Programme at Wharton Business School in 2000, both in the United States.

He is a member of the World Economic Forum, International Business Council and the US Business Council.

Paul Victor

BCompt (Hons), CA(SA), International Tax Law (Hons)

South African, born 1972

acting chief financial officer and executive director

Appointed to the board in 2013

Mr P Victor was appointed acting chief financial officer and executive director with effect from 10 September 2013, following Mrs KC Ramon's resignation as director and chief financial officer. He joined the Sasol group in 2000 as the chief financial officer of Sasol Synfuels, a position he held until 2011. In 2011, he became the group executive, finance: Sasol group finance, reporting to Sasol's chief financial officer, with responsibility for the Sasol group's financial reporting function.

Nolitha Fakude

BA (Hons)

South African, born 1964

executive director

Appointed to the board in 2005

Member of risk and safety, health and environment committee.

Before joining Sasol, Ms VN Fakude was a member of the group executive committee at Nedbank Group Limited. She was also a director of Harmony Gold Mining Company Limited, BMF Investments (Pty) Ltd and Woolworths Holdings Limited.

She is a council member and second deputy chairman of the Human Resources Development Council of South Africa.

She is a member of the advisory board of the University of Cape Town's Graduate School of Business.

She attended the Senior Executive Programme at Harvard Business School in the United States in 1999.

Non-executive directors

Hixonia Nyasulu†

BA (Hons)

South African, born 1954

non-executive chairman

Appointed to the board in 2006; appointed as chairman in 2008

Chairman of nomination governance, social and ethics committee, member of remuneration committee and risk and safety, health and environment committee.

Mrs TH Nyasulu is a former director of Anglo Platinum Limited and the Tongaat Hulett Group Limited.

She is a director of Ayavuna Women's Investments (Pty) Ltd. She indirectly owns 5,1% of the shares in Tshwarisano LFB Investment (Pty) Ltd, which acquired 25% of Sasol's subsidiary, Sasol Oil (Pty) Ltd, on 1 July 2006. Mrs TH Nyasulu is also a director of Tshwarisano and Sasol Oil, and a director of Barloworld Limited, Unilever plc and Unilever NV. She is a member of the JP Morgan SA advisory board.

She holds an Executive Leadership Development Programme certificate from the Arthur D Little Management Education Institute Cambridge, Massachusetts in the United States and attended the International Programme for Board Members at the Institute of Management Development in Lausanne, Switzerland in 1997.

Mandla Gantsho†

BCom (Hons), CA(SA), MSc, MPhil, PhD

South African, born 1962

independent non-executive director

Appointed to the board in 2003

Member of audit committee and nomination, governance, social and ethics committee.

Dr MSV Gantsho is the chief executive of Africa Rising Capital (Pty) Ltd, the chairman of Ithala Development Finance Corporation, director of Impala Platinum Holdings Limited and the South African Reserve Bank.

He was the vice president operations: Infrastructure, Private Sector & Regional Integration of the African Development Bank from 2006 to 2009, and before that, the chief executive officer and managing director of the Development Bank of Southern Africa.

In 1997, he was appointed as a Commissioner of the Finance and Fiscal Commission, a body set up in terms of the South African Constitution to advise the South African parliament on intergovernmental fiscal transfers. In 2002, he was appointed as a member of the Myburgh Commission of Enquiry into the rapid depreciation of the rand during 2001.

Colin Beggs

BCom (Hons), CA(SA)

South African, born 1948

independent non-executive director

Appointed to the board in 2009

Chairman of audit committee and member of risk and safety, health and environment committee.

Mr C Beggs was the chief executive officer of PricewaterhouseCoopers until the end of June 2009. He is a former chairman of the board of the South African Institute of Chartered Accountants (SAICA). He served as chairman of the Accounting Practices Committee and was a member of the Accounting Practices Board. He is a founder member and director of the Ethics Institute of South Africa.

He is a director of Absa Bank Limited and Absa Group Limited.

Henk Dijkgraaf

MSc Eng (Mining)

Dutch, born 1947

independent non-executive director

Appointed to the board in 2006

Chairman of remuneration committee and member of risk and safety, health and environment committee and nomination, governance, social and ethics committee.

Mr HG Dijkgraaf is the former chief executive officer of the Dutch natural gas companies, GasTerra, Gasunie and Nederlandse Aardolie Maatschappij. He held various positions in the Royal Dutch Shell group between 1972 and 2003 including the positions of president, Shell Nederland BV, director, Shell Exploration and production and chief executive, Gas, Power and Coal in a number of countries.

He is a member of the board and audit committee of Eneco Holding NV, a major sustainable energy company in Western Europe, a member of the board of the Southern African-Netherlands Chamber of Commerce and deputy chairman and treasurer of the Netherlands Institute for the Near East.

He attended the Senior Executive Programme at the Massachusetts Institute of Technology in the United States in 1987.

† Mrs TH Nyasulu resigned as chairman and director with effect from 22 November 2013. Dr MSV Gantsho has been nominated chairman with effect from that date.

Non-executive directors continued

Peter Robertson

Personal details

BSc (Mech Eng), MBA

American and British, born 1947

independent
non-executive director

Appointed to the board in 2012

Role at Sasol

Member of remuneration committee.

Expertise and experience

Mr PJ Robertson held various positions ranging from management to executive leadership for Chevron Corporation in the United Kingdom and the United States between 1973 and 2009. These executive positions include vice-president: Finance, Chevron USA, president: Exploration and Production Company, and president: ChevronTexaco Overseas Petroleum. He served as vice-chairman of the Chevron Corporation board of directors from 2002 to 2009. He has served as the chairman of the US Energy Association and as a non-executive director of Sasol Chevron Holdings Limited.

He currently serves as an independent senior advisor to the oil and gas sector of Deloitte LLP, where he advises Deloitte's oil and gas leadership on the critical issues facing the industry.

Mr PJ Robertson also serves on the board of Jacobs Engineering Group Inc.

Moses Mkhize

Personal details

BCom (Hons), Higher Diploma (Electrical Engineering)

South African, born 1961

independent
non-executive director

Appointed to the board in 2011

Role at Sasol

Member of nomination, governance, social and ethics committee.

Expertise and experience

Mr ZM Mkhize is the executive director: Manufacturing, Rolled Products of Hulamin Limited and also serves as director of a number of subsidiaries of Hulamin.

JJ Njeke

Personal details

BCompt (Hons), CA(SA), HDip Tax Law

South African, born 1958

independent
non-executive director

Appointed to the board in 2009

Role at Sasol

Member of audit committee.

Expertise and experience

Mr MJN Njeke is a past chairman of the South African Institute of Chartered Accountants. He was the managing director of Kagiso Trust Investments from 1994 to 2010. He previously served as a member of the Katz Commission of Inquiry into Taxation in South Africa, the General Committee of the JSE Securities Exchange, the Audit Commission – Supervisory Body of the Office of Auditor General and the Audit Committee of National Treasury.

He serves on the boards of Adcorp Holdings Limited, Barloworld Limited, MMI Holdings Limited, Resilient Property Income Fund, MTN Group Limited, the Council of the University of Johannesburg and the South African Qualifications Authority.

Non-executive directors continued

Imogen Mkhize

BSc (Information Systems), MBA

South African, born 1963

independent
non-executive director

Appointed to the board in 2005

Chairman of risk and safety, health and environment committee, member of audit committee and remuneration committee.

Ms IN Mkhize is the former chairman of The Richards Bay Coal Terminal Company (Pty) Ltd and a director of Mondi plc, Mondi Limited, NPC-Cimphor and Imbewu Capital Partners. She was the CEO of the 18th World Petroleum Congress from 2003 to 2006, and before that, the managing director of Lucent Technologies South Africa. She is a former member of the Financial Markets Advisory Board and her previous directorships include MTN SA, Murray & Roberts, Illovo, Alan Gray, Datacentrix and the CSIR.

She is the chairman of the Rhodes Business School and an emeritus member of the Harvard Business School Global Alumni Board. She is also a member of the Accenture South Africa Advisory Board and the Ethics Institute of South Africa.

In 2001, Ms IN Mkhize was recognised by the World Economic Forum as a Global Leader of Tomorrow. In May 2013, she was one of 18 directors awarded the Chartered Director designation by the Institute of Directors of South Africa at the launch of the profession.

Jürgen Schrempp

BSc Eng

German, born 1944

lead independent
non-executive director

Appointed to the board in 1997
Appointed lead independent director in 2008

Member of nomination, governance, social and ethics committee and remuneration committee.

Prof JE Schrempp is the former chairman of Daimler AG and a former member of the South African President's International Investment Council.

He is the chairman of Mercedes-Benz South Africa (Pty) Ltd and a director of Compagnie Financière Richemont SA, and Iron Mineral Beneficiation Services (Pty) Ltd. He is founding chairman of the Southern Africa Initiative of German Business (SAFRI), a member of the President's Council of Togo, chairman emeritus of the Global Business Coalition on HIV/Aids and honorary Consul General in Germany of the Republic of South Africa.

Prof JE Schrempp is also the chief executive officer and sole shareholder of Katleho Capital GmbH and member of the Supervisory Board of Merkur bank KGaA.

Stephen Westwell

BSc (Mech Eng), MSc (Management), MBA

British, born 1958

independent
non-executive director

Appointed to the board in 2012

Member of audit committee and risk and safety, health and environment committee.

Mr S Westwell held various management and executive positions for BP in South Africa, the United States, and the United Kingdom between 1988 and 2007. These executive positions include head of BP's retail business in South Africa and board member of BP Southern Africa, chief executive officer for BP Solar, and chief executive officer for BP Alternative Energy. He served as group chief of staff and member of BP Plc's executive management team in the United Kingdom from 2008 to 2011. He has also worked for Eskom Holdings Limited in several operational capacities.

He has been a member of the advisory board of the Stanford University's Graduate School of Business, United States since 2007.

our **group executive committee**

who leads the company and drives our strategy

To make Sasol a more nimble and agile organisation, during the year we revised reporting lines and layers of accountability. This will help us to respond more effectively to both the opportunities and challenges in an ever-changing and highly competitive landscape.

David E. Constable
chief executive officer

Paul Victor*
acting chief financial officer and executive director

Nolitha Fakude
executive director
sustainability and business transformation

Maurice Radebe
group executive
corporate affairs and enterprise development

André de Ruyter
senior group executive
global chemicals and North American operations

Bernard Klingenberg
group executive
South African energy

Riaan Rademan
group executive
mining and business enablement

Vuyo Kahla
group executive
advisory and assurance and company secretary

Ernst Oberholster*
group executive
international energy, new business development and technology

Personal details

David E. Constable
BSc Eng (Civil)

Canadian
Born 1961

chief executive officer and executive director

Appointed to the board in 2011

Member of risk and safety, health and environment committee

Paul Victor*
BCompt (Hons), CA(SA), International Tax Law (Hons)

South African
Born 1972

acting chief financial officer and executive director

Appointed to the board in 2013

Nolitha Fakude
BA (Hons)

South African
Born 1964

executive director: sustainability and business transformation

Appointed to the board in 2005

Member of risk and safety, health and environment committee

Maurice Radebe
BSc, MBA

South African
Born 1960

group executive: corporate affairs and enterprise development

Appointed to GEC in 2010

André de Ruyter
BA, BLC, LLB, MBA

South African
Born 1968

senior group executive: global chemicals and North American operations

Appointed to GEC in 2009

* Mr P Victor was appointed with effect from 10 September 2013. Mr E Oberholster was appointed with effect from 1 October 2013.

From left to right: Vuyo Kahla, Ernst Oberholster, Nolitha Fakude, André de Ruyter, David Constable, Paul Victor, Maurice Radebe, Bernard Klingenberg, and Riaan Rademan.

Bernard Klingenberg

MSc Eng (Mech)

South African
Born 1962

group executive: South African energy

Appointed to GEC in 2009

Riaan Rademan

BEng (Mech), MBL

South African
Born 1957

group executive: mining and business enablement

Appointed to GEC in 2009

Vuyo Kahla

BA, LLB

South African
Born 1970

group executive: advisory, assurance and company secretary

Appointed to GEC in 2011

Ernst Oberholster*

BEcon (Hons)

South African
Born 1960

group executive: international energy, new business development and technology

Appointed to GEC in 2013

20-F Detailed biographies for the GEC members are provided in Sasol's 2013 annual report in Form 20-F filed with the SEC.

summarised **corporate governance** report

Governance framework

Sasol applies sound corporate governance structures and processes, which the board considers pivotal to delivering sustainable growth in the interests of all stakeholders. Sasol's values-driven culture and code of ethics underpin its governance structures and processes, committing the company to high standards of business integrity and ethics in all its activities.

Governance structures and processes are reviewed regularly, and adapted to accommodate internal developments and reflect national and international best practice. The board considers corporate governance to be a priority and endeavours to go beyond minimum compliance where appropriate. The board will therefore consider all new non-statutory corporate governance concepts carefully and will implement them if they are deemed to be in Sasol's best interest. The application of governance requirements should facilitate, not detract from, the directors' ability to execute their statutory and fiduciary responsibilities, and their duty of care and skill.

The nomination, governance, social and ethics committee and the board continue to review and benchmark the group's governance structures and processes to ensure they support effective and ethical leadership, good corporate citizenship and sustainability.

Sasol's ordinary shares and Sasol BEE ordinary shares are listed on the Johannesburg Stock Exchange operated by JSE Limited (JSE). Sasol is also listed on the New York Stock Exchange (NYSE) for the purpose of registering the company's American Depositary Shares with the United States Securities and Exchange Commission (SEC). Accordingly, the company is subject to, and has implemented controls to provide reasonable assurance of its compliance with, all relevant requirements in respect of its listings. These include the South African Companies Act, no 71 of 2008 (the SA Companies Act) and the JSE Listings Requirements, and SEC, NYSE and US legal requirements such as the Sarbanes-Oxley Act of 2002 (SOX) in so far as they apply to foreign companies listed on the NYSE.

Sasol applies all the principles of the King Code of Governance Principles for South Africa (King III Code). In some areas the board is of the view that, while recommended practice is being applied, further enhancements will be made over time in line with its objective to continuously improve corporate governance practices. A statement that confirms Sasol's application of each of the King III Code's 75 principles is available on our website www.sasol.com. Sasol has compared its corporate governance practices to the requirements imposed on domestic US companies listed on the NYSE, and complies with these governance standards in most significant respects. The significant differences, which relate to the composition of the remuneration committee and the nomination, governance, social and ethics committee, are set out in Sasol's annual report on Form 20-F filed with the SEC.

AFS **Stakeholders are advised to read the full corporate governance report in our annual financial statements.**

Board powers and procedures

The company's memorandum of incorporation (MOI) and the board charter assign responsibility for strategic direction and control of the company to the board. The board exercises this control by way of the company's governance framework, which includes detailed reporting to the board and its committees and a system of assurances on internal controls. The board regularly reviews and approves the delegation of authority to management in specified matters and those matters reserved for board decision-making.

The board charter sets out the practices and processes the board has adopted to discharge its responsibilities. A copy is available on our website, www.sasol.com, together with the terms of reference of all board and statutory committees and the company's MOI. The board is satisfied that it fulfilled these duties and obligations during the past financial year.

AFS **More detail on the board charter, MOI and terms of reference is provided in the full corporate governance report in our annual financial statements.**

Composition of the board and appointment of directors

Non-executive directors are chosen for their corporate leadership skills experience and expertise required to advance to the strategic direction of the company. The nomination, governance, social and ethics committee and the board take into account diversity in gender and race, as well as in business, geographic and academic backgrounds, when appointments to the board are considered. The board ensures that it has the right balance of skills, experience, independence and business knowledge necessary to discharge its responsibilities, in keeping with the highest standards of governance. In the board's assessment, all directors have the relevant knowledge, skills and experience to make a meaningful contribution to the business of the company.

The board comprised 13 directors as at 6 September 2013, of which three are executive directors. Of the directors, 54% were historically disadvantaged South Africans, including women, and 31% were women. Seven of the eight South African citizens on the board in this period were from historically disadvantaged groups.

The nomination, governance, social and ethics committee evaluates the effectiveness and performance of the board, its committees and the individual directors annually. The chairman, through the nomination, governance, social and ethics committee and assisted by the company secretary, leads the evaluation process. An independent evaluation of the board and individual directors was conducted at the end of the 2012 financial year. A self-assessment, by way of individual questionnaires, was performed in the 2013 financial year. No major concerns were raised in respect of the functioning of the board or any of its committees. One question specifically focused on the balance of power and authority on the board, and the role of the chairman in ensuring that all directors have equal opportunity to participate in decision-making.

The nomination, governance, social and ethics committee and the board specifically consider the directors' other commitments, such as other directorships, to determine whether each director has sufficient time to discharge his or her duties effectively. The lead independent director is responsible for ensuring that the performance of the chairman is evaluated annually, which was done during the year under review.

The board has determined that all the non-executive directors, except Mrs TH Nyasulu, are independent in accordance with the King III Code and NYSE rules. Mrs TH Nyasulu has a 1,275% indirect interest in Sasol Oil (Pty) Ltd, a subsidiary of Sasol Limited, and is therefore not independent in terms of the King III Code. Prof JE Schrempp and Dr MSV Gantsho have been in office for more than 10 years, but their independence has been confirmed after taking this into account, among other considerations. The board is of the view that all non-executive directors exercise independent judgement at all times.

The board met seven times during the financial year, with six meetings scheduled in advance.

IR Refer to pages 50 to 53 for the biographies and committee memberships of directors.

AFS Attendance tables for board and committee meetings are provided in the full corporate governance report in our annual financial statements.

Chairman and lead independent director

The offices of chairman and chief executive officer are separate and the chairman is a non-executive director. Due to Mrs TH Nyasulu's interest in Sasol Oil (Pty) Ltd, the lead independent director, Prof JE Schrempp, leads discussions when matters relating to Sasol Oil, or the succession or performance of the chairman, are discussed. Mrs TH Nyasulu recuses herself from board meetings when matters pertaining to Sasol Oil are considered.

The lead independent director and clear majority of independent directors ensure that sufficient independent thinking informs board deliberations. The roles of the chairman and lead independent director are specified in the board charter.

The appointment and performance of the chairman and lead independent director are reviewed annually. The board and the nomination, governance, social and ethics committee are responsible for succession planning in relation to the position of chairman. The lead independent director guides this process. Mrs TH Nyasulu will step down as chairman at the conclusion of the annual general meeting scheduled for 22 November 2013, and Dr MSV Gantsho will succeed her as chairman.

Chief executive officer

Mr DE Constable is the chief executive officer of the group. In terms of the company's MOI, the directors appoint the chief executive officer. The appointment is made on the recommendation of the nomination, governance, social and ethics committee. The board is responsible for ensuring that succession plans are in place for the roles of chief executive officer and other members of the group executive committee. The role and function of the chief executive officer is specified in the board charter.

Chief financial officer

Mrs KC Ramon was the chief financial officer of the group and executive director until 9 September 2013. Mr P Victor was appointed acting chief financial officer with effect from 10 September 2013. The audit committee considered Mrs KC Ramon and Mr Victor's expertise and experience at its meeting on 5 September 2013 and deemed it appropriate. The committee is also satisfied that the expertise, resources, succession plan and experience of the finance function reporting to the chief financial officer are adequate.

Company secretary

Mr VD Kahla, the group executive: advisory and assurance, is the company secretary. Having considered his competence, qualifications and experience at its meeting held in September 2013, the board is satisfied that he is competent and has the appropriate qualifications and experience to serve as the company secretary. Mr VD Kahla holds BA and LLB degrees and has a 15-year track record as a legal advisor and governance practitioner in the private and public sectors. The board also considered the interactions between the company secretary and the board during the past year, and is satisfied that there is an arms-length relationship between the board and the company secretary.

Sasol subsidiaries and divisions

Sasol Limited has more than 200 direct and indirect subsidiaries globally, which conduct their business through one or more divisions. Each subsidiary, and some divisions, has its own board of directors. Subsidiary and divisional boards operate in accordance with a general board charter. As a direct or indirect shareholder of these subsidiaries, the company exercises its rights in approving material decisions and ensuring that the group's minimum requirements are complied with.

AFS More information on governance with respect to our subsidiaries and divisions is provided in the full corporate governance report in our annual financial statements.

Board and statutory committees

Several committees have been established to assist the board in discharging its responsibilities. Shareholders elect the members of the audit committee, which is a statutory committee. The board appoints all other members of its committees. The committees play an important role in enhancing standards of governance and effectiveness within the group. The terms of reference of the board committees are reviewed annually and form part of the board charter. All committees, except for the risk and safety, health and environment (SHE) committee, comprise only non-executive directors.

The remuneration committee

With the exception of Mrs TH Nyasulu, all the members of the committee, including the chairman, are independent non-executive directors. The committee is required to meet at least twice a year, and met four times during the year under review.

IR The company's remuneration policy and directors' remuneration is detailed in the summarised remuneration report on pages 62 to 71.

AFS The functions and terms of reference of the remuneration committee, as well as other relevant information, are provided in the full remuneration report forming part of our annual financial statements.

summarised **corporate governance report** *continued*

The audit committee

The audit committee is an important element of the board's system of monitoring and control. In compliance with applicable SEC and NYSE rules, as well as South African legislation, all members are independent non-executive directors.

The committee has decision-making authority with regard to its statutory duties and is accountable in this regard to both the board and the shareholders. On all other responsibilities the board delegates to it, the committee makes recommendations for board approval. The audit committee obtains assurance from management, the governance committees or boards of the South African subsidiaries in respect of the functions specifically performed by the aforementioned in respect of those entities in terms of section 94(7) of the SA Companies Act.

All audit committee members are financially literate and most have extensive audit committee experience. To ensure greater integration between the work of the audit committee and the risk and SHE committee, particularly for purposes of integrated reporting and the application of the combined assurance model, the chairmen of the two committees are members of the other committee, respectively. None of the members serve on the audit committees of more than three listed public companies.

The audit committee reviews all publications and announcements of a financial nature before publication. Both the audit committee and the board are satisfied there is adequate segregation between the external and internal audit functions, and that the independence of the internal and external auditors is not in any way impaired or compromised.

The audit committee is responsible for ensuring that the combined assurance model the King III Code introduced is applied to provide a co-ordinated approach to all assurance activities. A combined assurance model has been developed and is being implemented in stages. Further progress was made during the year under review.

The audit committee is required to meet at least three times a year, and met six times during the year. Two special meetings were scheduled in November 2012 and February 2013 to consider the evaluation criteria for the appointment of a new external auditor and to nominate an external auditor.

AFS **Refer to the report of the audit committee provided in our annual financial statements.**

The risk and safety, health and environment committee (risk and SHE committee)

The committee's functions include reviewing and assessing the integrity of the company's risk management processes, including safety, health, environmental and sustainability risk. The committee reports its findings and recommendations in respect of material risks as well as the company's policies on risk assessment and risk management which may have an impact on the annual integrated report. It also reviews the disclosure of sustainability matters in the annual integrated report and reports to the audit committee to enable the latter to provide assurance to the board that the disclosure is reliable and does not conflict with the financial information.

The committee met four times during the year.

The nomination, governance, social and ethics committee

The nomination, governance, social and ethics committee performs the responsibilities of a nomination and governance committee as well as social and ethics committee as required in terms of the SA Companies Act. The committee comprises five non-executive directors, of whom four are independent. The chairman of the board is the chairman of the nomination, governance, social and ethics committee due to the requirement of the JSE Listings Requirements that a nominations committee should be chaired by the chairman of the board.

Although Mrs TH Nyasulu is not considered independent, the board's view is that the chairman of the board should chair the nomination, governance, social and ethics committee, due to its mandate to nominate directors. The board is satisfied that Mrs TH Nyasulu's interest in Sasol Oil (Pty) Ltd does not have any bearing on her ability to exercise independent judgement with respect to matters within the mandate of this committee.

AFS **The functions of the nomination, governance, social and ethics committee is listed in the full corporate governance report in our annual financial statements.**

The committee met five times during the financial year.

The committee's work plan ensures all its statutory responsibilities as social and ethics committee are covered during the course of a calendar year. During the period under review, the committee:

- considered the company's compliance with the goals and purposes of the 10 principles set out in the United Nations Global Compact;
- considered the company's standing in terms of the goals and purposes of the Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption;
- received a report on Sasol's progress under the Employment Equity Act, no 55 of 1998;
- noted Sasol's standing in terms of the Broad-Based Black Economic Empowerment Act, no 53 of 2003;
- considered stakeholder relationship reports, including assessments of stakeholder relationship health and progress with the development of a stakeholder management strategy for each stakeholder category;
- considered a report on the company's labour and employment activities, taking into account;
  - the laws and codes of best practice applicable in host countries in which the company operates;
  - the International Labour Organisation's protocol on decent work and working conditions; and
  - the company's employment relationships, and its contribution toward the educational development of its employees; and
- received a report on the company's consumer relationships, including the company's advertising and public relations, and compliance with consumer protection laws.

The board has delegated responsibility for all environmental, health and public safety matters, including the impact of the company's activities and of its products or services, to the risk and SHE committee. Accordingly, the nomination, governance, social and ethics committee placed reliance on the reports in connection with those matters which were submitted to the risk and SHE committee.

SD More information on the nomination, governance, social and ethics committee is provided in our sustainable development report.

Group executive committee (GEC)

In terms of the revised group governance framework the board approved in March 2013, the GEC supports the chief executive officer (CEO) in implementing the strategy and in managing the Sasol group. The CEO is entitled to sub-delegate any of the powers delegated to him to the GEC, individual members of the GEC or other committees, forums or individuals within the Sasol group. The CEO may sub-delegate all matters not specifically reserved for decision-making by the Sasol Limited board or its shareholders. The board appoints GEC members on the recommendation of the chief executive officer and the nomination, governance, social and ethics committee.

Internal control and combined assurance

The directors are ultimately responsible for the group's system of internal control, designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss. The group maintains a system of internal financial control that is designed to provide assurances on the maintenance of proper accounting records and the reliability of financial information used within the business and for publication. The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

The group began implementing a combined assurance approach in 2011 to assist in addressing the key risks facing the group. Management identifies and controls these risks by means of a risk framework determined by the risk and SHE committee, and the process is monitored and evaluated under the direction of internal audit.

The board reviewed the effectiveness of controls for the year ended 30 June 2013, principally through a process of management self-assessment, including formal confirmation from executive management. The board also considered reports from internal audit, the external auditor and the compliance and risk management functions.

Internal audit

The group has an internal audit function that covers its global operations. The audit committee approves the charter, audit plan and budget of internal audit to ensure it operates independently of management. Additionally, areas highlighted by the SOX reviews of systems or by external auditors are incorporated into the plan.

The annual audit plan is based on an assessment of risk areas internal audit and management identifies, as well as focus areas highlighted by the audit committee, GEC and management. The annual audit plan is updated as appropriate to ensure it remains responsive to changes in the business. A comprehensive report on internal audit findings is presented to the GEC and the audit committee quarterly. Follow-up audits are conducted in areas where major internal control weaknesses are found. The audit committee approved internal audit's formal quality assurance and improvement plan and its risk-based audit plan for 2014.

The internal audit function is required to undergo an independent quality review at least every four years. An international external audit firm conducted a quality assessment review of Sasol's internal audit function during 2011 and concluded that the internal audit function generally conformed to the standards of the Institute of Internal Auditors. Recommendations to improve areas of weaknesses have been addressed. The next external quality assessment is planned for 2014.

Based on the review of the company's systems of internal control and risk management in 2013, which included the design, implementation and effectiveness of internal financial control and was conducted by way of a formal management self-assessment process, and considering information and explanations provided by management and discussions with the external auditor on the results of the audit, the internal auditor concluded that the company's system of internal control and risk management is effective and that the internal financial controls form a sound basis for the preparation of reliable financial statements.

Information management

The board is responsible for information technology (IT) governance. IT governance is systematic and based on CoBIT (control objectives for Information and related technologies) principles. Group management is accountable for the operational governance of information management (IM) governance, which includes IT, in the Sasol group. Decision-making structures have been defined and a reporting framework is in place. Additionally, best practice frameworks have been adopted, including ITIL (Information Technology Infrastructure Library) and ISO17799.

An IM charter has been developed and is managed through IM governance structures. The IM strategy is aligned to the Sasol business needs and sustainability objectives by taking into account the business focus areas. An IM governance committee has been established as a sub-committee of the GEC. The GEC member responsible for IM chairs the committee, which comprises GEC members, functional managers and the chief information officer. The committee oversees and provides executive direction in line with the group's IM strategy, including IT investment, efficiency and effectiveness, ensuring an appropriate control environment over new and existing business processes and ensuring Sasol remains competitive in relation to technology.

The audit committee receives quarterly reports from the IM governance sub-committee, and assists the board in determining if the sub-committee is meeting its objectives, and accordingly complies with the requirements of the King III Code in regard to IT governance. The board receives reports and presentations on all significant IT matters and such matters are considered at the board's strategy meetings.

Compliance with laws, rules, codes and standards

Sasol policy requires all group companies and their directors and employees to comply with all applicable laws. Legal compliance systems and processes have been intensified during the year to mitigate the risk of non-compliance with the complex laws in the various jurisdictions in which group companies do business. The board and management have given particular attention to the risk of non-compliance with competition laws in the past four years. Specific areas of law have been identified as key group legal compliance risk areas and risk mitigation and control steps have been identified for each of these areas.

The board and its committees continue to monitor the implementation of the company's legal compliance policy and the implementation of legal compliance processes closely.

The group legal compliance committee (GLCC), a sub-committee of the GEC, oversees the company's legal compliance programme. The group executive: advisory and assurance chairs the GLCC, which comprises members of the GEC (including the chief executive officer) and is attended by relevant legal and compliance services employees. A legal compliance report is presented to the nomination, governance, social and ethics committee on a quarterly basis and, to the extent that legal and regulatory matters could have an impact on the financial statements, risk management or sustainability, reports are also presented to the risk and SHE committee, as well as the audit committee, as appropriate.

A framework to govern the management of tax throughout the group has been established. Approved by the board, the governance framework combines appropriately skilled resources, internal processes and internal and external controls to manage tax in line with the group strategy. The company strives to arrange its tax affairs in an efficient manner, while always in compliance with current laws in all jurisdictions in which it operates and taking into account financial and reputational risk. The company strives to maintain a co-operative relationship with tax authorities and to conduct all such dealings in an open and constructive manner.

Disclosure and sustainability

The disclosure committee is a sub-committee of the GEC and comprises a combination of GEC members and functional managers. It oversees compliance with the disclosure requirements of JSE, SEC and NYSE rules, among others. The disclosure controls and processes in place to comply with section 302 and 404 of the Sarbanes-Oxley Act, 2002 are subject to internal and external audit assessment. The company's disclosure controls and procedures ensure the accurate and timely disclosure of information to shareholders, the financial community and the investor community that may have a material effect on the value of Sasol securities or that may influence investment decisions.

Worker participation and employment equity

The company has established participative structures on issues that affect employees directly and materially, and is committed to promoting equal opportunities and fair employment practices regardless of employees' ethnic origin or gender. Several programmes have been implemented to ensure practical application of the group's commitment to worker participation and employment equity, while maintaining the company's high standards and statutory compliance. A group partnership forum has been in place in South Africa since 2009. Union representatives meet quarterly with management in this forum to discuss matters of mutual interest. Similar consultations take place through works councils in Germany.

During the year, increased focus was given to transformation, which is discussed in more detail in the sustainable development report.

In the spirit of ensuring diversity and inclusion across the group, and in support of Sasol's commitment to the United Nations women's empowerment principles, Sasol has implemented a global women's empowerment strategy. This will entail developing the professional and leadership competencies of women through mentoring, networking and training.

SD **More information on the group's diversity and transformation initiatives are provided in our sustainable development report.**

Code of ethics

The group's code of ethics (the code) consists of four fundamental ethical principles – responsibility, honesty, fairness and respect. Guidelines, which provide more information on 15 ethical standards, support the code. The guidelines cover issues such as bribery and corruption, fraud, insider trading, legal compliance, conflicts of interests, human rights and discrimination. They include a commitment to conducting our business with due regard to the interests of all our stakeholders and the environment. The code requires compliance with all applicable laws and regulations as a minimum standard. In essence, the guidelines to the code of ethics outline Sasol's approach to ethics management, which includes all the elements internationally recognised as best practice in ethics management. The code of ethics guides interactions with all stakeholders, including employees, suppliers and customers. Any amendment or waiver of the code as it relates to the chief executive officer or chief financial officer will be posted on the Sasol ethics website within four business days of such an amendment or waiver. No such amendments or waivers have been posted or are anticipated.

The code of ethics has been communicated to all employees, suppliers, service providers and customers and is available on www.sasolethics.com.

A dedicated group ethics office manages the ethics programme and ethics officers have been appointed and trained to assist with the management of ethics in the various Sasol businesses and functions. The group ethics office manages ethics through a comprehensive programme. This includes an ethics strategy, identifying and prioritising ethics opportunities, assessing and mitigating ethics risks, applying effective governance structures, articulating a code of ethics with

relevant guidelines and policies, institutionalising the code and policies in practice (e.g. by training, communication and integrating ethics into business matters), applying effective governance structures, detection and resolution of ethical violations, monitoring and reporting, and the development of applicable tools and technologies. The nominations, governance, social and ethics committee oversees the implementation of the ethics programme and reports to the board on ethics. An ethics forum discusses best practice and compliance requirements and considers and recommends amendments to the code and guide as required.

Sasol has been operating an independent ethics reporting telephone line through external service providers since 2002, which detects and resolves ethical violations. This confidential and anonymous ethics hotline provides an impartial facility for all stakeholders to anonymously report any ethics related matter, such as unfairness, disrespect, fraud, statutory malpractice and other crimes, unsafe behaviour, deviations from the procurement policy, financial and accounting reporting irregularities and other deviations from ethical behaviour. These calls are monitored and progress on their resolution is reported to business governance committees. The audit committee or nomination, governance, social and ethics committee receives progress updates on sensitive and potentially high-risk investigations with material outcomes. The nomination, governance, social and ethics committee is regularly updated on the ethics programme.

In addition to group-wide online ethics training, ethics has been included as a module in all formal Sasol leadership development programmes. This, together with ongoing communication on ethics, are likely the underlying reasons for the continued upward trend of employees as well as external stakeholders using the ethics line to report unethical behaviour. Sasol is a member of the Ethics Institute of South Africa.

Stakeholder relationships

Sasol subscribes to the stakeholder management principles in the King III Code and is on track in implementing the required governance mechanisms.

A global stakeholder management strategy and a stakeholder engagement charter, relevant to all Sasol's operations and all stakeholders, have been developed. The stakeholder engagement charter sets out the desired behaviours for all Sasol employees who engage stakeholders, and has been published as a public commitment to principled, value-based engagement.

Stakeholder engagement programmes facilitate the planning, co-ordination, and execution of stakeholder engagement more effectively. Sasol's stakeholder landscape has been structured into ten distinct stakeholder categories, with specific stakeholders defined within each category. Distinct roles and responsibilities for stakeholder management have been defined and relationship owners for each stakeholder group have been appointed. Stakeholder relationship owners are accountable for Sasol's relationship with that individual or group. The relationship owner conducts regular reviews of the relationship, with input from other Sasol functions that regularly interact with the stakeholder. These reviews enable structured and insightful stakeholder reporting to the nomination, governance, social and ethics committee. The reports seek to ensure that the board is empowered with the necessary information to take the legitimate interests and expectations of stakeholders into account in its decision-making.

In addition to the self-assessment of stakeholder relationship health, as described above, regular stakeholder research is conducted as an independent measure of any gap between Sasol's performance and stakeholder perceptions. This enables constructive stakeholder engagement, enabling the company to respond to verified stakeholder issues and concerns.

Sasol strives to resolve disputes with its stakeholders effectively and expeditiously. The company investigates and implements alternative resolution mechanisms where possible, before instituting litigation.

Sasol considers and responds to all requests for access to information it receives in terms of the Promotion of Access to Information Act, 2000. Appropriate engagement with requesting parties is ensured without compromising Sasol's rights with respect to the information.

summarised **remuneration** report

Remuneration overview

The remuneration committee (the committee) has functioned as a committee of the Sasol Limited board since 1989. The committee was established to ensure that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of executives and employees at all levels, while complying with all requirements of law and regulation.

The terms of reference of the committee is reviewed annually by the board and is available on the company's website at www.sasol.com.

AFS **This report is a summarised version of the detailed annual remuneration report that forms part of the annual financial statements.**

Remuneration policy

The committee reviews the remuneration policy each year to ensure that the remuneration framework remains effective in supporting the achievement of the company's business objectives, aligned with best practice, and fairly rewards employees for their contribution to the business, having regard to the size and complexity of the group's operations and the need to attract, motivate and retain employees of the highest calibre.

Sasol's total remuneration policy strives to reward corporate and individual performance through an appropriate balance of fixed pay and both short and long-term variable components. The policy is designed to provide incentives to employees to meet the company's key objectives, such that a significant portion of total remuneration is performance related, based on a mixture of internal and external targets linked to key corporate performance indicators. These must be measurable, understandable and acceptable to both executives and shareholders. The committee considers that the targets set for the different elements of performance related remuneration are both appropriate, and demanding, in the context of the business environment and the challenges with which the group is faced, as well as complying with the provisions of the remuneration practices stated in the King III Code.

The key components and drivers of Sasol's remuneration structure which applies to all members of senior management are set out in the table below.

Remuneration component	Strategic intent and drivers
Basic salary	• Attraction and retention of key employees • Internal and external equity • Rewarding individual performance
Benefits	• External market competitiveness • Integrated approach towards wellness driving employee effectiveness and engagement
Allowances	• Compliance with legislative, negotiated and contractual commitments
Short-term incentive plan (<12 months)	Alignment with group/business unit/functional performance in terms of: • Financial targets • Employment equity (South African employees only) • Safety performance (against leading and lagging targets) • Reward performance against targets set at group, business unit/group functional and individual levels including targets set for major capital projects
Long-term incentive schemes comprising: • **Sasol medium-term incentive scheme** • **Sasol share appreciation rights scheme**	• Attraction and retention of senior employees with the majority of the awards linked to corporate performance targets • Exceptionally performing employees in the top 20% per level, receive an additional individual reward on the basis of personal performance • Direct alignment with shareholders' interests by linking the level of rewards to the achievement of corporate performance targets where units can be forfeited if targets are not met • For 2014, only MTI rights under the medium-term incentive scheme will be awarded. These incentives ensure alignment with shareholders and a link to the share price while avoiding the highly geared reward that can be delivered via share appreciation rights

In 2014, the committee will undertake a detailed review of the remuneration policy and practices with a view to reducing complexity and enhancing market alignment. This may include, *inter alia*, a review of the existing short and long-term incentive framework and weighting between the two, investigating the merits of replacing cash-based long-term incentive awards with equity, introducing minimum shareholding requirements for senior executives and streamlining the retention mechanism.

Total remuneration

Benchmarking

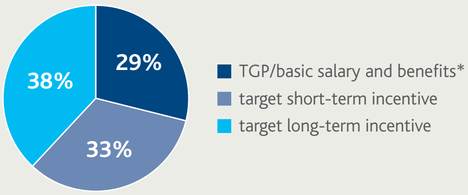
Executive remuneration is benchmarked to data provided in national executive remuneration surveys, as well as to information disclosed in the remuneration reports of organisations included in our benchmarking peer group. One of the committee's key tasks is to preserve the relevance, integrity and consistency of this benchmarking exercise.

South African executive remuneration survey data are supplemented by the published remuneration information of a number of comparator organisations. This comparator group of companies includes:

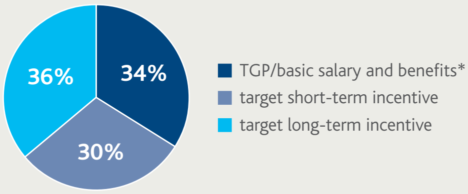
- four global resources companies with significant South African presence namely BHP Billiton, Anglo American, Gold Fields and AngloGold Ashanti;
- two South African global industrials namely SAB Miller and Sappi; and
- six US and European energy and chemicals integrated companies namely ExxonMobil, Chevron, ConocoPhillips, Shell, BP and Total.

The ratios within the remuneration mix are structured for different management levels within the organisation and geographic location. The relative proportion of the remuneration components of the group executive committee, consisting of the chief executive officer (CEO), executive directors and prescribed officers (GEC), within the approved remuneration mix is set out in the following charts:

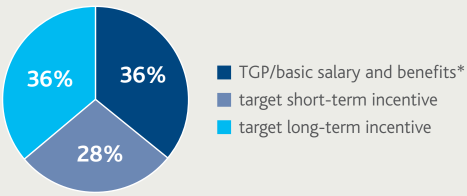
Chief executive officer
(number of employees at 30 June 2013 = 1)



Executive directors
(number of employees at 30 June 2013 = 2)



Senior group executives
(number of employees at 30 June 2013 = 2)



Group executives
(number of employees at 30 June 2013 = 4)

** Total guaranteed package (TGP)*

Total guaranteed package/basic salary and benefits

Due to the size and complexity of the group, its business model, multiple value chains and extensive international footprint, total guaranteed package values for senior specialist and executive positions within the South African market are compared to upper quartile values available from South African remuneration surveys. The rationale for this benchmark is that participating organisations that are included in the South African remuneration surveys are mostly smaller in terms of market capitalisation with a less complex business model and value chain and with a more limited geographic spread. Consequently, the median values disclosed do not accurately reflect the remuneration levels that would typically be required to be paid to executives and high-level specialists of large, complex multi-national organisations headquartered in South Africa. All other positions are benchmarked against the market median, or for scarce skills positions, slightly higher than the median.

Short-term incentives

The short-term incentive (STI) plan intends to recognise the achievement of a combination of group and business unit/group functional performance objectives. In addition, in 2013, for employees down to two levels below the GEC, incentives were calculated taking into account their individual performance.

The structure of the short-term incentive plan was amended for 2013 to better align funding, group performance, business unit performance and individual performance, globally. The STI structure for employees below senior management remained unchanged from the 2012 financial year. Measures covering the execution of large capital projects have been incorporated into the performance scorecards of executives who are directly involved in the management and oversight of these projects. There was no change to the target incentive values for group executives.

summarised **remuneration** report *continued*

The following diagram indicates the basis for calculating the short term incentive amounts for top management:

STI Award	=	Base	x	STI Target %	x	Business unit/group function	x	Group	x	Individual/ portfolio
Calculated in currency determined in employment contract		Either TGP or base salary		Target Awards: CEO: 115% x base salary ED: 90% x TGP Senior GEC: 80% x TGP GEC: 75% x TGP Other employees vary by level between 15% and 60% of TGP/ base salary		Each business unit/group function has a scorecard. These include: • safety • employment equity (SA) • cost/profit • production • efficiencies Measured from 0% to 100% for all BUs and group functions		Group targets: • Volume growth • Cash fixed costs • EBITDA • safety (GEC) • employment equity (SA) (GEC) GEC: measured from 0% to 150% Senior management: 50% to 150%		For GEC, a combination of individual performance and portfolio performance (0% – 150%) For top management an individual performance factor measured from 0% to 150%

TGP: total guaranteed package, CEO: chief executive officer, ED: executive director, GEC: group executive committee, EBITDA: earnings before interest, tax, depreciation and amortisation, BU: business unit

The group performance factor is applied to the calculation of incentives for members of senior management, but below this level, business unit performance only is applied to the calculation of incentives to ensure adequate line of sight for employees.

The table below provides details of all the factors and the final determination of the annual short-term incentive award for all members of the GEC in 2013.

	TGP/salary as at 30 June 2013[1]	Target %	Group score	Individual/ portfolio score[2]	Approved FY13 short-term incentive amount
	A	B	C	D	E = A x B x C x D
DE Constable[3]	**US$865 032**	115%	111,76%	118,75%	US$1 320 231
VN Fakude	**R6 900 845**	90%	111,76%	110,00%	R7 635 261
KC Ramon	**R6 824 598**	90%	111,76%	100,00%	R6 864 454
AM de Ruyter	**R6 288 750**	80%	111,76%	100,00%	R5 622 646
GJ Strauss	**R6 313 497**	80%	111,76%	103,00%	R5 814 115
VD Kahla	**R4 465 110**	75%	111,76%	100,00%	R3 742 655
BE Klingenberg	**R5 441 330**	75%	111,76%	110,00%	R5 017 015
M Radebe	**R3 855 564**	75%	111,76%	100,00%	R3 231 734
CF Rademan	**R5 044 725**	75%	111,76%	103,00%	R4 355 343

Notes:
1 The basis for determination of STI amounts, is the TGP/salary as at 30 June 2013, and not on total earnings for the financial year as disclosed in this report.
2 Determined in terms of performance against targets on strategy execution, stakeholder relations, culture and values, leadership and portfolio performance.
3 Salary for DE Constable represents net annualised US dollar salary which is grossed up for tax purposes.

The committee has the final discretion to determine the individual amounts that are paid out under the group short-term incentive plan considering all aspects of performance versus pre-determined targets.

Long-term incentive schemes

Long-term incentives comprise two categories:

i) awards of cash settled rights with payment based on the market value of ordinary shares at settlement date (MTIs); and

ii) cash settled rights based on the increase in market value of ordinary shares between grant and settlement dates (SARs).

For 2014, only MTIs will be awarded and SARs will be replaced by MTIs of equivalent fair value. This reflects the general market trend away from share options/share appreciation rights and the committee's belief that employees' remuneration should be aligned with shareholders via MTIs which offer lower gearing and hence are a more stable mechanism of reward.

Governance of the long-term incentive schemes is provided through the Scheme Committee which comprises the members of the remuneration committee and approves grants in terms of the policy under the following circumstances:

- upon promotion of an employee to the qualifying level for SAR and MTI rights as well as any subsequent promotion;
- upon appointment to the group on the qualifying level;
- annual awards to eligible employees; and
- discretionary allocations for purposes of retention.

Long-term incentives play an important role in employee retention, and in particular in the energy industry. Therefore, the committee believes that for 2014, it is necessary to maintain a minimum level of guaranteed vesting based on continuous employment whilst simultaneously having the majority of share based remuneration at risk against group objectives. The committee is conscious that this practice is not necessarily in line with best practice, although many of the group's competitors continue to use some element of time based vesting, and therefore for the GEC, the proportion of the award dependent on performance will be increased to 70% in 2014. During its review in 2014, the committee will consider whether this approach remains appropriate which may result in further restructuring of the rewards package.

The following table sets out the fair value of annual LTI awards made to prescribed officers as a multiple of annual TGP/salary:

Chief executive officer	135%
Executive directors	120%
Senior group executives	108%
Group executives	95%

Medium-term incentives (MTI)

The following table details summarised features of the MTI scheme, as applied in 2013.

Vesting period	• 100% after three years subject to remaining in service and meeting corporate performance targets
Key purpose	• To align value creation with share price and organisational performance • Retention of senior leaders in the organisation
Corporate performance targets (CPTs)	• Applied to 60% of the award. This portion can be forfeited if targets are not achieved, or doubled if targets are exceeded
Portion of fair value of long term incentive award allocated to MTIs	• 60%
Termination conditions	• For reasons of death, disability, retirement or retrenchment: Vesting subject to assessment of probability of achieving CPTs • For all other reasons: forfeiture of rights • The committee retains full discretion as to the vesting of rights awarded to participants

summarised **remuneration** report *continued*

A summary of all outstanding MTI awards is presented in the following table:

Year of allocation	Vesting date	Vesting range	Performance targets	Vesting results
2009	2012	50% to 150%	50% – Share price relative to ALSI 40 25% – Attributable earnings growth 25% – Production volume growth	87,50%
2010	2013	50% to 150%	50% – Share price relative to ALSI 40 25% – Attributable earnings growth 25% – Production volume growth	112,50%
2011 **2012**	2014 2015	50% – 150%	50% – Share price relative to ALSI 40 25% – Attributable earnings growth 25% – Production volume growth	Unvested
2013	2016	40% to 160%	25% – Total Shareholders' return relative to JSE Resources 10 index 25% – Total Shareholders' return relative to MSCI energy index 25% – Attributable earnings growth 25% – Production volume/headcount growth	Unvested

Share appreciation rights (SAR)

The following table details summarised features of the SAR scheme as applied in 2013:

Vesting period	• 33% after 3, 4 and 5 years respectively subject to vesting conditions (vesting cycle changed in 2013)
Key purpose	• Retention of senior leaders in the organisation • A balanced portfolio of longer term incentives that rewards the incremental growth in the share price as well as organisational performance
Corporate performance targets	• Applied to 60% of the award. This portion can be forfeited if targets are not achieved, or doubled if targets are exceeded
Portion of fair value of long term incentive award allocated to SARs	• 40%
Termination conditions	• For reasons of death, disability, retirement or retrenchment. Vesting subject to assessment of probability of achieving CPTs • For all other reasons: forfeiture of rights • The committee retains full discretion as to the vesting of rights awarded to participants

A summary of all outstanding SAR allocations is presented in the table below:

Year of allocation	Vesting date	Vesting range	Performance targets	Vesting results
2007	2009, 2011 and 2013	100%	N/A	No CPTs
2008	2010, 2012 and 2014	100%	N/A	
2009	2011, 2013 and 2015	75% – 125%	50% – Share price relative to ALSI 40 25% – Attributable earnings growth 25% – Production volume growth	2011 =100% 2013 =100%
2010	2012, 2014 and 2016	75% – 125%	50% – Share price relative to ALSI 40 25% – Attributable earnings growth 25% – Production volume growth	2012 =106,25%
2011	2013, 2015 and 2017	75% – 125%	50% – Share price relative to ALSI 40 25% – Attributable earnings growth 25% – Production volume growth	2013 =112,50%
2012	2014, 2016 and 2018	75% – 125%	50% – Share price relative to ALSI 40 25% – Attributable earnings growth 25% – Production volume growth	Unvested
2013	2016, 2017 and 2018	40% to 160%	25% – Total Shareholders' return relative to JSE Resources 10 index 25% – Total Shareholders' return relative to MSCI energy index 25% – Attributable earnings growth 25% – Production volume/employee growth	Unvested

The changes to the corporate performance targets as well as the changes in the pay mix reflect the feedback that we received from our stakeholders as well as general trends in the market.

A sign on payment policy is used in the recruitment of external candidates in highly specialised or scarce skills positions mostly in senior management levels. Sign-on payments are typically linked to retention agreements.

A formal *scarce skills/retention framework* is used when retention awards are considered.

The committee retains the discretion to request the repayment of gains resulting from the material misstatement of financial statements or where performance related to financial and non-financial targets, has been misrepresented.

Sasol's business strategy will require, *inter alia*, the successful execution of major capital growth projects globally. The committee oversees the incentivisation of the relevant officers in order to ensure that appropriate behaviour is encouraged and that a retention mechanism is in place.

Remuneration in 2013

In 2013, the board agreed to net US dollar amounts payable to the chief executive officer for a salary of US$865 032 and a short-term incentive of US$1 320 231. Other benefits accrue in rand, and are disclosed, together with the conversion of his salary, incentives and the last portion of his sign-on payment to rand, in the following table.

Remuneration and benefits paid and short-term incentives approved in respect of 2013 for executive directors were as follows:

Chief executive and executive directors' remuneration

In the past year, the board agreed to net US dollar amounts payable to the CEO for salary (US$865 032) and a short-term incentive (US$1 320 231). Other benefits accrue in rand, and are disclosed, together with the conversion of his salary, incentives and a portion of his sign on payment to rand, in the following table.

Remuneration and benefits paid and short-term incentives approved in respect of 2013 for executive directors were as follows:

	Salary R'000	Retirement funding R'000	Other benefits[1] R'000	Annual incentives[2] R'000	**Total[3] 2013 R'000**	Total[4] 2012 R'000
DE Constable[5]	12 110	225	18 911	22 422	**53 668**	31 881
LPA Davies[6]	–	–	–	–	**–**	3 908
VN Fakude	5 250	1 410	309	7 635	**14 604**	11 558
KC Ramon	3 669	1 633	1 418	6 864	**13 584**	11 265
Total	**21 029**	**3 268**	**20 638**	**36 921**	**81 856**	**58 612**

1 Other benefits detailed in the next table.

2 Incentives approved on the group results for the 2013 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package/net basic salary as at 30 June 2013. The difference between the amount approved as at 6 September 2013 and the total amount accrued as at 30 June 2013 represents an under provision of R14,4 million. The over provision for 2012 of R0,3 million was reversed in 2013.

3 Total remuneration for the financial year excludes gains derived from the long-term incentive schemes.

4 Includes incentives approved on the group results for the 2012 financial year and paid in 2013.

5 Salary and short-term incentive paid in US dollars, reflected at the exchange rate of the month of payment for the salaries, and 6 September 2013 for the incentive being the date of approval of the consolidated annual financial statements.

6 Retired as a director of Sasol Limited on 30 June 2011.

Benefits and payments made in 2013 disclosed in the table above as 'other benefits' include the following:

	Vehicle benefits R'000	Medical benefits R'000	Vehicle insurance fringe benefits R'000	Security benefits R'000	Other[1] R'000	Exchange rate fluctuation R'000	**Total other benefits 2013 R'000**	Total other benefits 2012 R'000
DE Constable	75	207	6	369	17 998	256	**18 911**	11 081
LPA Davies[2]	–	–	–	–	–	–	**–**	115
VN Fakude	60	53	6	190	–	–	**309**	361
KC Ramon	1 341	63	6	8	–	–	**1 418**	1 056
Total	**1 476**	**323**	**18**	**567**	**17 998**	**256**	**20 638**	**12 613**

1 As previously disclosed in the 2011 remuneration report, a portion of the sign on payment agreed at the time of appointment (US$1 980 000). Other benefits also include actual costs as well as fringe benefit tax which include inter alia: accommodation (R1 394 167), schooling costs (R597 230), relocation costs of Mr Constable's family (R519 029), home leave flights (R561 852).

2 Retired as a director of Sasol Limited on 30 June 2011.

Prescribed officers

Remuneration and benefits paid and short-term incentives approved in respect of 2013 for prescribed officers were as follows:

	Salary R'000	Retirement funding R'000	Other benefits[1] R'000	Annual incentive[2] R'000	**Total[3] 2013 R'000**	Total[4] 2012 R'000
AM de Ruyter	3 973	1 867	355	5 623	**11 818**	8 878
VD Kahla	3 825	505	1 377	3 743	**9 450**	7 899
BE Klingenberg	3 786	908	298	5 017	**10 009**	7 084
M Radebe	2 832	568	349	3 232	**6 981**	5 284
CF Rademan	3 735	753	469	4 355	**9 312**	7 394
GJ Strauss	4 997	1 040	191	5 814	**12 042**	9 574
Total	**23 148**	**5 641**	**3 039**	**27 784**	**59 612**	**46 113**
Number of members					**6**	6

1 Other benefits detailed in the next table.

2 Incentives approved on the group results for the 2013 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package as at 30 June 2013. The difference between the amount approved as at 6 September 2013 and the total amount accrued as at 30 June 2013 represents an under provision of R8,8 million. The over provision for 2012 of R2,4 million was reversed in 2013.

3 Total remuneration for the financial year excludes gains derived from the long-term incentive schemes.

4 Includes incentives on the group results for the 2012 financial year paid in 2013.

Benefits and payments made in 2013 disclosed in the table above as 'other benefits' include the following:

	Vehicle benefits R'000	Medical benefits R'000	Vehicle insurance fringe benefits R'000	Security benefits R'000	Other R'000	**Total other benefits 2013 R'000**	Total other benefits 2012 R'000
AM de Ruyter	273	66	6	8	2	**355**	286
VD Kahla[1]	–	63	6	308	1 000	**1 377**	1 362
BE Klingenberg	212	63	6	17	–	**298**	302
M Radebe	264	66	6	13	–	**349**	357
CF Rademan	394	58	6	11	–	**469**	693
GJ Strauss	105	54	6	26	–	**191**	148
Total	**1 248**	**370**	**36**	**383**	**1 002**	**3 039**	**3 148**

1 Sign on payment paid to Mr VD Kahla with his first salary linked to a retention period of 36 months, from 1 January 2011. This amount reflects that portion related to his period of service within the financial year.

summarised **remuneration** report *continued*

Gains from the settlement or exercise of long-term incentives in 2013 are included in the following table:

Directors

	Medium-term incentives settled[1] R'000	Share appreciation rights and share options R'000	**Total 2013 R'000**	Total 2012 R'000
VN Fakude	1 436	8 290	**9 726**	4 937
KC Ramon	1 661	13 340	**15 001**	–
Total	**3 097**	**21 630**	**24 727**	**4 937**

1 *First vesting of medium-term Incentives issued in 2009.*

Prescribed officers

	Medium-term incentives settled[1] R'000	Share appreciation rights and share options R'000	**Total 2013 R'000**	Total 2012 R'000
AM de Ruyter	–	6 138	**6 138**	–
VD Kahla	–	–	**–**	–
BE Klingenberg	601	–	**601**	3 877
M Radebe	507	1 538	**2 045**	–
CF Rademan	601	8 410	**9 011**	–
GJ Strauss	1 278	30 681	**31 959**	–
Total	**2 987**	**46 767**	**49 754**	**3 877**

1 *First vesting of medium-term Incentives issued in 2009.*

Non-executive directors

Non-executive directors are appointed to the Sasol Limited board based on their ability to contribute competence, insight and experience appropriate to assisting the group to set and achieve its objectives. Consequently, fees are set at levels to attract and retain the calibre of director necessary to contribute to a highly effective board. Non-executive directors receive fixed fees for services on boards and board committees. They do not receive short-term incentives, nor do they participate in long-term incentive schemes. No arrangement exists for compensation for loss of office. The committee, supported by management, reviews the fees and the fee structure annually.

Annual non-executive directors' fees are as follows for the years ending 30 June:

	2013		2012	
	Member	**Chairman**	Member	Chairman
Chairman of the board, inclusive of fees payable for attendance or membership of board committees and directorships of the company		**R4 520 000**		R4 226 000
Resident fees:				
Non-executive directors	**R460 000**		R420 000	
Audit committee	**R183 000**	**R366 000**	R175 350	R350 700
Remuneration committee	**R118 500**	**R237 000**	R108 150	R216 300
Risk and safety, health and environment committee	**R108 150**	**R216 300**	R108 150	R216 300
Nomination and governance committee	**R108 150**	**R216 300**	R108 150	R216 300
Share incentive scheme trustees (resident and non-resident)	**R67 000**	**R134 000**	R67 000	R134 000
Lead independent director fee (additional fee)	**R156 500**		R143 000	
Attendance of formally scheduled ad hoc board and committee meetings (per meeting)	**R18 500**		R17 650	
Non-resident fees:				
Non-executive directors	**US$138 000**		US$132 000	
Audit committee	**US$26 000**	**US$52 000**	US$25 000	US$50 000
Remuneration committee	**US$18 750**	**US$37 500**	US$17 500	US$35 000
Risk and safety, health and environment committee	**US$17 500**	**US$35 000**	US$17 500	US$35 000
Nomination and governance committee	**US$17 500**	**US$35 000**	US$17 500	US$35 000
Lead independent director fee (additional fee)	**US$48 300**		US$46 200	

Non-executive directors' remuneration for the year was as follows:

Non-executive directors	Board meeting fees R'000	Lead director fees R'000	Committee fees R'000	Share incentive trustee fees R'000	Ad hoc special board-committee meeting R'000	**Total 2013 R'000**	Total 2012 R'000
TH Nyasulu (Chairman)	4 010	–	443	67	–	**4 520**	4 226
C Beggs	460	–	474	–	93	**1 027**	879
HG Dijkgraaf[1]	1 255	–	940	67	55	**2 317**	1 941
MSV Gantsho	460	–	291	–	74	**825**	703
IN Mkhize	460	–	227	134	18	**839**	770
ZM Mkhize	460	–	108	–	37	**605**	245
MJN Njeke	460	–	183	–	74	**717**	595
JE Schrempp[1] (Lead Independent director)	1 255	439	330	67	55	**2 146**	1 810
S Westwell[1]	1 255	–	396	–	74	**1 725**	92
PJ Robertson[1]	1 255	–	171	34	–	**1 460**	–
Total	**11 330**	**439**	**3 563**	**369**	**480**	**16 181**	**11 261**

1 *Board and committee fees paid in US dollars.*

focus story

engaging, enabling and energising our employees

Our sustainable success in a competitive marketplace rests ultimately in the hands of our people. By instilling a values-driven, high-performance culture we create a workplace in which our employees feel engaged and enabled to live our shared values, and go the extra mile each day in pursuit of our performance and growth aspirations. Besides further embedding our culture, we are working to ensure that we employ the right talent, in the right roles, at the right time to deliver consistently outstanding business results.

Sasolburg, South Africa

A great place to work

We want our people to experience Sasol as a great place to work, and are investing in a wide range of initiatives to achieve this. Our employee value proposition aims to provide unique value to Sasol employees in return for the skills, capabilities and experience they bring to the organisation.

Through our initiatives, we aim to ensure that our organisation remains a dynamic, technology-driven company that attracts talented, high-performing people. We recognise the need for leaders within our business to create an environment that inspires and fosters this level of performance. A high-performance culture demands clarity in terms of the specific goals we need to achieve as an organisation, inspirational leadership that is stakeholder focused, and the empowerment of our people to collaborate globally in achieving our goals.

Employer of choice

In 2013, we were voted as the employer of choice by the Top Employers Institute. Sasol was recognised based on the following criteria:

- **Our organisation –** A dynamic, technology-driven company that attracts diverse, talented people with a pioneering spirit.
- **Our leaders –** High-performing leaders who create an environment that inspires our people to be the best that they can be.
- **Our culture –** A high-performing, values-driven culture that is characterised by goal clarity and alignment, empowered accountability, teamwork and collaboration, stakeholder focus and inspirational leadership.
- **Our opportunities and rewards –** A myriad of challenging career opportunities for talented and engaged people to grow into high-performing employees who are rewarded competitively.

Engaging with our people

In 2013, we launched a global employee survey, Sasol Heartbeat, to gain insight into our people's perceptions of the Sasol work environment. The feedback received identified the strengths and gaps in our people management practices. It will guide us in developing our plans to create a workplace in which exceptional performance is commonplace, and our values are at the heart of everything we do.

There was a high level of participation in the survey, with an overall response rate of 67%. The results were encouraging, and indicated that our people like to work for us because:

- they have pride in our company, its reputation and brand in the market;
- we have a world-class focus on safety;
- we focus on quality; and
- we focus on growth and development (career development opportunities).

The survey also indicated that 68% of our people are motivated to contribute to our success and to go the extra mile – this is close to the global norm of 69%.

Areas that need attention will be addressed through meaningful dialogue and action-planning.

Reaching new heights through cultural transformation

At Sasol, diversity is seen as a strategic priority. A diverse and representative workforce is critical to maintaining our competitiveness in an increasingly global market. Promoting employee diversity and a culture of inclusion is particularly important to our reputation and licence to operate in South Africa, where we are working towards a demographically representative workforce. Diversity, in our organisation, encompasses all aspects of people's differences and similarities and we define this concept very broadly. We strive to cultivate a fully inclusive workplace, wherever we operate throughout the world. A key focus area during 2013 was the implementation of our women's empowerment strategy aimed at accelerating the diversity and inclusion of women at all levels within our organisation and in core functions. The strategy aims to provide networking, learning and career growth opportunities to the women of Sasol.

Developing high-performing employees and realising untapped potential in Sasol and in our communities

We have a range of structured development and training programmes, including our Learn, Experience and Accelerate Potential (LEAP) programme, that seek to motivate our people, improve competency, encourage employee engagement and productivity, and promote talent retention. We also make significant investments in skills development initiatives in the communities in which our employees live – these initiatives range from developing basic literacy skills through to advanced technical expertise. Sasol runs one of the largest bursary schemes in South Africa, symbolising our commitment to nurturing South Africa's bright future by investing in the next generation of high performers.

SD For more information on our human capital initiatives, refer to our sustainable development report.

summarised **chief financial officer's** review

Paul Victor, *chief financial officer (acting)*

gaining momentum... towards sustainable shareholder value

During the year, we refined our strategy to nurture and grow our foundation businesses and advance our growth projects. To support the delivery of our strategy, our financial focus emphasises margin management, conserving cash, optimal gearing and return on equity.

- Operating profit up by a record 26%, excluding once-offs
- Headline earnings per share up by 25% to R52,62
- Total dividend of R19,00 per share, up by 9%
- Cash generated by operating activities up by 24% to R59,2 billion
- Cash fixed costs (excluding exchange rate effects) increased by 7%, in real terms

Overview of 2013

The 2013 financial year has been challenging, yet rewarding. Sasol delivered strong results, underpinned by the continued focus on operational efficiencies, delivering better-than-expected volumes from Sasol Synfuels. Cost containment and margin improvement remained challenging, especially in light of the pressures in the South African environment and the continued volatile global macroeconomic environment.

The global recovery from the economic crisis of 2008 continues. While growth in more mature economies is picking up, the pace is slower than expected. Economic weakness continues to hamper regional recovery: the European financial crisis deepened during calendar 2012; recovery in the United States (US) has been weak, exacerbated by concerns about the fiscal cliff; and in Asia, the impacts of natural disasters continue to impede economic progress.

However, energy consumption in emerging markets continues to rise in view of sound long-term economic growth prospects. While this bodes well for commodity prices, excessive oil and gas and commodity price volatility persists. This volatility, which extends to exchange rates, coupled with the significant amount of capital directed to our growth projects, has also affected our performance.

During the year, we refined our strategy to nurture and grow our foundation businesses and advance our growth projects. To support the delivery of our strategy, our financial focus emphasises margin management, conserving cash, optimal gearing and return on equity. In combination, our approach positions Sasol well to deliver on its stakeholder value proposition – to be a growing company with a strong pipeline of growth projects, supported by talented, high-performing employees around the world, and underpinned by a strong financial position.

Financial and operational performance

Earnings attributable to shareholders for the year ended 30 June 2013 increased by 11% to R26,3 billion from R23,6 billion in the prior year. Headline earnings per share increased by 25% to R52,62 and earnings per share increased by 11% to R43,38, over the same period.

Operating profit, excluding share of profit of associates, was R40,6 billion. Excluding the impact of net once-off charges, operating profit increased by 26% compared with the prior year. This was on the back of an improved operational performance. Operating profit was boosted by a 14% weaker average rand/US dollar exchange rate (R8,85/US$ at 30 June 2013 compared to R7,78/US$ at 30 June 2012). The favourable exchange rate was offset by a 3% lower average Brent crude oil price (average dated Brent was US$108,66/barrel at 30 June 2013 compared to US$112,42/barrel at 30 June 2012) and lower product prices.

Operating profit was negatively impacted by net once-off charges of R8,5 billion (30 June 2012 – R2,1 billion). These items relate primarily to the partial impairments of our investment in Arya Sasol Polymer Company (ASPC) and the Fischer-Tropsch (FT) wax expansion project, of R3 611 million and R2 033 million, respectively. We also wrote off an unsuccessful exploration well in Mozambique, which amounted to R442 million. Included in the once-off charges is an amount of R2 021 million related to translation losses, mainly at ASPC, from the depreciation of the Iranian Rial against the US dollar.

summarised **chief financial officer's** review *continued*

The once-off items also included a gain of R233 million relating to the remeasurement to fair value of our existing shareholding in the Merisol business. This followed our acquisition of the remaining 50% of Merisol. A gain of R439 million on the valuation of our open Canadian foreign exchange contracts is also included in our operating profit.

Sasol Synfuels delivered production volumes for the year of 7,443 million tons (mt), which was 4% higher than the prior year. Stable operations, as well as the performance of the running plant during the phased shutdown, resulted in the improved production volumes. These are the highest production volumes delivered by Sasol Synfuels since the 2006 financial year, and notwithstanding post-Clean Fuels 1 implementation.

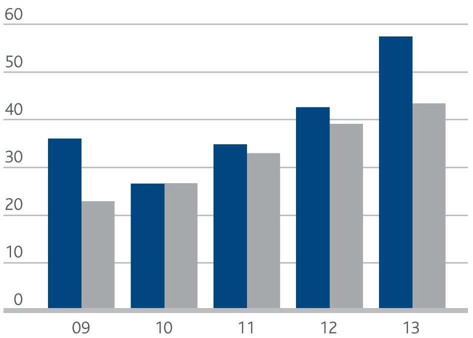
We continued to optimise our European chemical businesses' production to match lower demand and optimise margins in light of the continuing weak European market conditions. Production performance at our ORYX gas-to-liquids (GTL) operations met our expectations, taking into account the planned maintenance shutdown in February 2013. ASPC achieved a utilisation rate of 80% in line with our expectations.

Cash fixed costs, excluding once-off costs and growth costs and the weaker exchange rate, increased by 7% in real terms. This was mainly due to upward pressure on labour, maintenance and electricity costs in South Africa. Our current cost inflation is above the inflation trend of 6,0% shown by the South African producers' price index (SA PPI) for the 2013 financial year. We are actively looking at opportunities to sustainably reduce and contain our cost base.

The effective tax rate of 31,7% was lower than the 32,6% of the prior year. The factors that contributed to this were an increase in non-deductible expenses relating mainly to once-off charges, which was offset by the replacement of Secondary Tax on Companies by a dividend withholding tax, as well as the increase in exempt income.

Cash flow generated by operating activities was up 24% to R59,3 billion compared to R47,9 billion in the prior year. However, increased working capital, as a result of price and volume effects, curbed this pleasing result. Capital investment for the year amounted to R32,3 billion.

Earnings per share (EPS) including and excluding once-off items (Rand)

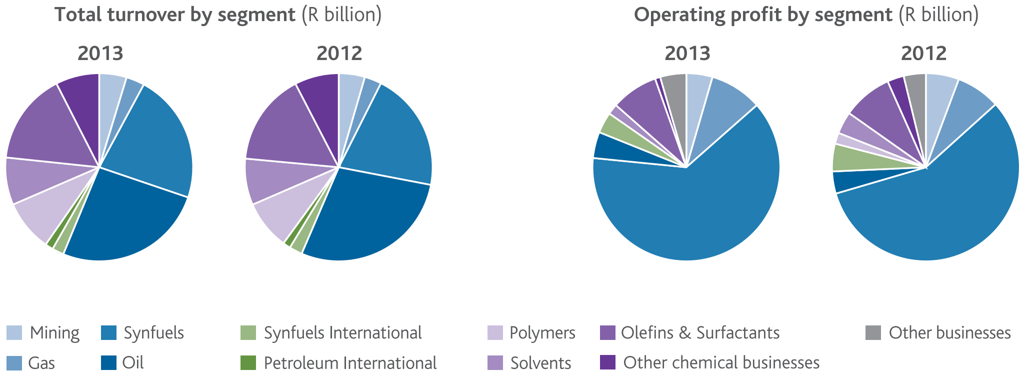


The key indicators of our operating performance during the year were as follows:

		2013 Rm	**% change**	2012 Rm	% change	2011 Rm
Turnover		**181 269**	**7**	169 446	19	142 436
Variable gross margin		**99 922**	**18**	84 729	17	72 633
Non-cash costs		**7 742**		4 349		3 302
Operating profit after remeasurement items		**40 628**	**11**	36 758	23	29 950
Operating profit margin	%	**22**		22		21
Operating profit margin before once-off charges	%	**26**		23		22
Profit attributable to shareholders		**26 278**	**11**	23 583	19	19 794
Earnings per share	Rand	**43,38**	**11**	39,10	19	32,97
Headline earnings per share	Rand	**52,62**	**25**	42,28	25	33,85

IR **For more information refer to the summarised financial information set out on pages 82 to 89.**

The composition of turnover and operating profit by business unit is set out below:



The **South African Energy cluster** produced solid results, contributing approximately 90% of group profit during 2013. Compared to the prior year, operating profit was 28% higher at R36 978 million. Sasol Synfuels remained the largest contributor to the group operating profit, contributing over half of the total group operating profit, with an operating margin of 49%. The weaker rand/US dollar exchange rate contributed significantly to the operating profit in this cluster.

These positive effects were partially offset by a lower average crude oil price and lower sales volumes at Sasol Oil resulting from an extended planned shutdown at the Natref refinery coupled with reduced trading activities. Cost inflation, and the higher labour and maintenance costs required to ensure stable and reliable operations, also weighed on the cluster's operations. Sasol Synfuels delivered production volumes for the year of 7,443 million tons, which was 4% higher than the prior year. Stable operations, as well as the performance of the running plant during the phased shutdown resulted in the improved production volumes.

Our **International Energy cluster** reflected increased operating losses of R285 million compared to the prior year. The Sasol Synfuels International (SSI) growth portfolio continued to contribute positively to this cluster. However, SSI's operating profit declined due to lower production at ORYX GTL in Qatar, and with higher study costs for the US GTL project. A planned statutory shutdown, from February 2013 to April 2013, resulted in the lower production volumes at ORYX GTL. Various key de-bottlenecking projects were done during the shutdown, which have already resulted in significant operational benefits since start-up. This has allowed for average throughput consistently above design capacity of 32 400 barrels/day. This performance continues to evince the commercial viability of our GTL technology.

However, the favourable results at SSI were offset by an operating loss at Sasol Petroleum International (SPI). Production volumes from our upstream assets in Mozambique, Canada and Gabon were 16% higher than the previous year. In the prior year, the partial impairment of our Canadian shale gas assets and the impairment of Block 16/19 in Mozambique and the dry well in Australia, totalling R1,7 billion, were key factors in SPI's operating loss. In the year under review, no further impairments of these assets were taken, although we did write off the Mupeji-1 dry well in Mozambique for R442 million. The positive effect of this was offset by low gas market prices and higher depreciation at our Canadian operations.

Our Canadian assets are still under pressure due to the low natural gas prices, coupled with higher than expected rand-based drilling and completion costs and sub-surface complexities. Our Canadian shale gas operations continue to contribute on an earnings before interest, tax, depreciation and amortisation basis.

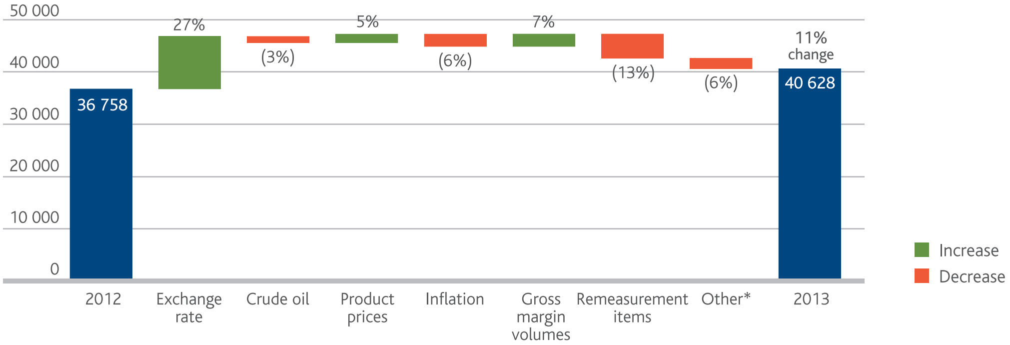
The **Chemical cluster** was negatively affected by the ongoing European debt crisis, which has reduced demand and depressed chemical prices. Sasol Olefins and Surfactants (Sasol O&S) remains a strong performer, contributing more than half of the cluster's operating profit of R1 919 million. Sasol O&S maintained its gross margins, and recorded significant contributions from its US operations. Difficult trading conditions prevailed for Sasol Solvents. Margins contracted due to higher feedstock prices and declining US dollar selling prices, despite higher sales volumes. Sasol Polymers recorded an operating loss of R2 829 million for the period. The South African polymer business lifted production and sales volumes. However, this increase was offset by continued margin squeeze, with feedstock price increases outweighing the increases in selling prices.

ASPC performed well during the period and contributed positively to the Sasol Polymers' business, excluding the partial impairment of our ASPC operations of R3,6 billion and translation losses of R2,0 billion relating to the depreciation of the Iranian Rial against the US dollar. ASPC achieved a capacity utilisation rate of 80% for the year. With effect from 16 August 2013, we disposed of our investment in ASPC for R3 606 million (US$365 million). The purchase consideration received is payable in cash for the net assets, dividends and shareholder loans. As a result of this transaction, we have no ongoing interests in Iran. Our other chemical businesses performed well, in particular the ammonia business housed in Sasol Infrachem. Sasol Wax's operating profit, excluding the partial impairment of the FT wax expansion project of R2,1 billion, rose by 106% compared to the prior year, on a similar basis.

summarised **chief financial officer's** review *continued*

The increase in operating profit over the last year is graphically depicted as follows:

Operating profit reconciliation (R million)



* *Other mainly includes maintenance and labour costs to ensure stable plant operations.*

Our value drivers

Being primarily a commodity business, we aim to maintain our cash fixed costs within inflation on a year-on-year basis.

During the year, Statistics South Africa (Stats SA) made a number of changes to the calculation of SA PPI. The changes are in line with international best practice and introduced five separate categories of PPI, effective January 2013. Accordingly, PPI for 2013 is not comparable to that of 2012 and Stats SA will not be publishing comparable historical data.

The category for final manufactured goods, which includes petroleum products, is the index most appropriate for Sasol at this time. We refined this calculation to take into account the unique features of our business. The indicative average PPI was 6,0% for the past financial year (2012 – 8,6% as previously reported) and the average South African consumers' price index (SA CPI) was 5,5% (2012 – 5,9%).

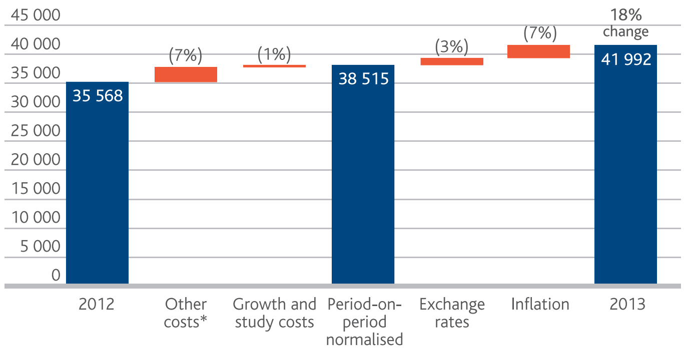
While we made progress on our cost containment initiatives, we were not able to contain our normalised cash fixed costs, excluding the effects of other operational costs and growth initiatives as well as the impact of exchange rates, to within inflation. Normalised cash fixed costs increased slightly above inflation due to increased labour, maintenance and utilities costs.

Going forward, our objective to keep our costs in line with inflation may be negatively impacted by:

- expenditure to ensure plant stability and reliability;
- the escalation of labour, electricity and other operating costs above inflation;
- costs incurred on growth initiatives and new projects; and
- currency effects.

The year-on-year increase in cash fixed costs is graphically depicted as follows:

Cash fixed cost – price volume variance analysis (R million)



* *Other costs relate mainly to higher labour costs, cost reclassifications from variable to fixed cost, as well as increased maintenance and utility costs.*

To mitigate these risks, our strategic group initiatives such as our Operations Excellence programme, business improvement plans and the increase in self-generated electricity, are all geared to cost control. Furthermore, as part of the overhaul of Sasol's operating model, detailed in the chief executive's review, we have identified key drivers for cost optimisation. These are aimed at extracting efficiencies from the new operating model, improving operational productivity, establishing fit-for-purpose functions, and driving inbound supply chain cost reductions. We expect to generate sustainable annual savings of at least R3 billion over the next two to three years, with cost trends tracking PPI thereafter.

Containing electricity costs

The cost of electricity is a significant cost driver, particularly in our South African operations. Abnormal increases in the cost of electricity, well above inflation, have negatively impacted our cash fixed costs in the last few years.

Between 2009 and 2012, the South African state-owned electricity provider, Eskom, was granted average annual electricity tariff increases of between 24,8% and 31,3%. In March 2012, the National Energy Regulator of South Africa (NERSA) announced that Eskom's electricity tariffs would rise by about 16% in 2012/13. In February 2013, NERSA confirmed that electricity increases would be contained to 8% per year for five years from 2013/14. These increases will continue to materially affect our cash fixed costs.

To contain the cost of electricity, we have advanced our electricity generation initiatives. In South Africa, we have the capacity to generate approximately 69% of our own requirements. We have also installed power generation facilities at our German operations. In addition, we have been able to mitigate the impact of rising electricity prices to some extent by entering into a Power Purchase Agreement with Eskom following the construction of our power generation facility in Secunda in August 2011. The agreement terminates in March 2014.

Managing our employee costs

Another of our most significant costs relates to our employees. Our total employee costs, including share-based payment expenses, were R23,5 billion for the year compared to R19,5 billion in the prior year. The increase in labour costs was primarily due to five factors. These were average annual inflationary increases of 7%, higher share-based payment expenses related to the performance of the Sasol ordinary share price of 7%, higher post-retirement benefit cost of 2%, an increase in employee numbers growth of 1% and exchange rate effects of 4%.

More than 60% of our employees are members of trade unions or works councils covered by collective agreements. In South Africa, we have concluded wage negotiations for 2014 for increases between 7,5% and 8,25%, as follows:

- mining sector increase of 8,0%, effective 1 July 2013, with an additional service increment of 0,5%, effective 1 January 2014;
- chemicals sector increase of 7,5% effective 1 July 2013; and
- two-year agreement reached in the petroleum sector with an increase of 8,0%, effective 1 July 2012, and an increase, effective 1 July 2013, of CPI plus 2,0%, with a guaranteed minimum of 7,0% and a capped maximum of 10,0%.

Our cost optimisation programme will assist to manage our employee costs. To this end we are reviewing all operational, functional and associated management structures in the group in support of the new operating model.

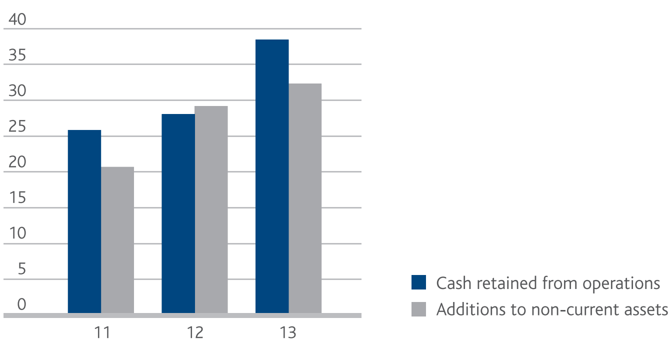
Our cash flow generation and utilisation

We generated R59,3 billion of cash from operating activities in 2013. Over the last three years we have generated an average of R48,6 billion cash a year from operating activities.

We generated free cash flow of R17,8 billion in the year (2012 – R10,7 billion). Free cash flow generation is one of the most important drivers of sustaining and increasing shareholder value. We define free cash flow as consisting of both operating components (operating profit, change in operating working capital and capital investment) as well as non-operating components, including financial income and taxes.

We seek to maximise free cash flow generation across our global, diversified group. Business unit management is required to continuously improve operating profits as well as optimise working capital and our capital investment programme. Financial expenses and taxes are managed centrally to a large degree by our central treasury and tax functions, respectively. Our strategic objective to deliver value to our stakeholders underpins all these efforts.

Cash utilisation (R billion)



introduction
strategic performance
governance and remuneration
financial performance
operating performance
additional information

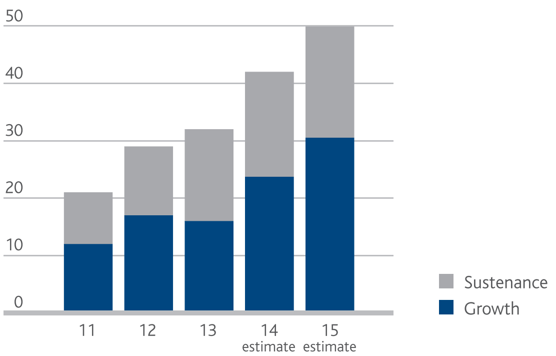
Executing our growth projects

Delivering shareholder value will depend on the successful execution of our growth projects. Changes in project scope, construction delays, labour productivity and contracting strategies, among others, significantly affect the cost of executing the project. Increased costs could result in the project not meeting our internal hurdle rate, making it no longer economically viable. This, in turn, could result in the recognition of impairments. Also, the way we finance these projects – to ensure that our balance sheet remains strong and at the same time providing the most effective financing structure – is essential to project execution.

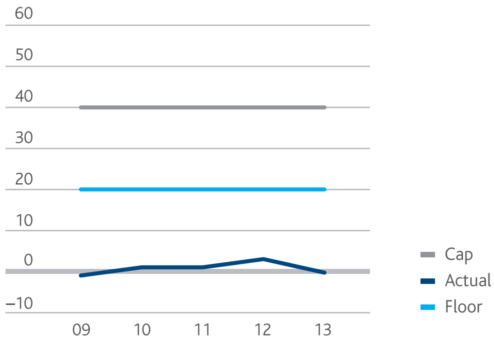
We will continue to manage and mitigate the financial risks associated with executing our growth projects. Specifically, we will aim to improve the group's internal rate of return on capital projects by reducing capital costs and optimising project execution. We will also continue to review the allocation of capital investment in support of our strategic aspirations, in particular in North America. In addition, our focus on improving the group's capital projects portfolio management is ongoing. This will ensure that capital is allocated to strategically aligned projects, which deliver the highest return, in order to maximise shareholder value.

The trend analysis for expenditure is illustrated below:

Capital investments (R billion)



Gearing (%)



Our long-term capital investments in the US will constitute a significant portion of total capital expenditure over the next ten years coupled with other projects to expand and sustain existing business. These projects will be financed by a combination of internally generated cash flow and variable and fixed-rate long-term debt. The group's gearing currently remains low (negative 0,3%) and we have sufficient headroom to fund our growth opportunities, grow dividends and provide a buffer against volatilities. We expect that gearing is likely to reach the targeted gearing range of 20% to 40% in the near- to-medium term. Following the successful issuance of the US dollar bond in November 2012, flexibility has been introduced into the group's funding plan. This provides the opportunity to approach international bond markets on a regular basis to fund growth projects in the US.

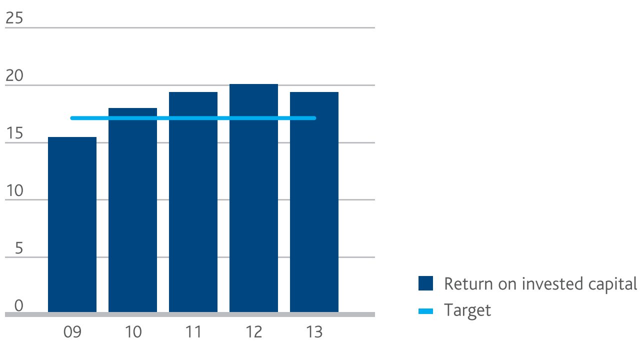
Value creation for shareholders

We return value to our shareholders in the form of dividends and share price appreciation.

Sasol has a progressive dividend policy. The policy takes into account overall market and economic conditions, the strength of our financial position, our current capital investment plans and the earnings growth for the past year. Our intention is to maintain and/or grow dividends over time given the sustainable growth in earnings we anticipate, taking into account economic factors. By effectively managing our long-term gearing as we execute our capital projects, we will be able to return value to shareholders consistently in line with our dividend policy.

Our dividend for the year rose by 9% to R19,00 per share, with a dividend cover of 2,3 times, compared with R17,50 in 2012 and R13,00 in 2011. The growth in dividends demonstrates our commitment to a progressive dividend policy and to delivering value to shareholders.

Return on invested capital (%)



Outlook for 2014

Overall, we expect the volatility in the global economy to persist, as the impacts of the global economic crisis continue to affect developed economies. Although some economies are showing signs of improvement, the ongoing European debt crisis and the US debt ceiling will continue to weigh on prospects. While growth rates are expected to improve, they are likely to continue slowing in certain developed and emerging economies, like China and India. Crude oil prices have remained volatile during the past year and we expect that to continue in the near term.

Contributing to the volatility will be the weakening demand for oil in Europe and lower growth, coupled with higher oil supply and geopolitical developments. Off this base, product prices are expected to be equally volatile. The rand/US dollar exchange rate remains the single biggest external factor impacting our profitability.

Given the continuing uncertain macroeconomic conditions and our assumptions in respect of crude oil and product prices, as well as the stronger rand/US dollar exchange rate, we will continue to manage the business with diligence. The current volatility and uncertainty of global markets make it difficult to be more precise on the outlook for the year ahead.

For budgeting and forecasting purposes, we estimate that for every US$1/barrel increase in the annual average crude oil price, group operating profit for the year will increase by approximately R610 million during 2014. Similarly, we estimate that a 10c change in the annual average rand/US dollar exchange rate will impact our operating profit by approximately R939 million in 2014. These estimates are off a base of US$108/barrel crude oil price and a rand/US dollar exchange rate of R9,05. It should be noted that in the current volatile environment, these sensitivities could be materially different depending on the crude oil price, exchange rates, product prices and volumes.

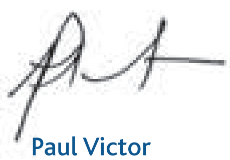
We remain on track to deliver on our expectations for improved operational performance. Our cost optimisation programme will aim to contain normalised cash fixed costs within South African PPI inflation. We will continue to progress our growth projects, underpinned by our focus on improving operational efficiencies and working capital improvements. Our focus in the year ahead will remain on the factors within our control: volume growth, margin improvement and cost containment.

All in all, we will continue to diligently manage each of our value drivers, to create value for our shareholders on a sustainable basis.

IR **Refer to our forward looking statements set out on the inside back cover as well as our top risks on pages 44 to 47.**

Thanks and acknowledgement

I would like to thank our financial team for their diligence and continued support during a demanding year. While this year had its highlights, we as a team have overcome the challenges presented to us, including the change in the income statement presentation and preparation for the change in the external auditor. Through the determination and integrity displayed by our financial personnel, and their understanding of the economic and financial pressures we have to contend with, we continued to deliver quality financial information to our stakeholders, which reflect our values and objectives for long-term success.



Paul Victor
acting chief financial officer

6 September 2013

summarised **financial information**

for the year ended 30 June 2013

The summarised consolidated financial results have been derived from the audited consolidated financial statements of Sasol Limited for the year ended 30 June 2013, which are available on our website at www.sasol.com.

The summarised consolidated financial results do not contain sufficient information to allow for a complete understanding of the results and state of affairs of the group, which is provided by the detailed annual financial statements.

In our attempt to contain costs, yet still provide information, the full set of annual financial statements is available on our website www.sasol.com. For a hard copy of the annual financial statements, please contact the Sasol corporate affairs division. Refer to the contact details on page 123.

Basis of preparation and accounting policies

The summarised consolidated financial results for the year ended 30 June 2013 have been prepared in accordance with the framework concepts and the recognition and measurement requirements of International Financial Reporting Standards (IFRS), the presentation and disclosure requirements of International Accounting Standard 34 Interim Financial Reporting applied to year end reporting, Listings Requirements of the JSE Limited, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act, 2008, as amended.

The accounting policies applied in the presentation of the summarised consolidated financial results are consistent with those applied for the year ended 30 June 2012 and are in terms of IFRS as issued by the International Accounting Standards Board except as follows:

Sasol Limited has early adopted the following standards:

– IAS 36 (Amendment), Impairment of assets: Recoverable Amount Disclosures for Non-Financial Assets.
– IAS 39 (Amendment), Financial Instruments: Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting.
– IFRIC 21, Levies.

These newly adopted standards did not significantly impact our financial results. With effect from 1 July 2012, the group changed the presentation of its income statement from a classification based on function to a classification based on nature. Sasol has elected to change its income statement presentation to better reflect how it effectively manages its business as well as align to peers. The comparative period presented has been restated to comply with the income statement classification by nature. The change in the income statement presentation did not have an impact on turnover, operating profit or earnings per share.

The summarised consolidated financial results do not include all the disclosure required for complete annual financial statements prepared in accordance with IFRS.

These summarised consolidated financial results have been prepared in accordance with the historic cost convention except that certain items, including derivative instruments, liabilities for cash-settled share-based payment schemes, financial assets at fair value through profit or loss and available-for-sale financial assets, are stated at fair value.

The summarised consolidated financial results are presented in South African rand, which is Sasol Limited's functional and presentation currency.

The summarised consolidated financial results appearing in this report are the responsibility of the directors. The directors take full responsibility for the preparation of the summarised consolidated financial results and that the financial information has been correctly extracted from the underlying audited annual financial statements.

Christine Ramon CA(SA), chief financial officer, is responsible for this set of financial results and has supervised the preparation thereof in conjunction with the executive: group finance, Paul Victor CA(SA).

Basis of consolidation of financial results

The summarised consolidated financial results reflect the financial results of the group. All financial results are consolidated with similar items on a line by line basis except for investments in associates, which are accounted for using the equity method from acquisition date until the disposal date.

Intercompany transactions, balances and unrealised gains and losses between entities are eliminated on consolidation. To the extent that a loss on a transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss of a non-current asset, that loss is charged to the income statement.

In respect of joint ventures and associates, unrealised gains and losses are eliminated to the extent of the group's interest in these entities. Unrealised gains and losses arising from transactions with associates are eliminated against the investment in the associate.

Related party transactions

The group, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market rates with related parties.

Significant changes in contingent liabilities since 30 June 2012

As a result of the fine imposed on Sasol Wax GmbH in October 2008 by the European Commission, on 23 September 2011, Sasol Wax GmbH and Sasol Wax International AG were 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 outcome of these proceedings cannot be determined at present. On 30 September 2011, another law suit had been lodged with the London High Court by 30 plaintiffs against Sasol Wax GmbH, Sasol Wax International AG and Sasol Holding in Germany GmbH.
In the course of June 2013, full and final settlements have been reached with all 30 plaintiffs.

Independent audit by the auditors

These summarised consolidated financial results for the year ended 30 June 2013 have been derived from the audited consolidated annual financial statements of Sasol Limited for the year ended 30 June 2013, on which the auditors, KPMG Inc., have expressed an unmodified audit opinion. The individual auditor assigned to perform the audit is Mr CH Basson. KPMG Inc. has also issued an unmodified audit report on these summarised financial statements, stating that these summarised financial statements are consistent, in all material respects, with those financial statements. The auditor's reports and the audited consolidated annual financial statements, which have been summarised in this report, are available for inspection at the registered office of the company.

statement of **financial position**

at 30 June

	2013 Rm	2012 Rm
Assets		
Property, plant and equipment	**108 070**	95 872
Assets under construction	**41 244**	33 585
Goodwill	**859**	787
Other intangible assets	**1 532**	1 214
Investments in associates	**2 676**	2 560
Post-retirement benefit assets	**407**	313
Deferred tax assets	**2 318**	1 514
Other long-term assets	**2 787**	2 437
Non-current assets	**159 893**	138 282
Assets in disposal groups held for sale	**2 304**	18
Inventories	**24 056**	20 668
Trade and other receivables	**29 003**	26 299
Short-term financial assets	**1 526**	426
Cash restricted for use	**7 442**	5 314
Cash	**25 271**	12 746
Current assets	**89 602**	65 471
Total assets	**249 495**	203 753
Equity and liabilities		
Shareholders' equity	**149 625**	125 234
Non-controlling interests	**3 650**	3 080
Total equity	**153 275**	128 314
Long-term debt	**22 357**	12 828
Long-term financial liabilities	**22**	38
Long-term provisions	**12 397**	10 518
Post-retirement benefit obligations	**8 841**	6 872
Long-term deferred income	**305**	455
Deferred tax liabilities	**16 173**	13 839
Non-current liabilities	**60 095**	44 550
Short-term debt	**1 701**	3 072
Short-term financial liabilities	**200**	135
Other current liabilities	**33 477**	27 460
Bank overdraft	**747**	222
Current liabilities	**36 125**	30 889
Total equity and liabilities	**249 495**	203 753

income statement

for the year ended 30 June

	2013 Rm	2012 Rm
Turnover	**181 269**	169 446
Materials, energy and consumables used	**(77 538)**	(80 410)
Selling and distribution costs	**(5 371)**	(4 621)
Maintenance expenditure	**(7 544)**	(7 421)
Employee related expenditure	**(23 476)**	(19 465)
Exploration expenditure and feasibility costs	**(1 354)**	(1 045)
Depreciation and amortisation	**(12 030)**	(9 651)
Other expenses, net	**(6 841)**	(8 215)
Translation gains	**899**	243
Other operating expenses	**(9 692)**	(9 874)
Other operating income	**1 952**	1 416
Operating profit before remeasurement items and associates	**47 115**	38 618
Remeasurement items	**(6 487)**	(1 860)
Operating profit after remeasurement items	**40 628**	36 758
Share of profits of associates, net of tax	**445**	479
Profit from operations and associates	**41 073**	37 237
Net finance costs	**(1 294)**	(1 234)
Finance income	**708**	796
Finance costs	**(2 002)**	(2 030)
Profit before tax	**39 779**	36 003
Taxation	**(12 597)**	(11 746)
Profit for year	**27 182**	24 257
Attributable to		
Owners of Sasol Limited	**26 278**	23 583
Non-controlling interests in subsidiaries	**904**	674
	27 182	24 257
Earnings per share	**Rand**	Rand
Basic earnings per share	**43,38**	39,10
Diluted earnings per share[1]	**43,31**	38,95

1 Diluted earnings per share are calculated taking the Sasol Share Incentive Scheme and Sasol Inzalo share transaction into account.

statement of **comprehensive income**

for the year ended 30 June

	2013 Rm	2012 Rm
Profit for year	**27 182**	24 257
Other comprehensive income, net of tax		
Items that can be subsequently reclassified to the income statement	**8 160**	4 101
Effect of translation of foreign operations	**8 121**	4 063
Effect of cash flow hedges	**78**	41
Investments available-for-sale	**(17)**	(3)
Tax on items that can be subsequently reclassified to the income statement	**(22)**	–
Items that cannot be subsequently reclassified to the income statement	**(338)**	(821)
Remeasurements on post-retirement benefit obligations	**(497)**	(1 195)
Tax on items that cannot be subsequently reclassified to the income statement	**159**	374
Total comprehensive income for the year	**35 004**	27 537
Attributable to		
Owners of Sasol Limited	**34 084**	26 853
Non-controlling interests in subsidiaries	**920**	684
	35 004	27 537

statement of **changes in equity**

for the year ended 30 June

	2013 Rm	2012 Rm
Opening balance	**128 314**	109 860
Shares issued during year	**727**	325
Share-based payment expense	**374**	485
Disposal of businesses	**7**	–
Acquisition of business	**(14)**	–
Transactions with non-controlling shareholders in subsidiaries	**8**	101
Total comprehensive income for the year	**35 004**	27 537
Dividends paid to shareholders	**(10 787)**	(9 600)
Dividends paid to non-controlling shareholders in subsidiaries	**(358)**	(394)
Closing balance	**153 275**	128 314
Comprising		
Share capital	**28 711**	27 984
Share repurchase programme	**(2 641)**	(2 641)
Sasol Inzalo share transaction	**(22 054)**	(22 054)
Retained earnings	**128 038**	112 547
Share-based payment reserve	**8 883**	8 509
Foreign currency translation reserve	**10 235**	2 137
Remeasurements on post-retirement benefit obligations	**(1 585)**	(1 250)
Investment fair value reserve	**(3)**	15
Cash flow hedge accounting reserve	**41**	(13)
Shareholders' equity	**149 625**	125 234
Non-controlling interests in subsidiaries	**3 650**	3 080
Total equity	**153 275**	128 314

statement of **cash flows**

for the year ended 30 June

	2013 Rm	2012 Rm
Cash receipts from customers	**178 087**	168 934
Cash paid to suppliers and employees	**(118 820)**	(121 033)
Cash generated by operating activities	**59 267**	47 901
Cash flow from operations	**61 571**	50 172
Increase in working capital	**(2 304)**	(2 271)
Finance income received	**1 071**	1 149
Finance costs paid	**(656)**	(666)
Tax paid	**(10 448)**	(10 760)
Dividends paid to shareholders	**(10 787)**	(9 600)
Cash retained from operating activities	**38 447**	28 024
Additions to non-current assets	**(32 288)**	(29 160)
Acquisition of interests in joint ventures	**(730)**	(24)
Disposal of businesses	**167**	713
Acquisition of new or additional investments in associates	**(200)**	(81)
Repayment of capital from associate	**661**	–
Other net cash flows from investing activities	**341**	936
Cash utilised in investing activities	**(32 049)**	(27 616)
Share capital issued	**727**	325
Contributions from non-controlling shareholders in subsidiaries	**37**	11
Dividends paid to non-controlling shareholders in subsidiaries	**(358)**	(394)
Proceeds from long-term debt	**11 485**	1 138
Repayments of long-term debt	**(3 357)**	(1 997)
Proceeds from short-term debt	**2 049**	41
Repayments of short-term debt	**(1 834)**	(153)
Cash effect of financing activities	**8 749**	(1 029)
Translation effects on cash and cash equivalents of foreign operations	**1 267**	649
Increase in cash and cash equivalents	**16 414**	28
Cash and cash equivalents at beginning of year	**17 838**	17 810
Net reclassification to held for sale	**(2 286)**	–
Cash and cash equivalents at end of year	**31 966**	17 838

salient features

for the year ended 30 June

		2013	2012
Selected ratios			
Return on shareholders' equity	%	**19,1**	20,3
Return on total assets	%	**18,4**	20,0
Operating profit margin	%	**22,4**	21,7
Finance costs cover	times	**63,7**	57,1
Dividend cover	times	**2,3**	2,3
Share statistics			
Total shares in issue	million	**677,2**	673,2
Sasol ordinary shares in issue	million	**648,8**	644,8
Treasury shares (share repurchase programme)	million	**8,8**	8,8
Weighted average number of shares	million	**605,7**	603,2
Diluted weighted average number of shares	million	**606,8**	616,2
Share price (closing)	Rand	**431,54**	342,40
Market capitalisation – Sasol ordinary shares	Rm	**279 983**	220 788
Market capitalisation – Sasol BEE ordinary shares	Rm	**871**	686
Net asset value per share	Rand	**247,19**	208,27
Dividend per share	Rand	**19,00**	17,50
Interim	Rand	**5,70**	5,70
Final	Rand	**13,30**	11,80
Other financial information			
Total debt (including bank overdraft)	Rm	**24 805**	16 122
Interest bearing[1]	Rm	**24 291**	15 597
Non-interest bearing	Rm	**514**	525
Finance costs capitalised	Rm	**302**	24
Capital commitments – Property, plant and equipment	Rm	**67 752**	45 819
Authorised and contracted	Rm	**64 387**	50 243
Authorised, not yet contracted	Rm	**45 216**	28 417
Less expenditure to the end of year	Rm	**(41 851)**	(32 841)
Guarantees and contingent liabilities			
Total amount	Rm	**36 213**	25 299
Liability included in the statement of financial position	Rm	**21 271**	11 194
Share-based payment expenses	Rm	**2 038**	691
Sasol share incentive schemes	Rm	**1 666**	221
Sasol Inzalo share transaction	Rm	**372**	470
Directors' remuneration	Rm	**98**	70

1 *Sasol Financing International Plc, an indirect 100% financing subsidiary of Sasol Limited, issued a US$1 billion bond at a fixed rate of 4,5%, which is listed on the New York Stock Exchange and is repayable in November 2022.*

		2013	2012
Other financial information continued			
Share options granted to directors – cumulative	000	**47**	628
Share appreciation rights with no performance targets granted to directors – cumulative	000	**63**	86
Share appreciation rights with performance targets granted to directors – cumulative	000	**780**	700
Medium-term incentive rights granted to directors – cumulative	000	**198**	156
Sasol Inzalo share rights granted to directors – cumulative	000	**50**	50
Effective tax rate[2]	%	**31,7**	32,6
Number of employees	number	**35 471**	34 916
Average crude oil price – dated Brent	US$/barrel	**108,66**	112,42
Average rand/US$ exchange rate	1US$ = Rand	**8,85**	7,78
Closing rand/US$ exchange rate	1US$ = Rand	**9,88**	8,17

2 *The decrease in the effective tax rate from 32,6% to 31,7% is mainly due to an increase in non-deductible expenses, which was offset by the absence of Secondary Tax on Companies, due to the implementation of dividend withholding tax, as well as the increase in exempt income.*

Reconciliation of headline earnings		**Rm**	Rm
Earnings attributable to owners of Sasol Limited		**26 278**	23 583
Effect of remeasurement items		**6 487**	1 860
Impairment of assets		**6 102**	1 642
Reversal of impairment		**(107)**	(12)
Net profit on disposal of businesses		**(85)**	(354)
Profit on disposal of associate		**–**	(7)
Net profit on disposal of property, plant and equipment		**(7)**	(138)
Net loss on disposal of other intangible assets		**6**	–
Fair value gain on acquisition of business		**(233)**	–
Scrapping of property, plant and equipment		**238**	212
Scrapping of assets under construction		**104**	247
Write off of unsuccessful exploration wells		**469**	270
Tax effects and non-controlling interests		**(892)**	61
Headline earnings		**31 873**	25 504
Headline earnings per share	Rand	**52,62**	42,28
Diluted headline earnings per share	Rand	**52,53**	42,07

The reader is referred to the definitions contained in the 2013 Sasol Limited annual financial statements.

South African energy cluster

This cluster comprises the core businesses upon which Sasol is founded and is a key contributor to the group's profitability. It supplies around a third of South Africa's inland liquid fuels requirements, while delivering on the national transformation agenda and developing values-driven and high-performing people.

- Sasol Mining significantly improved recordable case rate to 0,57 with no fatalities
- Sasol Gas successfully commissioned Gauteng Network Pipeline within budget
- Sasol Synfuels recorded a 4% increase in production
- Sasol Oil launched industry leading Sasol turbo 10™ diesel

		2013	2012
Operating profit/(loss) after remeasurement items	Rm		
Mining		**2 213**	2 287
Gas		**4 069**	2 985
Synfuels		**28 624**	22 095
Oil		**2 072**	1 592
Other		**–**	(2)
Total cluster		**36 978**	28 957
Operating margin	%	**49**	39
Operating performance			
Recordable case rate		**0,47**	0,52
Employee numbers		**15 901**	15 494
Environmental performance			
Direct greenhouse gas emissions (carbon dioxide)	Mt	**49,4**	45,8
Total water use	Mm^3	**95,1**	95,8

Sasol Mining operates six coal mines that supply the feedstock for our Secunda and Sasolburg complexes in South Africa. The coal we supply to Sasol Synfuels is mainly used as gasification feedstock, but is also used to generate electricity. The coal we supply to utilities provider, Sasol Infrachem, is used to generate electricity as well as steam. We also export coal to international power-generation customers.

Sasol Gas buys and markets more than 150 million gigajoules a year of natural and methane-rich gas, transporting it along pipelines to approximately 550 industrial and commercial customers. We operate and maintain a supply network of around 2 500 kilometres, including a 865 kilometre pipeline linking the gas fields in Mozambique to our network in South Africa.

Sasol Synfuels operates the world's only commercial, coal-based synthetic fuels manufacturing facility. We produce synthetic fuel through coal gasification and natural gas reforming using Sasol's proprietary technology to convert syngas to synthetic fuel components, pipeline gas and chemical feedstock.

Sasol Oil markets fuels blended at Secunda and those refined through our 63,64% share in the Natref oil refinery at Sasolburg, South Africa. Our products include petrol, diesel, jet fuel, illuminating paraffin, liquefied petroleum gas, fuel oils, base bitumen and lubricants. We also import fuels, when necessary, to balance our product slate and to meet our contractual obligations.

Sasol Mining

Highlights 2013

- Significantly improved recordable case rate to 0,57, with no fatalities
- Focus on product quality led to a positive improvement in production stability at Sasol Synfuels
- Approved Tweedraai shaft project to meet coal supply commitments

Challenges

- Inability to meet Sasol Synfuels' increased feedstock requirements results in costly external coal purchases and reduced exports
- Delayed approval of water licences for Impumelelo colliery
- Ixia Coal's decision not to purchase Sigma, Mooikraal colliery

Looking ahead

- Successful rollout of business effectiveness enhancement project to safely and sustainably deliver required output at industry-leading unit cost
- Ability to meet coal supply commitments given increased production at Sasol Synfuels
- Continue to improve recordable case rate
- Successful commissioning of capital projects to strengthen reserve base

Maintaining stable operations

Sasol Mining's production increased steadily in the year. Our new production bonus scheme and focus on creating flexibility through improved stonework supported this increase. Due to Sasol Synfuels' significantly higher off-take, we reduced export sales. We also secured coal purchasing contracts to mitigate the risk of supply shortages at our Synfuels plant. Although we implemented various initiatives to maintain healthy operations, we incurred higher unit costs due to mining remnants to sustain reserve utilisation. As a result of our mine replacement programme, we were unable to pay dividends in 2013.

Renewing our asset base

We're making progress renewing our asset base, in line with the group's strategic objective to sustain its foundation businesses over the long term.

After inaugurating the Thubelisha shaft at the Twistdraai colliery in May 2012, production at the shaft has increased steadily. Two sections are now producing, with relocation of the third section planned for the second half of the 2013 calendar year.

The next milestone in our R14 billion mine replacement programme is the construction of the Impumelelo colliery, to replace the ageing Brandspruit colliery. Shaft sinking activities relating to services, ventilation and decline shafts are underway, but progress has been slower than planned. This, together with the delays in securing integrated water use licence (IWUL) approval, has placed our deadlines under pressure. However, we anticipate that the project will achieve beneficial operation, within budget, during the fourth quarter of calendar 2014.

The construction of the Shondoni colliery, to replace the Middelbult colliery, is progressing well. Similarly, delays in IWUL approval and shafting sinking activities have placed the project schedule under pressure. We anticipate beneficial operation, within budget, during the 2015 calendar year.

We're progressing the renewal of our asset base in line with the group's objective to sustain Sasol's foundation businesses over the long term.

We have also progressed our project to gain access to reserves adjacent to our Syferfontein colliery through the new Tweedraai shaft. This R1,4 billion shaft will provide additional feedstock for Sasol Synfuels. The shaft will achieve beneficial operation in the first half of the 2014 calendar year.

Focusing on our employees

We are pleased to report no fatalities in the past 16 months. This contributed to a lower recordable case rate (RCR) of 0,57 for the year. The restructuring of Sasol Mining's executive committee and continued, focused employee communication and continuous coaching supported this achievement.

During the year, we launched an initiative to address excessive overtime. The pilot project will include implementing an updated time and attendance system, legally compliant shift rosters and access control. We also introduced a new production bonus scheme to improve output during normal time and reduce unit costs.

Caring for our communities

Sasol Mining interacts on an ongoing basis with the communities and our other stakeholders, including landowners, in the areas in which we operate. Frequent meetings with the Department of Mineral Resources, other government departments and municipalities help to ensure positive and effective relationships, and alignment on important issues.

Various community infrastructure initiatives are underway in our local municipalities. These include developing medical clinics, building a fire station, road construction, fence erection, repairing water storage tanks, improving sewerage reticulation systems and providing sewer trucks.

		% change	2013	2012
Financial performance				
Operating profit	Rm	(3)	**2 213**	2 287
Operating profit margin	%		**18,0**	21,4
Operational performance				
Contribution to group operating profit	%		**5,4**	6,2
Total sales	Mt		**44,5**	42,8
Total production	Mt		**40,1**	40,0
Recordable case rate			**0,57**	1,02
Employee numbers			**8 140**	7 800
Environmental performance				
Direct greenhouse gas emissions (methane)[1]	Mt		**0,02**	0,02
Total water use[1]	Mm^3		**1,8**	2,1

1 *From our exploration and production activities.*

Sasol Gas

Highlights 2013

- NERSA approves our tariff and price applications
- Successfully commissioned Gauteng Network Pipeline within budget

Challenges

- Recordable case rate deteriorates to 1,51

Looking ahead

- Improving our safety culture and performance
- Moving all customers to standardised contracts, prices and tariffs
- Going live with a new customer billing system
- Allocating capital to expand our footprint

Achieving solid operational results

Sasol Gas delivered a solid operational performance in the year. Sales volumes of 160,1 million gigajoules (MGJ) were 5% higher following increased demand from Sasol Synfuels. External gas sales were in line with the previous year. Our cash fixed costs were R149,6 million lower than budgeted.

Insisting that safety comes first

We are disappointed to report a deterioration in our recordable case rate (RCR) to 1,51 in 2013 from 1,35 in 2012. Five of the eight recordable injuries were sustained during a helicopter crash in November 2012. Fortunately, there were no fatalities. During 2013, we embarked on an initiative focused on process and occupational safety. This included a baseline assessment and establishing a safety and operational risk committee to monitor and manage process safety risks. Other safety initiatives across the business continue.

Preparing for regulatory changes

From 26 March 2014, the framework regulating the piped-gas industry in South Africa will be amended. In terms of the amendments, we are required to introduce a new price and tariff mechanism. In preparation for this, Sasol Gas applied to the National Energy Regulator of South Africa (NERSA) to approve the maximum prices of the gas molecule and trading margin, as well as tariffs for using gas infrastructure. Our applications were approved.

NERSA also approved our proposed transition mechanism to facilitate the migration to the new pricing and tariff dispensation. The new mechanism ensures standardised prices within volume tranches, with lower prices for higher volumes. This is consistent with the requirements of the Gas Act. All customers, including Sasol's internal customers, will be required to migrate to the new mechanism before 26 March 2014.

Through Rompco, we started on the construction of a loop line to **expand capacity in Mozambique**, and allow for additional gas monetisation in that country.

Growing our asset base

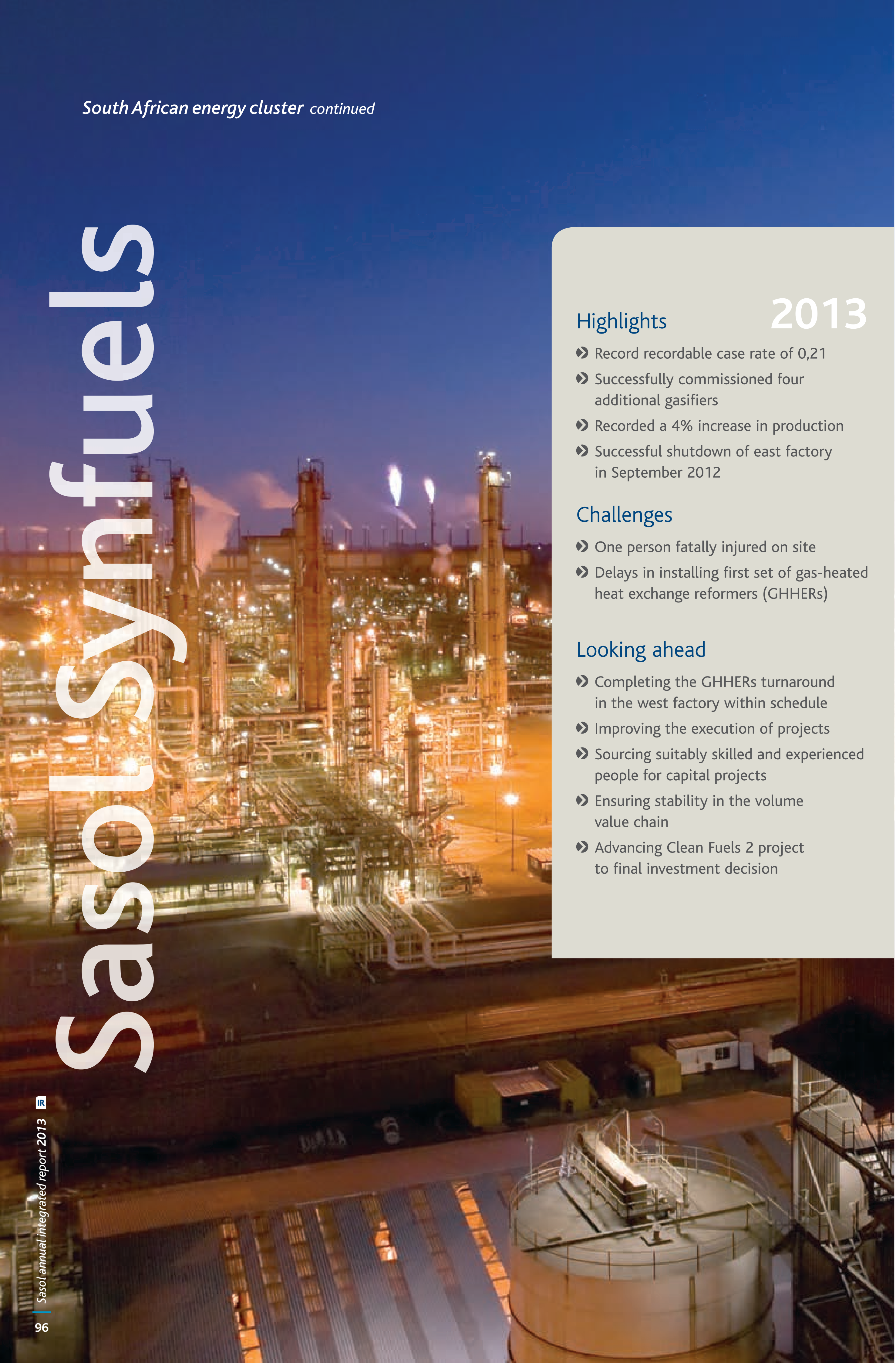
During the year, the R1,6 billion Gauteng Network Pipeline (GNP) achieved beneficial operation, within budget. The GNP is a 156 km, 26 inch gas transmission pipeline between Secunda and Sasolburg, South Africa. It allows us to supply more natural gas to customers, improves reliability and provides a back-up to the existing pipeline. Through the Republic of Mozambique Pipeline Investments Company (Rompco), we embarked on a R1,98 billion project to construct a loop line to expand capacity in Mozambique, and allow for additional monetisation of gas in that country. We expect the loop line to be commissioned during the 2014 calendar year.

Caring for our communities

We launched a learnership programme in Mozambique, providing technical skills development in electrical and mechanical disciplines. We expect 13 Mozambican nationals to complete the programme during the next year. Our partnership forum in Mozambique continues to provide an important platform for addressing labour issues.

		% change	**2013**	2012
Financial performance				
Operating profit	Rm	36	**4 069**	2 985
Operating profit margin	%		**49,3**	43,1
Operational performance				
Contribution to group operating profit	%		**10,0**	8,1
Total sales	MGJ		**160,1**	152,4
Total production	MGJ		**161,4**	152,7
Recordable case rate			**1,51**	1,35
Employee numbers			**317**	291
Environmental performance				
In 2013, Sasol Gas continued to have a negligible impact on both greenhouse gas emissions and water resources				

Sasol Synfuels



Highlights 2013

- Record recordable case rate of 0,21
- Successfully commissioned four additional gasifiers
- Recorded a 4% increase in production
- Successful shutdown of east factory in September 2012

Challenges

- One person fatally injured on site
- Delays in installing first set of gas-heated heat exchange reformers (GHHERs)

Looking ahead

- Completing the GHHERs turnaround in the west factory within schedule
- Improving the execution of projects
- Sourcing suitably skilled and experienced people for capital projects
- Ensuring stability in the volume value chain
- Advancing Clean Fuels 2 project to final investment decision

Delivering a solid performance

During the year, Sasol Synfuels continued to build a solid platform for sustainable operations. Our aim is to modernise our site in Secunda, South Africa, reducing its environmental footprint and making it simpler to operate and easier to maintain. This involves a number of construction and renewal projects, and improving energy efficiency through greater use of natural gas.

Production volumes were up 4% on last year. At 7,443 million tons, this is the highest since 2006, and notwithstanding post-Clean Fuels 1 implementation.

We successfully completed a planned shutdown in September 2012. Stable operations for the first half of the year, and good performance of the running plant during the shutdown, contributed to the improved production volumes.

Operating profit increased 30% to R28 624 million, primarily due to higher product prices related to favourable macroeconomics, and higher sales volumes. Sasol Synfuels' cash cost per unit (excluding stock movements and unrealised profit in stock) increased by 13% compared to last year, due to higher feedstock prices, labour and energy costs.

Production volumes were up 4% on last year. At 7,443 million tons, this is the highest since 2006, and notwithstanding post-Clean Fuels 1 implementation.

Concentrating on safety

We are saddened to report the death of a service provider, Moses Nyembe, while he was performing maintenance tasks. We convey our sincere condolences to his family and friends. We continue to concentrate on process safety management and the identification of safety hazards.

Caring for our communities

Delivering on the South African transformation agenda is an important strategic objective. Of the R6,8 billion spent on procurement for the year, R4,2 billion was preferential procurement spend, excluding state-owned and foreign enterprises.

During the year, through our Siyakha Development Trust, we supported 59 small enterprises, with a combined annual turnover of R940 million. The trust benefits a total workforce of 4 350 people, since inception. During the year, we also launched our Ikusasa project. This initiative aims to improve safety, security, education, health, wellness as well as infrastructure in the communities in which we operate. In the Secunda region, we are partnering with the Govan Mbeki Municipality on a variety of projects. Our intent is to ensure the improvements in quality of life are sustainable.

		% change	2013	2012
Financial performance				
Operating profit	Rm	30	**28 624**	22 095
Operating profit margin	%		**49,1**	45,3
Operational performance				
Contribution to group operating profit	%		**70,5**	60,1
Total sales	Mt		**7,4**	7,1
Total production	Mt		**7,4**	7,2
Recordable case rate			**0,21**	0,27
Employee numbers			**5 764**	5 554
Environmental performance				
Direct greenhouse gas emissions (carbon dioxide)[1]	Mt		**48,7**	45,0
Total water use[1]	Mm^3		**91,6**	91,9

1 *From the gasification of coal and related processes and the supply of steam, electricity, water and effluent treatment for the petrochemical business in Secunda.*

Sasol Oil

Highlights

2013

- Advanced our retail strategy
- Launched industry leading Sasol turbo10™ diesel
- Absa Rewards chose Sasol Oil as its exclusive partner in the fuel and retail convenience sector
- Concluded exclusive agreement with Burger King SA
- Successfully completed the pipeline between Secunda and Natref

Challenges

- Lower Natref production volumes due to extended planned shutdown and subsequent unplanned shutdown
- Limited growth in sales volumes of petrol
- Poor performance of LPG, jet fuel and black products

Looking ahead

- Further optimisation of margins through continued expansion of our retail network and commercial fuel margin optimisation
- Increasing retail prices likely to dampen demand for petrol
- Implementing NERSA's regulatory reporting requirements
- Ensuring compliance with legislative requirements of petrol and diesel specifications as well as mandatory blending of biofuels
- Progressing work on Clean Fuels 2 requirements amid uncertainties over the recovery mechanism and transition fuels

Expanding our footprint

A number of initiatives are in place to meet the group's strategic objective to continuously improve and grow our existing asset base. One of these is to expand our retail and commercial marketing activities. We also concluded a joint venture partnership agreement with BP Southern Africa to share the Alrode and Waltloo fuel depots in Gauteng, South Africa. The completion of the integration pipeline during the year is allowing more efficient transport of fuel components between Secunda and our Natref refinery.

Ten new service stations were commissioned. The construction of seven new sites, planned for 2014, has already started. In April 2013, we launched Sasol turbo10™ diesel. This demonstrates our commitment to leading the industry by bringing to market the latest product innovations. The product is unique to South Africa and, following its launch, is marketed to industrial customers.

Absa Rewards chose Sasol Oil as its exclusive partner in the fuel and retail convenience sector. Absa Rewards members will earn cash rewards on any card payments for fuel at a Sasol forecourt and on goods from a Sasol convenience store. We also signed an exclusive agreement with Burger King SA to open restaurants at our convenience centres. This relationship is part of our strategy to facilitate the expansion of our retail footprint and enhance the overall offering at Sasol service stations. The first Burger King restaurant will open during 2014.

Optimising profitability

We aim to optimise margins in a largely regulated industry, where security of supply is vital to the growth of the South African economy. Although higher marketing and refining margins contributed to operating profits, lower production volumes at the Natref refinery were a constraint during the year. This was the result of an extended planned shutdown and a subsequent unplanned shutdown. The lower volumes were somewhat offset by higher volumes from Sasol Synfuels.

In April 2013, we launched **Sasol turbo10™ diesel**. This demonstrates our commitment to leading the industry by bringing to market the latest product innovations.

Staying focused on safety

Safety initiatives implemented in 2012 started to yield improvements and our recordable case rate (RCR) reduced to 0,32. This was achieved through a number of interventions, including visible leadership and a behaviour-based observation solution for fuel distribution officers. In addition, we focused on reducing environmental incidents such as fuel spillages at customer sites. Besides the positive environmental impact, this also contributes to improved safety.

Caring for our communities

We opened a new Integrated Energy Centre (IEC) in Ulundi, KwaZulu-Natal, South Africa, bringing the total number of IECs to six, with two under construction. We also provided support to various initiatives, including financial assistance to the Foundation for Children with Hearing Loss and the Randburg Trauma Centre for substance abuse as well as rebuilding a youth centre destroyed by severe storms in KwaZulu-Natal. In partnership with a number of other companies, we provided support for youth centres to function as community police forums in local villages. We also partnered with the Department of Education in a programme to develop youth and leadership skills through the use of sport. As part of the Sasol Rally programme, we undertook various projects to refurbish schools and a hawkers' market.

		% change	2013	2012
Financial performance				
Operating profit	Rm	30	**2 072**	1 592
Operating profit margin	%		**3,0**	2,4
Operational performance				
Contribution to group operating profit	%		**5,1**	4,3
Total production	Mm^3		**7,8**	8,1
Crude oil processed[1]	Ml		**2 637**	3 299
White product yield	%		**90,1**	89,2
Total product yield	%		**98,2**	98,2
Total liquid fuel sales	Ml		**8 928**	9 570
Imports of final product	Ml		**348**	574
Local purchases of final product	Ml		**694**	692
Fuel and bitumen exports	Ml		**218**	362
Recordable case rate[2]			**0,32**	0,34
Employee numbers			**1 680**	1 849
Environmental performance				
Direct greenhouse gas emissions (carbon dioxide)[1]	Mt		**0,7**	0,9
Total water use[1]	Mm^3		**1,5**	1,9

1 From the refining of crude oil at Natref.
2 Excluding Natref.


international energy cluster

This cluster is key to Sasol's worldwide growth aspirations. In a world seeking energy security and cleaner energy alternatives, we are able to leverage the group's considerable experience and proven, proprietary technologies to add value to gas resources across the world.

- ORYX GTL maintained a zero recordable case rate
- Mozambique, Gabon and Canada volumes up 16% in aggregate
- Canada asset remains under pressure due to low gas prices

		2013	2012
Operating profit/(loss) after remeasurement items	Rm		
SSI		**1 601**	1 881
ORYX GTL		**2 670**	2 856
Funding growth		**(1 069)**	(975)
SPI		**(1 886)**	(1 936)
Mozambique and Gabon		**1 638**	1 699
Canada upstream		**(1 815)**	(2 226)
Exploration and growth		**(1 709)**	(1 409)
Total cluster		**(285)**	(55)
Operating margin	%	**(4)**	(1)
Operating performance			
Recordable case rate		**0,09**	0,13
Employee numbers		**1 088**	1 062
Environmental performance			
Direct greenhouse gas emissions (carbon dioxide)	Mt	**1,7**	1,9
Total water use	Mm^3	**1,3**	1,4

Sasol Synfuels International (SSI) is responsible for developing, implementing and managing international ventures based on Sasol's proprietary technology. Currently, our primary focus is on securing opportunities to advance the group's gas-to-liquids (GTL) ambitions. We are progressing GTL projects in the United States, Uzbekistan, Nigeria and have achieved stable operations at ORYX GTL in Qatar.

Sasol Petroleum International (SPI) develops and manages the group's upstream interests in oil and gas exploration and production in Mozambique, South Africa, Canada, Gabon, Botswana, Australia and Nigeria. It produces gas from Mozambique's Temane and Pande fields, shale gas from the Farrell Creek and Cypress A asset in Canada and oil in Gabon through our share in the offshore Etame oilfield cluster. SPI sells natural gas under long-term contracts to Sasol Gas and external customers and oil to customers under annual contracts. Canadian gas is sold into the market at spot prices.

Sasol Synfuels International

Highlights

2013

- ORYX GTL ran mostly above design capacity
- Commenced with FEED on a GTL facility in the US
- EGTL commissioning and start-up activities progressing to schedule
- Maintained excellent safety record; zero recordable case rate for the year
- Uzbekistan FEED activities progressing well

Challenges

- Start-up of ORYX GTL slightly delayed after planned statutory shutdown

Looking ahead

- Increasing production sustainability of ORYX GTL
- Capitalising on favourable oil and gas prices to advance GTL opportunities
- Potential to introduce catalyst improvements, increasing the output of catalyst units and reducing cost of production
- Supporting the execution of the EGTL project in a challenging environment
- Securing suitable project finance and developing options for the Uzbekistan GTL project
- Securing the necessary skills to execute the portfolio

Achieving an outstanding safety performance

Sasol Synfuels International (SSI) achieved a zero recordable case rate (RCR) during the year. The diligent application of various safety initiatives, embedding safety as a way of life in all aspects of the business, and strong values-driven leadership from the joint venture's management supported this outstanding performance.

Realising new records at ORYX GTL

The success of the partnership at ORYX GTL provides the calling card for our Sasol Slurry Phase Distillate™ technology, as a viable alternative to monetising natural gas reserves.

The ORYX GTL plant produced well above its nominal design capacity of 32 400 barrels a day (bbl/d) following the scheduled statutory shutdown earlier in the year. The upgrade of equipment during the shutdown contributed to exceptional plant performance, which was again coupled with the facility's excellent safety record. ORYX GTL's proven capability over extended periods underpins our confidence that this can be sustained.

SSI continued to contribute to the social development objectives of Qatar through its involvement in a number of initiatives. These included promoting participation in sport by disabled people, raising awareness on the environmental benefits of domestic recycling, promoting safe driving practices, diabetes education and developing entrepreneurs.

Advancing our growth aspirations

In the US, we are commencing with the front-end engineering and design (FEED) phase of a GTL facility in Louisiana. The facility, the first of its kind in North America, will convert natural gas into at least 96 000 bbl/d of high quality transportation fuel, including GTL diesel and other value-adding chemical products. The plant will have the potential to increase capacity by up to 10%. The project will be delivered in two phases. The first phase is planned to reach beneficial operation during the 2019 calendar year, and the second phase in the following calendar year.

Sasol's transformational GTL and chemical technologies are set to unlock the potential of abundant natural gas resources, providing the US with world-class, cleaner-burning fuels and chemicals. Besides contributing to national energy security, the project will support expanded domestic manufacturing. It will also deliver significant benefits to the local communities and the State of Louisiana.

The **success of the partnership at ORYX GTL** provides the calling card for our Sasol Slurry Phase Distillate™ technology, as a viable alternative to monetising natural gas reserves.

In India, through our joint venture with the Tata Group, work continued on a pre-feasibility study for a 100 000 bbl/d coal-to-liquids (CTL) facility in Talcher, Orissa. We expect the study to be completed during the 2013 calendar year.

Benefiting from our experience

In Nigeria, where we have a 10% indirect interest in the 32 400 bbl/d Escravos GTL (EGTL) project, commissioning and start-up activities continue as scheduled. Executing this project in difficult terrain on a remote site in the Niger Delta remains a challenge. Beneficial operation is expected at the end of the 2013 calendar year.

Progressing work in Uzbekistan

The GTL project in Uzbekistan, OLTIN YO'L, with an estimated nominal capacity of 38 000 bbl/d will produce a combination of GTL diesel and GTL naphtha. In an important development in the application of GTL fuels, the plant will also produce GTL kerosene for the aviation sector. FEED activities are progressing well and are expected to be completed during the second half of the 2013 calendar year.

A final investment decision for this project is dependent, among other factors, on appropriate project financing. The GTL project will demonstrate Uzbekistan's ability to implement world-scale energy projects and raise the significant project financing required.

As a result of the size of the group's growth portfolio, and the significant sustenance capital required for the South African operations, our project pipeline is regularly reviewed and reprioritised. In the year, the Sasol Limited board approved a decrease in Sasol's shareholding in the Uzbekistan GTL project from 44,5% to 25,5% at the end of the FEED phase. Together with our partners, we are evaluating different shareholding options.

Demonstrating its commitment to long-term development in Uzbekistan, SSI is involved in a number of community investment activities, including a scholarship programme at Westminster University in Tashkent and a funding agreement with the United Nations Development Programme and the Uzbekistan Chamber of Commerce and Industry, supporting community development in Uzbekistan.

Enhancing the efficiency of our catalyst production

SSI continues to improve the productivity of our cobalt catalyst production plants. This is reducing the cost and securing the supply of this quality-competitive product.

		% change	2013	2012
Financial performance				
Operating profit	Rm	(15)	**1 601**	1 881
Operating profit margin	%		**30,5**	35,4
Operational performance				
Contribution to group operating profit	%		**3,9**	5,1
Sasol's share of ORYX GTL production	bbl'000		**4 670**	5 047
Recordable case rate			**0,00**	0,09
Employee numbers			**601**	604
Environmental performance				
Direct greenhouse gas emissions (carbon dioxide)[1]	Mt		**1,5**	1,8
Total water use[1]	Mm^3		**1,2**	1,4

1 *From our production activities at ORYX GTL.*

Sasol Petroleum International

Highlights 2013

- Reported another strong safety, health and environmental performance
- Grew equity production volumes 16% to 60 000 barrels of oil equivalent per day
- US$168,2 million budget for expansion in Gabon approved
- On track with Mozambique growth projects

Challenges

- Continue to de-risk Canadian development activities given current low gas prices
- Mupeji-1 exploration well in Mozambique unsuccessful

Looking ahead

- New oil and gas developments in Mozambique Production Sharing Agreement permit
- Maturing additional upstream growth projects in Mozambique
- Growing our liquids portfolio, including oil from Mozambique and Gabon, and condensate from Canada
- Sustaining Gabon oil production and extending the field's life
- Low North American gas prices limit short-term profitability
- Achieving zero harm by managing risks in frontier locations with increased exposure
- Recruiting skills to underpin our growth strategy

Rationalising and consolidating our portfolio

Sasol Petroleum International's (SPI's) portfolio includes conventional and unconventional hydrocarbon (oil, natural gas and condensate) resources and ranges from frontier exploration to mature producing assets. We are rationalising and consolidating our portfolio to prepare for our next phase of growth and delivery. Notably, we envisage significant growth in Mozambique in both the Petroleum Production Agreement (PPA) and Production Sharing Agreement (PSA) areas. We are actively de-risking our Canadian shale gas asset to optimise the ramp-up of development activities once gas prices increase. We are maturing additional oil assets in Gabon and Nigeria, while rationalising some licence holdings in Mozambique, Papua New Guinea and Australia.

Our remaining exploration portfolio still contains promising prospects in Mozambique, South Africa, Botswana and Australia.

Focusing on asset optimisation and project delivery in Mozambique

In Mozambique, condensate and oil production was higher than expected. This was a result of additional oil volumes from the Inhassoro I-9Z extended well test (EWT), conducted under the PSA appraisal programme. The EWT produced a cumulative 236 000 barrels (bbls) of light oil at an average production rate of 1 100 bbls/day until the end of March 2013, after which, the well was shut in.

The expansion of the central processing facility (CPF), completed in October 2012, increased the annual production capacity to 183 million gigajoules per annum (MGJ/a). We recently concluded three new gas sales agreements for 25 MGJ/a, which is directed to Mozambican electricity markets. Of the remainder of the expansion to 183 MGJ/a, 9 MGJ/a is royalty gas to the Mozambican government and 27 MGJ/a is directed to South Africa.

In 2013, the final investment decision to go ahead with a low pressure compression project at the CPF was taken. The project will compensate for the natural depletion of reservoir pressure in the fields. We expect construction to begin in October 2013, with beneficial operation scheduled for the end of May 2015.

We are **currently rationalising and consolidating our portfolio** to prepare for the next phase of growth and delivery.

In February 2013, we declared commerciality on three reservoirs in the PSA area. In addition we declared the Temane East gas reservoir commercial in May 2013. We now have until 25 February 2015 to submit a full field development plan for some of these reservoirs.

De-risking activities in Canada

Our Canadian shale gas asset remained under pressure due to low gas prices. Accordingly, we prioritised the de-risking of the asset by drilling a number of key appraisal wells. The low overall drilling activity levels and some difficult wells negatively impacted the average cost per well for the year, but the overall cost trend is encouraging.

Expanding our West African assets

Offshore Gabon, we focus on maturing and developing new oil reserves to maintain and potentially boost production in the non-operated Etame Marin Permit (EMP). In the second quarter of 2013, two new developments in the EMP – the Etame Expansion Project (EEP), and the South East Etame and North Tchibala (SEENT) Project – were approved, at a total cost of US$168,2 million.

		% change	2013	2012
Financial performance				
Operating loss	Rm	3	**(1 886)**	(1 936)
Operating loss margin	%		**(51,9)**	(62,2)
Operational performance				
Contribution to group operating profit	%		**(4,6)**	(5,3)
Total gas sales (Mozambique)	TGJ		**103 268**	89 952
Total gas sales (Canada)[2]	MMscf		**22 297**	16 894
Total condensate sales (Mozambique)	Mbbl		**302**	290
Total condensate sales (Canada)	Mbbl		**49**	11
Total oil sales (Gabon)[3]	Mbbl		**1 295**	1 472
Total production	Mboe		**21 835**	18 827
Recordable case rate			**0,18**	0,17
Employee numbers			**487**	458
Environmental performance				
Direct greenhouse gas emissions (carbon dioxide)[1]	Mt		**0,2**	0,2
Total water use[1]	Mm^3		**0,06**	0,1

1 From our upstream oil and gas exploration and production activities in Mozambique.
2 For Sasol's 50% share of natural gas production only.
3 Net of royalties.

Reshaping our exploration portfolio

Southern Africa

In Mozambique, we will complete the 2 250 km 2D seismic programme in the onshore Area A concession in October 2013. Following the unsuccessful Mupeji-1 exploration well in the offshore Area M-10 (SPI – 42,5% interest) in Mozambique, we relinquished the licence on 30 April 2013. In offshore Blocks 16 &19 (SPI – 50% interest), we relinquished the Njika discovery area and the deep water parts of the concession on 30 June 2013. We are engaging with authorities on the potential retention of the shallow water area of the concession. In terms of our exploration licence in the offshore Sofala block (SPI – 85% interest), we are concluding our prospectivity review to prepare for potential drilling in 2014.

Offshore the east coast of South Africa, we are converting our technical co-operation permit in the Zululand and Durban basins to an exploration permit. At present, a 6 000 km 2D seismic survey is being carried out and about 4 000 km has been completed. We plan to acquire the remainder in 2014.

On 29 May 2013, SPI (50% interest) and PetroSA (50% interest) were granted a technical co-operation permit for Block 3A/4A in the offshore Orange Basin along South Africa's west coast.

In Botswana (SPI – 50% interest), where we are exploring for coal bed methane together with our joint venture partner, Origin Energy, the exploration core hole project drilling was completed in March 2013. We are currently evaluating the data and maturing options.

Australasia

In the exploration licence AC/P 52 (SPI – 45% interest) in the Browse Basin offshore north-western Australia, SPI and partners are concluding a partial farm-out, prior to the drilling of the Cronus prospect.

In the Carnarvon Basin, we have relinquished our 35% interest in offshore permit WA-433.

We exited from Papua New Guinea (41% interest in PPL426 and 51% interest in PPL287) by means of a farm-out agreement with Talisman Australasia (Pty) Ltd during June 2013.

Reporting a loss

Higher oil and gas sales volumes and exchange rates contributed positively to SPI's results. The impact of lower oil and gas prices, as well as our investment in growth, both on operational and exploration cost levels, offset these gains. During the year, R442 million was charged to the income statement related to the dry Mupeji-1 well.

Improving our safety performance

Our recordable case rate (RCR) was 0,18 for the year, with the CPF in Mozambique recording a RCR of zero. The transport of condensate in Mozambique continued without incident, with no incidents in the last two years.

Investing in skills development

We continued to invest in skills development, growing the upstream skills pool in Southern Africa. We have strategic partnerships with the University of the Western Cape in South Africa and the Ministério Dos Recursos Minerais (Mozambican Ministry of Mineral Resources). A total of 34 bursaries were allocated to South Africans and Mozambicans.

chemical cluster

In South Africa, the chemical businesses are integrated in the Fischer-Tropsch value chain. Outside South Africa, we operate chemical businesses based on backward integration into feedstock and/or competitive market positions.

- Polymers improved sales volumes in South Africa
- Solvents business turnaround efforts delivered positive results
- Sasol O&S made good progress on selective growth plans

		2013	2012
Operating profit/(loss) after remeasurement items	Rm		
Polymers		**(2 829)**	716
Solvents		**916**	1 403
O&S		**3 580**	3 193
Other chemical businesses		**252**	1 188
Total cluster		**1 919**	6 500
Operating margin	%	**2**	7
Operating performance			
Recordable case rate		**0,28**	0,29
Employee numbers		**11 173**	11 320
Environmental performance			
Direct greenhouse gas emissions (carbon dioxide)	Mt	**7,1**	9,5
Total water use	Mm^3	**50,7**	40,8

Sasol Polymers supplies ethylene, propylene, polyethylene, polypropylene, polyvinyl chloride, chlor-alkali chemicals and mining reagents to domestic and international customers from its plants at Sasolburg and Secunda, South Africa. We also have a joint venture monomer and polymer interest in Malaysia and an interest in a polymers distribution company in China.

Sasol Solvents has plants in South Africa and Germany, and supplies alcohols, ketones, esters, acrylic acid esters, ethyl acetate, ethers and mining chemicals to customers worldwide. We are a world leader in the production of co-monomers, namely hexene and octene.

Sasol Olefins & Surfactants (Sasol O&S), headquartered in Hamburg, Germany, is a leading global producer of alcohols, surfactants and related products, as well as high-purity alumina and related speciality products. Our products are used in detergents, cleaning, personal care items, oilfield and enhanced oil recovery, paint and coatings, lubricants, bio ceramics, synthetic sapphires, catalysts, high-performance abrasives and many other industrial intermediates.

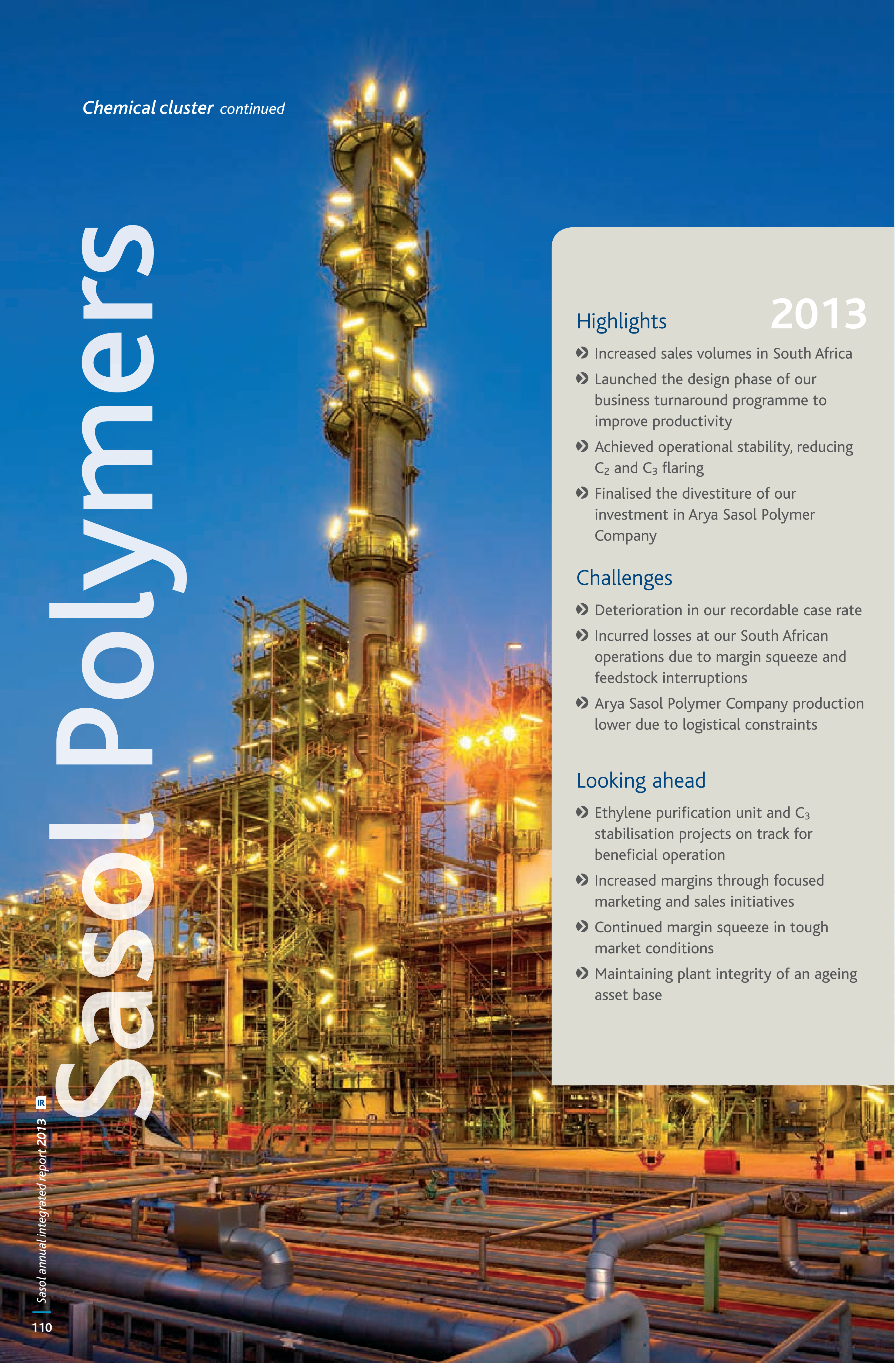
Sasol Wax produces and markets wax and wax-related products for commodity and speciality wax markets across the world.

Sasol Nitro produces and markets industrial explosives, mining explosive accessories and fertiliser products and related services, mainly for the Southern African mining and agriculture markets.

Sasol Infrachem houses the Sasolburg ammonia business and provides utilities for the Sasolburg site.

Merisol produces and markets speciality chemical products, derived from phenolic feedstocks.

Sasol Polymers



Highlights 2013

- Increased sales volumes in South Africa
- Launched the design phase of our business turnaround programme to improve productivity
- Achieved operational stability, reducing C_2 and C_3 flaring
- Finalised the divestiture of our investment in Arya Sasol Polymer Company

Challenges

- Deterioration in our recordable case rate
- Incurred losses at our South African operations due to margin squeeze and feedstock interruptions
- Arya Sasol Polymer Company production lower due to logistical constraints

Looking ahead

- Ethylene purification unit and C_3 stabilisation projects on track for beneficial operation
- Increased margins through focused marketing and sales initiatives
- Continued margin squeeze in tough market conditions
- Maintaining plant integrity of an ageing asset base

Overcoming challenges

Sasol Polymers had a challenging year. Our recordable case rate (RCR) deteriorated to 0,48, despite the safety initiatives we implemented during the year. The South African business experienced significant margin pressure, due to high feedstock prices and lower-than-expected product prices. The supply of feedstock to our plants was interrupted a number of times. Most notably, this was due to planned and unplanned outages of the Synfuels Catalytic Cracker. As a result, saleable production was in line with that of the previous year. However, South African sales volumes did increase by 5%.

Polymers competition enquiry

As reported previously, the South African Competition Commission (the Commission) contends that the price at which Sasol Polymers supplies propylene and polypropylene in the South African market is excessive. We continue to dispute the Commission's allegations. In 2010, the Commission referred the matter to the South African Competition Tribunal (the Tribunal). The matter was heard from 13 May to 7 June 2013, with the last of Sasol's witnesses taking the stand in August 2013. Sasol and the Commission will make closing arguments on 14 and 15 October 2013.

Optimising our business in difficult times

The sharp decline in operating profits in our South African polymer business is due to a number of factors. These include highly competitive pricing in the international polymer market, tight feedstock-to-polymer margins and cost pressures. After a full analysis of the challenges facing the business, we launched a turnaround programme to restore profitability over the next three years. Areas for improvement include optimising production and sales volumes as well as selling prices and systems. Working capital and cash management, productivity and efficiency and costs of services, including group allocated costs, are other focus areas.

Specific metrics to define our definition of victory for the project have been set. These range from financial indicators to indicators for production volumes, sales and marketing initiatives, as well as safety targets. We are monitoring our progress continuously and are pleased that we are starting to see positive results.

The **construction of the R1,9 billion ethylene purification unit** (EPU5) in Sasolburg, and a **new compressor station in Secunda** to transfer ethylene-rich gas to Sasolburg, **progressed satisfactorily** during the year.

Advancing our capital projects locally and abroad

Alongside our turnaround programme, our growth project is a key focus area. The successful delivery of both these programmes is required to ensure the sustainable profitability of the business.

The construction of the R1,9 billion ethylene purification unit (EPU5) in Sasolburg, and a new compressor station in Secunda to transfer ethylene-rich gas to Sasolburg, progressed satisfactorily during the year. We also modified the monomers units in Secunda to free up more ethylene-rich gas than is currently being processed. The project is nearing completion and we expect beneficial operation in the second half of calendar 2013. Our R1,3 billion C_3 stabilisation project, which will improve the extraction of propylene for higher-value chemicals purposes, remains on track for beneficial operation in calendar 2014. We anticipate that the project will be completed within the approved budget.

The front-end engineering and design phase (FEED) for the world-scale ethane cracker in the US is advancing well. Integrated analyses are underway to determine the optimal logistics, including port facilities, design and constraints. We expect a final investment decision for the ethane cracker complex in the 2014 calendar year. We have selected engineering contractors for the FEED phase of the projects.

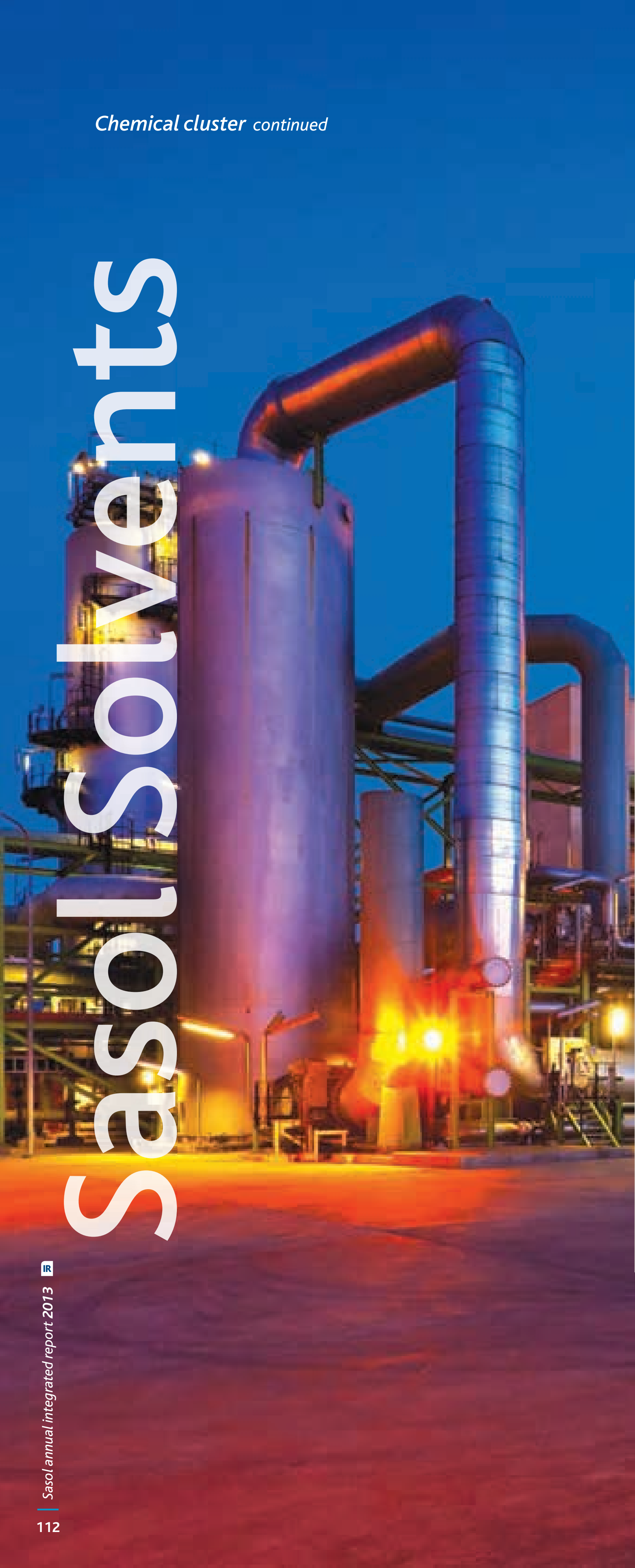
A memorandum of understanding has also been signed between Sasol and Ineos to construct a high-density polyethylene plant on the Gulf Coast in the US. This manufacturing joint venture will be supplied with ethylene from the ethane cracker complex, which will diversify market risk.

Our activities in Iran

The divestiture of our share in Arya Sasol Polymer Company (ASPC) was achieved, albeit more slowly than anticipated. At 30 June 2013, the investment was classified as a disposal group held-for-sale. As a result of the deteriorating Iranian environment and the accounting requirement to recognise operating profits, which may not be recouped through the disposal value, we impaired our investment by R3 611 million during the year. The devaluation of the Iranian currency also negatively impacted our earnings. The disposal of our investment in ASPC was concluded with effect from 16 August 2013. As a result of this transaction, Sasol has no ongoing investment in Iran.

	% change	2013	2012
Financial performance			
Operating (loss)/profit	Rm	**(2 829)**	716
Operating (loss)/profit margin	%	**(12,2)**	3,6
Operational performance			
Contribution to group operating profit	%	**(7,0)**	1,9
Total sales	Mt	**1,8**	1,8
Total production	Mt	**1,7**	1,8
Recordable case rate		**0,48**	0,32
Employee numbers		**2 051**	2 045
Environmental performance			
Direct greenhouse gas emissions (carbon dioxide)[1]	Mt	**0,2**	0,1
Total water use[1]	Mm^3	**0,6**	0,4

1 *From all production activities.*



Sasol Solvents

Highlights 2013

- Improved sales volumes despite weak European markets
- Improved safety record, with a recordable case rate of 0,35
- Business turnaround efforts delivered positive results
- Record production volumes at Secunda operations

Challenges

- Unfavourable feedstock pricing put pressure on margins
- German assets remained under-utilised due to market constraints
- Sasolburg operations affected by industrial unrest, along with weather-related and electricity disruptions

Looking ahead

- Enhancing operational efficiencies including energy improvements and increased product yields
- Ensuring the sustainability of our German operations
- Boosting the contribution from our business optimisation initiatives
- Reducing global process safety incidents through our safety improvement initiatives

Optimising business profitability

Sasol Solvents focused on improving safety at our operations in the year, and on optimising profitability. This was to offset the impact of the protracted slowdown in the world economy, and especially in Europe. Subdued demand resulted in lower commodity prices and ultimately operating margins, which narrowed in the year.

The US market began to show positive signs of recovery and an uptick in demand. However, we continued to experience lower US dollar selling prices and margins.

The difficult conditions in Europe led to an impairment of R342 million of our German operations. Business performance improved in the second half of the year due to higher sales volumes and the weaker rand, against both the US dollar and euro.

Notwithstanding the tough market conditions, sales volumes were up 6% on last year. This was largely due to our South African operations, which benefitted from our business improvement initiatives. We continued to see depressed demand and pressured margins in our German product portfolio. This was also the case with our co-monomers offering, in particular hexene.

Production volumes for the year, including intermediate products, declined slightly. This was mainly due to market constraints in Germany, feedstock constraints in Secunda and supply interruptions in Sasolburg. Despite the challenges, our production improvement and optimisation initiatives are delivering results. In particular, production at the Secunda chemical operations was higher than the prior year. We significantly raised methanol and methyl isobutyl ketone production at the Sasolburg site, with record annual methanol production. We continue to identify and implement opportunities to enhance the performance of our plants.

Despite the challenges, **our production improvement and optimisation initiatives are delivering results.**

Enhancing our value proposition

During the year we extended our Business Excellence initiative. This initiative includes a focus on pricing, volume and efficiency improvements, as well as expanding into new markets. We also started seeing the benefits of our Operations Excellence initiative. These included driving plant capability at our Midlands site in Sasolburg, South Africa, plant efficiency improvements at Secunda, and improving the production of our crude acrylic acid plant. We focused on reducing the duration and frequency of plant shutdowns, without compromising the safety and integrity of the plants. We are also optimising the effectiveness of maintenance expenditure.

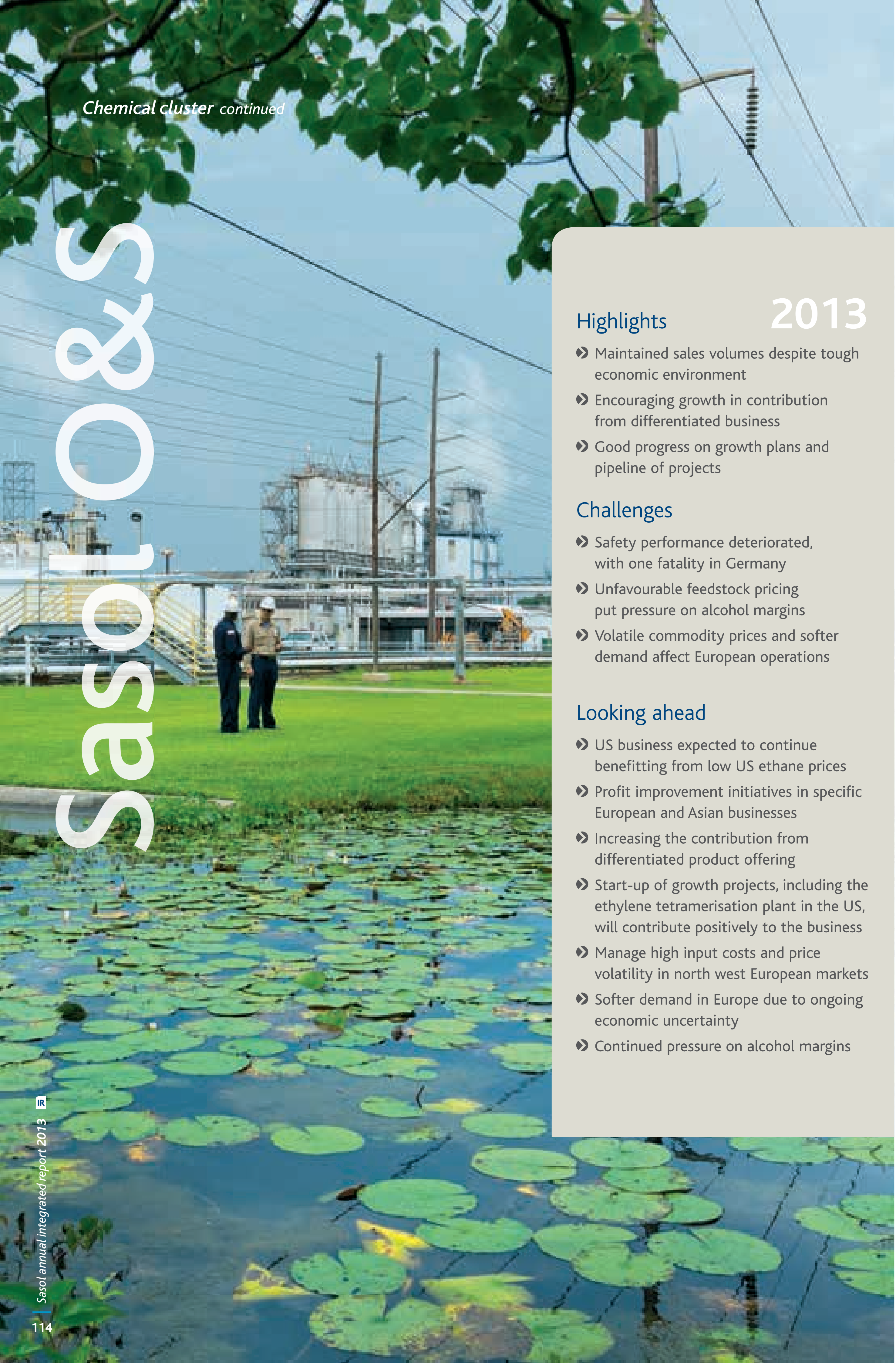
Caring for our people

In Germany we introduced the "equal pay" initiative, signing an agreement with our work council. This means that, after an appropriate induction period, temporary employees are now paid the same as full-time employees. We also extended programmes to highlight career opportunities for new employees, especially women, as part of our efforts to build awareness of Sasol as an equal opportunity employer.

In South Africa, we continued to contribute to programmes that enhance the wellbeing of the communities in which we operate. Our efforts have included assisting homes for the aged as well as abused and traumatised children.

		% change	**2013**	2012
Financial performance				
Operating profit	Rm	(35)	**916**	1 403
Operating profit margin	%		**4,3**	7,4
Operational performance				
Contribution to group operating profit	%		**2,3**	3,8
Total sales	Mt		**1,6**	1,6
Total production	Mt		**1,6**	1,7
Recordable case rate			**0,35**	0,52
Employee numbers			**1 471**	1 454
Environmental performance				
Direct greenhouse gas emissions (carbon dioxide)[1]	Mt		**0,5**	0,5
Total water use[1]	Mm^3		**11,2**	11,8

1 *From all production activities in South Africa.*



Sasol O&S

Highlights 2013

- Maintained sales volumes despite tough economic environment
- Encouraging growth in contribution from differentiated business
- Good progress on growth plans and pipeline of projects

Challenges

- Safety performance deteriorated, with one fatality in Germany
- Unfavourable feedstock pricing put pressure on alcohol margins
- Volatile commodity prices and softer demand affect European operations

Looking ahead

- US business expected to continue benefitting from low US ethane prices
- Profit improvement initiatives in specific European and Asian businesses
- Increasing the contribution from differentiated product offering
- Start-up of growth projects, including the ethylene tetramerisation plant in the US, will contribute positively to the business
- Manage high input costs and price volatility in north west European markets
- Softer demand in Europe due to ongoing economic uncertainty
- Continued pressure on alcohol margins

Delivering a strong performance

Sasol O&S performed well during the year, despite ongoing volatility in some of our core markets. Our US operations continued to benefit from low US ethane prices, whereas our European operations came under increased pressure. This was due to reduced volumes caused by softer demand as well as lower unit margins. Margin pressure persists on the back of high petrochemical feedstock prices. Production for the year was stable, with total production volumes in line with last year. Despite reduced demand in Europe and Asia, our total sales volumes were up marginally.

Focusing on safety

Our recordable case rate (RCR) deteriorated, with a RCR of 0,24 from 0,15 in 2012. The incidents reported related primarily to service providers working on the construction of new plants. It is with great sadness that we report the fatality of a service provider at our Brunsbüttel site in Germany. We have embarked on specific initiatives to ensure a safety culture among our external business partners. This is aimed at arresting the declining safety trend given higher service provider activity related to our growth projects.

Optimising and growing our operations

We continued to focus on improving production efficiencies. Specifically, we made progress in reducing the raw material and utility components of our production costs.

The group's strategy to expand all value chains, including that of the chemicals business based on technology, feedstock, market and/or capability advantages is advancing well. The world-scale ethane cracker in the US will produce 1,5 million tons of ethylene per annum. The ethylene will be used in seven downstream plants to produce a range of high-value derivatives including ethylene oxide, monoethylene glycol, ethoxylates, polyethylene, Ziegler and Guerbert alcohols and co-monomers.

Alongside this mega-project, we have a number of smaller projects that will drive our future growth. These projects are expected to be in operation within the next 12 months. Construction of our 100 000 tons per annum ethylene tetramerisation unit, located within our Lake Charles facility, continues. This project is expected to start-up on schedule during the fourth quarter of calendar 2013. Our ultra-high purity alumina project in Brunsbüttel, Germany, is on track for start-up in the third quarter of the 2013 calendar year.

Our ultra-high purity alumina project in Brunsbüttel, Germany, is **on track for start-up in the third quarter of the 2013** calendar year.

Being a good neighbour

Sasol O&S is dedicated to being a good neighbour in the communities in which we operate, to build mutual trust and co-operation. We pursue an open communication policy with all of our stakeholders to understand their needs and interests. We actively contribute to the communities we serve by supporting local initiatives, including educational projects and civic activities.

In Germany, our Hamburg headquarters achieved berufundfamilie® certification for its family-friendly human resources policy. This follows the certification of our Brunsbüttel site in 2006. We expect our third German site, in Marl, to achieve certification soon. Our Brunsbüttel site has been supporting a children's chemical laboratory and other activities to grow interest in science and chemistry. Our US operations have run a volunteers' programme for Sasol employees for many years. Activities include a range of community initiatives including repairing the homes of the less fortunate. Sasol Italy offers bursaries to the children of employees for preparatory or secondary school, college or university education.

		% change	2013	2012
Financial performance				
Operating profit	Rm	12	**3 580**	3 193
Operating profit margin	%		**8,7**	8,5
Operational performance				
Contribution to group operating profit	%		**8,8**	8,7
Total sales	Mt		**2,0**	2,0
Total production	Mt		**2,0**	2,0
Recordable case rate			**0,24**	0,15
Employee numbers			**2 907**	2 869
Environmental performance				
Direct greenhouse gas emissions (carbon dioxide)[1]	Mt		**1,5**	1,4
Total water use[1]	Mm^3		**14,5**	13,4

1 *From all operations.*

Sasol **Wax**

Delivering a solid financial performance

Global wax markets continued to be challenging. This was especially the case in our medium wax business, which experienced weaker demand and margin pressure. The recovery in the US economy did, however, lend support to our results. Furthermore, our Business Excellence initiative assisted us in improving our gross margin. We expect our focus on product differentiation and sales of high-value products to continue supporting improved margins.

The reliability of our plant in Sasolburg, South Africa, improved significantly, contributing to increased sales volumes. However, hard wax production was disrupted by weather-related electricity interruptions and subsequent Slurry Bed Reactor control problems. The D Arge Reactor failed and was out of operation for more than ten months. The repair of the reactor has provided a platform to increase hard wax production. Despite these challenges, management interventions at our Sasolburg operations aimed at further improving plant reliability yielded results. Solidified hard wax production increased 27%, with a last quarter and an annual hard wax production record.

Delivering on electricity co-generation

Our electricity co-generation plant in Hamburg achieved beneficial operation in April 2013. Installed at a cost of 7% below budget, we expect this plant to yield energy cost savings of more than €2 million per year. It will also reduce our carbon footprint by some 17 000 tons per annum.

A challenging project execution environment

Construction of the FT wax expansion project facility in Sasolburg continues. The project will double hard wax production in South Africa, and support the growth of our asset base. The project is being executed in two phases. The commissioning of the new Slurry Bed Reactor is expected at the end of March 2014, three months later than previously announced. Phase 2 of the project will be impacted by the delay of phase 1 and commissioning of phase 2's key equipment (the second Slurry Bed Reactor) is expected in August 2016.

During the year, we reassessed the costs of this project. Total project cost has increased by 40% to 45% from the original approved budget, to an estimated R11,9 billion; R9,0 billion for phase 1 and R2,9 billion for phase 2. The increase is mainly due to the brownfields nature of the project, construction delays and poor labour productivity. Recent strike action and civil unrest have exacerbated these factors. The schedule delays, and volatile macroeconomic environment, have also affected the economics of the project negatively.

The economics of the project have been reassessed, and the project team is making every effort to monitor and manage the risks. Based on the current economics, we have recognised an impairment of R2 033 million against the project's carrying value.

Diversifying our raw materials

To mitigate a potential shortfall in global slack wax, a key raw material in our German and US operations, we are making good progress in developing ways to extract wax from Sasol's gas-to-liquids process. This is a good example of expanding our chemical businesses based on technology and feedstock, market and/or capability advantage, according to the group's strategy.

Sasol **Nitro**

Overcoming challenging market conditions

Sasol Nitro faced difficult market conditions in the year. Unpredictable demand from the South African mining sector, underpinned by labour unrest in the first half of the financial year, negatively impacted the explosives business. Competitor activity in the explosives markets also put strain on our business.

A number of other factors contributed to the challenging environment for our fertiliser business. These included high ammonia feedstock prices and depressed international urea fertiliser prices, together with supply constraints due to a slower ramp-up of the new limestone ammonium nitrate (LAN) fertiliser granulation plant in Secunda, South Africa. We anticipate fertiliser margins to continue to come under pressure due to higher ammonia feedstock costs, coupled with increased industry capacity in both the upstream and downstream sectors.

We improved our recordable case rate (RCR) to 0,28 for the year, from 0,39 last year. Process safety management was a particular focus during the year, with fewer incidents reported.

Expanding our operations

Our 400 000 tons per annum LAN fertiliser granulation plant achieved beneficial operation on 2 May 2013. While the ramp-up of the plant was slower than expected due to product quality issues, there is still an opportunity to increase volumes and improve raw material efficiency. We are also looking at improving labour efficiencies. Our ammonium sulphate plant, commissioned in 2009, continued to show improved performance. A new maximum proven rate of 345 tons per day contributed to a record production month in May 2013.

To expand our fertiliser trading and support offering, we initiated a plan to gain entry into the broader Southern African market. In particular, we are looking at Zambia, Mozambique, Namibia and Botswana.

Saving on electricity consumption

A 1,7 megawatt steam-driven electricity generator was installed and successfully commissioned in August 2012 at our Sasolburg, South Africa operations. Using the waste steam from the nitric acid plant, this has resulted in improved energy recovery and saving consumption from the national electricity grid.

Caring for our communities

Sasol Nitro is fully engaged with the communities in which it operates. We are building 12 additional classrooms at three schools in the Rustenburg area of South Africa, at an estimated cost of R2,5 million. In addition, we are refurbishing a medical clinic and donating science equipment in Rethabiseng, in the Bronkhorstspruit area of South Africa.

Sasol **Infrachem**

Delivering and growing utilities support

Sasol Infrachem provides utilities and services to various Sasol businesses in Sasolburg, South Africa. We have made good progress on our R744 million utilities expansion project, to provide the necessary utilities for the EPU5 and FT wax expansion projects. We expect beneficial operation in late calendar 2013.

We concluded a power purchase agreement with Eskom, South Africa's state-owned electricity provider, to produce and sell 75 megawatts of electricity into the national grid. This will alleviate some of the strain currently experienced in the country's electricity generation.

Taking our operations forward

Sasol Infrachem has been successfully producing ammonia since 2012, when the ammonia business was transferred from Sasol Nitro. In 2013, we recorded a new annual production record for ammonia.

Supporting community development

In the Sasolburg region, Sasol Infrachem is facilitating the Ikusasa initiative. During the year, our Ikusasa programme progressed well. Four areas are focused on, namely education, health and wellbeing, infrastructure, and safety and security in the Secunda and Sasolburg regions. As part of Sasol's commitment to the communities in which we operate, we invested R72 million and R63 million in Secunda and Sasolburg, respectively, during the year, with a further R200 million per annum planned for 2014 to 2016.
We continue to engage regularly with labour forums in the Sasolburg region to address employment and skills development.

introduction
strategic performance
governance and remuneration
financial performance
operating performance
additional information

other businesses

We are involved in a number of other activities in the energy and chemicals industries in both South Africa and abroad. These include technology research and development, our financing activities as well as alternative energy initiatives. These functions and associated businesses endeavour to leverage Sasol's key competitive advantage, further technological research and development and facilitate optimum funding structures for our projects around the world.

- Sasol New Energy started construction of the US$246 million gas-fired electricity generation plant in Mozambique
- Sasol Technology continued to support our capital projects in Secunda and Sasolburg, South Africa

		2013	2012
Operating profit after remeasurement items	Rm		
Turnover			
– External		**10**	50
– Inter segment		**358**	–
Total turnover		**368**	50
Operating costs and expenses		**1 648**	1 306
Total cluster		**2 016**	1 356
Operating performance			
Recordable case rate		**0,27**	0,31
Employee numbers		**7 309**	7 040

Sasol New Energy works to leverage the Sasol group's key competitive advantage, which is developing and commercialising alternative energy technologies, and implementing and operating facilities based on these technologies at large scale.

Sasol Technology adds value to the Sasol group through research and development, technology management and innovation, engineering services and project management. We contribute towards Sasol's fuels and chemical businesses to maintain growth and sustainability through appropriate technological solutions and services.

other **businesses** *continued*

Sasol **New Energy**

Establishing a platform for growth

Sasol New Energy (SNE) successfully delivered its first gas-to-electricity generation plant. This marked the first in a number of similar developments in line with the group's strategy to develop and grow Sasol's low-carbon electricity offering.

Delivering low-carbon electricity

The construction of our Sasolburg gas engine power plant to produce 140 megawatts (MW) of electricity from natural gas began in September 2011. This R1,9 billion project achieved beneficial operation in December 2012, three months ahead of schedule and R475 million below budget. The plant produced 720 000 megawatt hours of electricity for the period. This allowed Sasol to increase its cumulative electricity generation capacity to 69% of its own requirements. It is a further step in the replacement of coal-fired power generation, and has contributed to the reduction of our greenhouse gas emissions intensity. The project will improve the group's energy efficiency, and will eventually enable Sasol to reduce its carbon dioxide (CO_2) emissions in Sasolburg by a further one million tons. It has already eased the load on the national electricity grid, benefitting the broader South African economy. We have also taken the final investment decision to produce steam from the waste heat in the exhaust gas, improving the overall efficiency of the facility.

During the year, we advanced our US$246 million 140 MW gas-fired electricity generation plant at Ressano Garcia in Mozambique, in partnership with the country's state-owned power utility, Electricidade de Moçambique (EDM). EDM will be the sole offtaker of the electricity under a power purchase agreement. A newly established company, Central Térmica de Ressano Garcia, which is 49% owned by SNE and 51% by EDM, will operate the facility. Construction has commenced and we expect beneficial operation in the first half of calendar 2014. We are exploring other opportunities in the region.

During the year, **construction commenced on our US$246 million** 140 MW gas-fired electricity generation plant at Ressano Garcia in Mozambique.

In South Africa, the publication of changed requirements for the Renewable Energy Independent Power Producer Procurement Programme was delayed until May 2013. The new requirements mean that our concentrated solar power project in the northern Cape will not be economically viable unless major design changes are incorporated. As a result, the project has been shelved.

Pursuing alternative energy

We continued to advanced our in-house knowledge on carbon capture, utilisation and storage. Towards the end of the calendar year 2012, the CO_2 Technology Centre Mongstad (TCM) in Norway, in which Sasol has a 2,44% share, successfully commissioned a carbon capture demonstration facility. TCM is the world's largest facility for testing post-combustion carbon capture, a crucial part of the overall carbon capture and storage chain.

We made satisfactory progress investigating an opportunity for deploying underground coal gasification technology. This was done in collaboration with our partners, Eskom (South Africa's state-owned electricity provider) and Ergo Exergy Technologies of Canada.

During the year, SNE invested in a next-generation battery technology company. We acquired a 32,67% strategic share in Oxis Energy, based in the United Kingdom. This will allow us to apply our extensive experience in commercialising chemical processes to assist Oxis Energy to realise the potential of its next-generation battery technology. Oxis Energy's technology offers superior performance and safety over current technology.

Providing water security for our communities

We achieved significant milestones in our initiatives to improve water intensity. SNE's external water conservation partnerships started to yield results, with cumulative water savings of R10,5 million realised through the repair of leaking plumbing in 50 000 houses in Sebokeng and Evaton in the Sasolburg region. Demonstrating the sustainability of its "ring-fenced savings" funding model, the project is set to become self-funded. SNE's partnerships and municipal water conservation efforts are supporting the further development of water off-setting policy by the Department of Water Affairs. The Parliamentary Portfolio Committee on Water and Environmental Affairs has positively received the concept of water off-setting.

Sasol **Technology**

Adding value to the Sasol group

Sasol Technology's vision is to be recognised for consistent excellence in innovation, and for the delivery of cleaner technologies to enable Sasol's growth and sustainability. We add value to the Sasol group through our research and development, technology management and innovation, product application research, engineering services and project management.

During 2013, we continued to support Sasol's foundation businesses and position the group better to meet its growth ambitions through appropriate technological solutions and services. We spent over R1 billion on research and development for the year. Reinforcing our commitment to advancing technology, we recently opened a new research and development facility in Sasolburg, South Africa.

Supporting capital project execution

We managed capital expenditure of R10,2 billion across Sasol's project portfolio in the year. This involved 9 000 people employed by our engineering contracting partners. We made substantial progress with our Capital Excellence programme, in support of the Sasol group initiative to improve capital project delivery. We implemented a comprehensive review and redesign of our capital portfolio management processes, supported by a streamlined capital approval procedure. We also implemented comprehensive value-assurance measures to improve project planning. To address the challenge of delivering the group's portfolio of capital projects within budget and on schedule we are in the process of upgrading our engineering tools and systems for better control.

We continued to support our South African businesses and successfully implemented a number of large capital projects in Secunda and Sasolburg.

Innovating beyond coal

We continue to advance our portfolio of innovation initiatives. Our aim is to secure Sasol's technological lead in the longer term beyond coal-based Fischer-Tropsch conversion process. While these processes underpin Sasol's foundation businesses, we continue to progress technology that supports the natural gas conversion value proposition. In 2013, we conducted a study to further improve the value proposition of a generic gas-to-liquids (GTL) facility. This study yielded significant improvements in the economic metrics of our GTL projects.

The regeneration of Sasol's GTL catalyst was successfully demonstrated, which has the potential to improve overall GTL economics once commercially proven. The GTL reactor capacity has also been intensified by more than 50% for implementation in the next generation of commercial GTL facility designs.

Supporting our foundation businesses

We continued to support our South African businesses and successfully implemented a number of large capital projects in Secunda and Sasolburg.

In our quest to improve our environmental footprint, we have been exploring technology options to achieve – in a capital and operationally effective manner – the Clean Fuels 2 specifications. These are aligned with Euro V emission standards. We supported the development of the 140 megawatt gas engine power plant in Sasolburg, which began producing electricity in December 2012.

We also helped progress the Secunda growth programme, achieving beneficial operation of the additional four gasifiers.

Ensuring a high-performing team

We launched Sasol Technology's unique "formula for success" to promote a high-performance team culture in line with group strategy. This formula defines the way Sasol Technology does business and what it stands for, while demonstrating the driving forces that will either support or hamper success. The key to ensuring technological innovation, which is at the heart of Sasol's success, is to ensure that we attract and retain sufficient and appropriate skills. This is relevant in South Africa, in support of our foundation businesses, as well as globally, as we begin to execute our international mega-projects.

Our project academy, launched in 2012, ensures a stronger pipeline of qualified science and engineering talent. It trains around 1 600 internal project practitioners a year. The academy has redesigned the curriculum for all major project roles and has started implementing an individual certification process for key project roles. To complement these initiatives, we recently launched a project sponsor training and certification programme.

glossary

Ammonium nitrate: A colourless, crystalline compound derived from ammonia and nitric acid. Sasol uses ammonium nitrate for making fertilisers and commercial explosives.

Autothermal reformer: A catalytic partial-oxidation reactor in which the endothermic heat needed for the reforming reactions is provided by the combustion reactions of oxygen in the feed. Endothermic refers to a process in which heat is absorbed rather than released, as in exothermic.

Barrel: A standard international petroleum industry volumetric measure equal to 159,1 litres, 42 US gallons or 35 imperial gallons.

Biodiesel: Diesel derived, in part, from a range of biomass feedstocks

Catalyst: Usually a metal or metal-containing material used to accelerate a reaction between two or more chemical elements or compounds.

Central processing facility (CPF): A petrochemical processing plant with support infrastructure used at or near gas fields to conduct several processing steps on natural gas, sourced from multiple wells, before the gas is fed into a transmission pipeline for supply to customers.

Coal-to-liquids (CTL): A petrochemical term referring to a process technology, plant or venture that entails the conversion of coal into liquid transport fuels and related hydrocarbons, including petrol, diesel, kerosene and naphtha, as well as chemical feedstock.

Cracker: A chemical reaction vessel used for decomposing (cracking) petrochemical compounds such as naphtha, liquefied petroleum gas or waxes.

Ethane: A colourless, odourless gas. Ethane is isolated on an industrial scale from natural gas, and as a by-product of natural feedstock for ethylene production.

Ethylene: A colourless, flammable, hydrocarbon gas used by Sasol as feedstock for producing principally polyethylene and polyvinyl chloride.

Fischer-Tropsch process: A chemical process whereby synthesis gas (a mixture of hydrogen and carbon monoxide) is converted into a complex mixture of hydrocarbons over a metal-based catalyst at elevated pressures and temperatures. The hydrocarbon product mixture undergoes further processing to provide liquid transportation fuels and chemicals.

Fracking: The process of initiating a fracture in a rock layer, by means of a pressurised fluid, in order to release petroleum, natural gas, coal steam gas or other substances for extraction.

Gas-to-liquids (GTL): A petrochemical term referring to an integrated process technology or production plant for converting a hydrocarbon feedstock gas (usually natural gas or methane) into liquid hydrocarbons such as diesel, kerosene and naphtha.

Gasification: The conversion of coal and other feedstocks in a gasifier into gases and co-products under high temperature and pressure in the presence of steam and oxygen. The purified gases and co-products are converted downstream into liquid fuels and chemical feedstock.

Hexene (1-hexene): A straight-chain C_6 hydrocarbon molecule that contains a single, terminal double-bond between atoms. Customers use it mostly as a co-monomer for enhancing certain characteristics of polyethylene.

Ketones: Organic chemical compounds characterised by the presence of a carbonyl group bound to other carbon atoms. Ketones are often used in perfumes and paints to stabilise the other ingredients so that they do not degrade quickly over time. Other industrial applications include its use as a solvent in the chemical industry.

Liquefied petroleum gas (LPG): Petroleum gases such as propane, butane and pentane pressurised in liquefied form and used for heating applications such as camping stoves and lighters.

Methanol: A toxic, colourless alcohol used as an important intermediate chemical and a versatile solvent.

Monomer: A chemical such as ethylene or propylene capable of being converted into a long-chain polymer or a synthetic resin by combining with itself or other similar molecules or compounds.

Naphtha: A generic term for a mixture of flammable, light distillate hydrocarbons used for producing petrochemicals downstream. In the case of Sasol's GTL process, GTL naphtha is used as feedstock for cracking.

Natural gas: A mixture of hydrocarbon gases in the earth's crust containing methane, as well as ethane, propane, butane, nitrogen, carbon dioxide and sulphur compounds.

Octene (1-octene): A straight-chain C_8 hydrocarbon molecule that contains a single, terminal double-bond between atoms. It is used mostly as a co-monomer for producing certain plastics.

Pentene (1-pentene): A straight-chain C_5 hydrocarbon molecule that contains a single, terminal double-bond between atoms. It is used for producing certain plastics and agrochemicals.

Polyethylene: A common plastic comprising long-chain ethylene molecules. Our customers use polyethylene to produce boutique shopping bags, food-wrap films and other packaging materials, pipe, moulded fittings, and wire and cable sheaths, among other products.

Polymer: A compound whose molecule is formed from a large number of repeated units of one or more compounds of low molecular weight (monomers). Synthetic polymers are used extensively in plastics. Polymers do not have a definite formula because they consist of many chains of different lengths.

Polypropylene: A notably versatile plastic derived from the polymerisation of propylene. Our customers use polypropylene for making automotive components, furniture, self-hinged containers, medical equipment, carpet backings and woven bags, among other products.

Polyvinyl chloride (PVC): A tough, white, solid thermo-plastic that can be softened with plasticisers. Sasol produces PVC by polymerising vinyl chloride monomers derived from ethylene and chlorine. Our customers use PVC for sheathing cables, moulding footwear and moulding bottles and other packaging forms.

Propanol: A colourless and volatile alcohol existing in two isomers (iso-propanol and normal-propanol) used as a solvent and to prepare esters such as propyl acetate.

Propylene: A colourless, gaseous hydrocarbon obtained from petroleum by cracking alkanes, among other petro-chemical processes. In the case of our Secunda operations, we produce propylene as a co-product of the Sasol Advanced Synthol™ process before we convert it downstream into polypropylene butanol and acrylic acid.

Reforming: A broad petrochemical process used to change feed molecules in some radical form. For example, naphtha reforming creates high-octane petrol components from low-value naphtha. Reforming also refers to the process of converting methane or natural gas into synthesis gas.

Sasol Advanced Synthol™ (SAS™) reactor: The proprietary Sasol reactor at the heart of the SAS™ process, the high-temperature version of Sasol's Fischer-Tropsch (FT) process used at Secunda, to produce a synthetic form of crude oil and chemical feedstock.

Sasol Slurry Phase Distillate™ (Sasol SPD™) process: A proprietary version of Sasol's low-temperature Fischer-Tropsch (FT) process, used with an advanced iron or cobalt catalyst, to convert synthesis gas into waxes and related petrochemical streams for producing and marketing waxes and/or diesel.

Solvent: A liquid that dissolves other substances to form a solution.

Synthesis: The formation of more complex chemical compounds or molecules from simpler compounds or molecules, as in the Fischer-Tropsch process.

Synthesis gas (syngas): A mixture of carbon monoxide and hydrogen used to produce liquid fuels and chemicals in downstream processes.

Volatile organic compounds (VOCs): Hydrocarbon compounds, including industrial alcohols, ketones and other solvents, that evaporate rapidly and easily at ambient temperature when exposed to the air and which are, or can be, harmful to human health due to overexposure or misuse.

Wax: A long-chain paraffinic compound, liquid or solid, with many applications, including hot-melt adhesives, mould-release agents, printing inks, cosmetics, board coatings, polishes, candles and bitumen additives for road building.

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Direct purchase plan

The Bank of New York Mellon maintains a sponsored dividend reinvestment and direct purchase programme for Sasol's depositary receipts. As a participant in Global BuyDIRECT^{SM}, investors benefit from the direct ownership of their depositary receipts, the efficiency of receiving corporate communications directly from the depositary receipt issuer, and the savings resulting from the reduced brokerage and transaction costs. Additional information is available at www.globalbuydirect.com.

Questions or correspondence about Global BuyDIRECT^{SM} should be addressed to:
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shareholders' information

Shareholders' diary

Financial year end	30 June 2013
Annual general meeting	22 November 2013

Dividends

Interim dividend	
– rand per share	5,70
– paid	15 April 2013
Final dividend	
– rand per share	13,30
– date declared	9 September 2013
– last date to trade *cum dividend*	4 October 2013
– payable	14 October 2013

Feedback

Through our reporting process we seek to move beyond compliance and enter into an inclusive and meaningful dialogue with our stakeholders, with the aim of informing our strategy department and building trust.

We value feedback and welcome questions and comments on our reporting. To give feedback or request hard copies of our reports, please contact our corporate affairs division or use the feedback form on our website at www.sasol.com.

Forward-looking statements: 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. Sasol may, in this document, make certain statements that are not historical facts and 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 exchange rate fluctuations, volume growth, increases in market share, total shareholder return and cost reductions. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such 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. 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 are discussed more fully in our most recent annual report under the Securities Exchange Act of 1934 on Form 20-F filed on 9 October 2013 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Please note: A billion is defined as one thousand million. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word "calendar".

STUDIO 5

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