

sasol
reaching new frontiers



positive actions

annual review and summarised financial information 2009



contents

Group overview

01–13

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South African energy cluster

Sasol Mining	30	Coal mining, gas marketing and distribution, synfuels and chemical feedstock production, liquid fuels production and marketing.
Sasol Gas	33	
Sasol Synfuels	36	
Sasol Oil	39	

International energy cluster

Sasol Synfuels International (SSI)	44	Oil and gas exploration and production, and development of international gas-to-liquids (GTL) and coal-to-liquids (CTL) ventures.
Sasol Petroleum International (SPI)	47	

Chemical cluster

Sasol Polymers	52	Production and marketing of a wide range of surfactants, surfactant intermediates, specialty inorganic chemicals, alcohols, esters, acrylates, ketones and other solvents, comonomers, monomers and polymers, including polyethylene, polypropylene and polyvinyl chloride.
Sasol Solvents	55	
Sasol Olefins & Surfactants (Sasol O&S)	58	Production and marketing of ammonia and ammonia-based compounds, fertilisers, commercial explosives, hydrogen and other specialty gases, sulphur, waxes and waxy oils, and cresols and other cresylics, as well as alkylamines and mining reagents.
Sasol Nitro, Sasol Wax, Sasol Infrachem and Merisol	60	



Other businesses

Sasol Technology	65	Research and development, technology management and innovation, engineering services and project management.
Sasol Financing	67	Group cash and liquidity, credit-rating processes, in-house banking, financing, foreign exchange, interest rate and treasury risk management.

Sustainable development review

Summarised financial information

Salient features	96	Contact information	100
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End products

- Petrol
- Diesel
- Jet fuel
- Fuel oil
- Illuminating paraffin
- Liquefied petroleum gas
- Pipeline gas
- Lubricants and greases
- Bitumen
- Speciality carbon products
- Chemical feedstock
- GTL naphtha



End products

- | | | |
|--|---|---------------------------------|
| Detergents and soaps | Woven polypropylene carpets | Candles |
| Catalysts | Automotive components | Crayons |
| Paints and coatings | Plastic film and packaging | Polishes and coatings |
| Perfumes and deodorants | Household cleaning liquids | Microchip coatings |
| Pharmaceuticals | Fertilisers | Sun protection creams |
| Compact and digital video discs | Explosives for mining and quarrying | Water-treatment chemicals |
| Pipe, conduit and electrical accessories | Rubber-processing chemicals | Inks |
| Cable | Food coatings | |





positive actions in turbulent times

Our strategy remains unchanged and our value proposition intact. Balancing short-term needs and long-term sustainability, we have continued to renew our business basics, preserving Sasol's robust fundamentals and delivering a solid performance in deteriorating markets. Our pipeline of growth projects remains strong, even though we have reprioritised capital spending. With our shared values as our guide, we have dealt decisively with disappointments and unprecedented challenges. We are confident that our positive actions will help us navigate the storm and emerge stronger than before.

About Sasol

Sasol is an energy and chemicals company. We convert coal and gas into liquid fuels, fuel components and chemicals through our proprietary Fischer-Tropsch (FT) processes. We mine coal in South Africa, and produce gas and condensate in Mozambique and oil in Gabon. We have chemical manufacturing and marketing operations in South Africa, Europe, the Middle East, Asia and the Americas. In South Africa, we refine imported crude oil and retail liquid fuels through our network of Sasol convenience centres. We also supply fuels to other distributors in the region and gas to industrial customers in South Africa.

Based in South Africa, Sasol has operations in 38 countries and employs some 34 000 people.

We continue to pursue international opportunities to commercialise our gas-to-liquids (GTL) and coal-to-liquids (CTL) technology. In partnership with Qatar Petroleum we started up our first international GTL plant, Oryx GTL, in Qatar in 2007. In 2009, alongside our respective partners, we retained an economic interest in the Escravos GTL project in Nigeria and made progress investigating the feasibility of a CTL plant in China and a GTL plant in Uzbekistan. We also advanced our upstream oil and gas activities in Mozambique, Nigeria, Gabon, South Africa, Papua New Guinea and Australia.

Formed in 1950, Sasol started producing synthetic fuels in 1955. Sasol is listed on the JSE Limited in South Africa and the New York Stock Exchange.

Sasol's flagship operations at Secunda, Mpumalanga Province.



Cover: Oryx GTL, Sasol's flagship GTL facility in Qatar.



salient features

for the year ended 30 June

Selected ratios		2009	2008
Return on equity	%	17,0	32,5
Return on total assets	%	18,7	26,9
Operating margin	%	17,9	26,0
Finance expense cover	times	12,3	14,5
Dividend cover	times	2,8	2,8

Share statistics

Total shares in issue	million	665,9	676,7
Treasury shares (share repurchase programme)	million	8,8	37,1
Weighted average number of shares	million	596,1	601,0
Diluted weighted average number of shares	million	614,0	609,5
Share price (closing)	Rand	269,98	461,00
Market capitalisation	Rm	179 780	311 959
Net asset value per share	Rand	141,14	128,44
Dividend per share	Rand	8,50	13,00
– interim	Rand	2,50	3,65
– final	Rand	6,00	9,35

financial review

		% change '09 vs '08	2009 Rand	2008 Rand	2007 Rand	2009 US\$	2008 US\$	2007 US\$
Turnover	million	6	137 836	129 943	98 127	15 247	17 801	13 629
Operating profit	million	(27)	24 666	33 816	25 621	2 728	4 632	3 559
Profit	million	(41)	13 715	23 528	17 550	1 517	3 223	2 438
Basic earnings per share	Rand	(39)	22,90	37,30	27,35	2,53	5,11	3,80
Headline earnings per share	Rand	(33)	25,42	38,09	25,37	2,81	5,22	3,52
Dividend per share	Rand	(35)	8,50	13,00	9,00	1,10	1,65	1,27
Wealth created	million	(7)	50 503	54 460	42 568	5 587	7 460	5 912
Total assets	million	4	145 838	140 112	119 065	18 866	17 894	16 913

About this report

Sasol's reporting aims to provide a balanced, understandable, complete and easily comparable view of our business.

Please refer to the inside back cover for further details on Sasol's other reports for the year ending 30 June 2009.



financial and operating performance 2009

strong fundamentals

Highlights

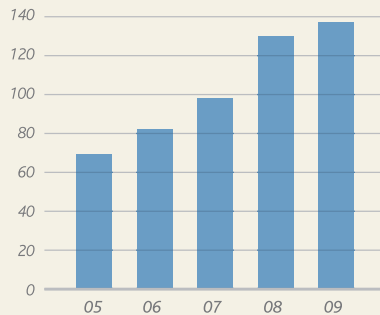
- Decisive response to global economic downturn
- Cash generated by operating activities of R48 billion
- Excluding once-off charges, operating profit maintained
- Oil hedge cushions impact of sharp decline in oil prices
- Deleveraged balance sheet positions Sasol well to fund growth
- Overall group production volumes up
- Oryx GTL and Arya Sasol Polymers plants performing successfully
- Upstream oil and gas portfolio growing
- Sasol New Energy launched
- Growth projects remain on course

Challenges

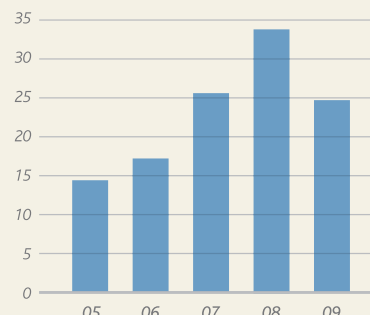
- Headline earnings per share down 33% to R25,42
- Increase in cash fixed costs largely due to weaker average exchange rate and higher electricity costs in South Africa
- Four fatalities recorded and recordable case rate (RCR)* marginally higher
- Substantial competition-related fines at Sasol Wax GmbH and Sasol Nitro for past breaches in competition law
- Comprehensive group-wide competition law compliance review implemented
- Challenging targets to reduce carbon footprint updated

*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 cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.

Turnover (R billion)

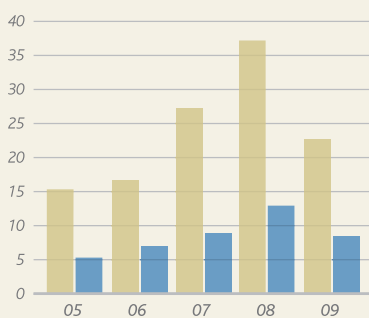


Operating profit (R billion)



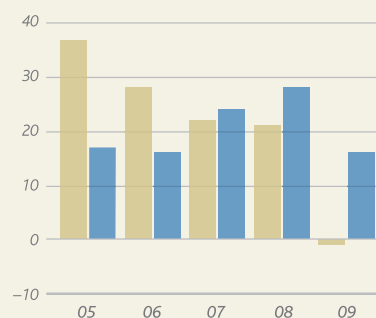
CAGR 2005 – 2009: 14%

Attributable earnings and dividend per share (Rand)



■ Attributable earnings per share
■ Dividend per share
CAGR 2005 – 2009: 12%

Gearing and return on invested capital (%)



■ Gearing
■ Return on invested capital

Operating profit/(loss) (contribution to group)

South African energy cluster (Rm)

Mining 1 593 > Gas 2 424 > Synfuels 25 188 > Oil (351) > Other (170)

116%

International energy cluster (Rm)

Synfuels International (235) > Petroleum International 1 115

4%

Chemical cluster (Rm)

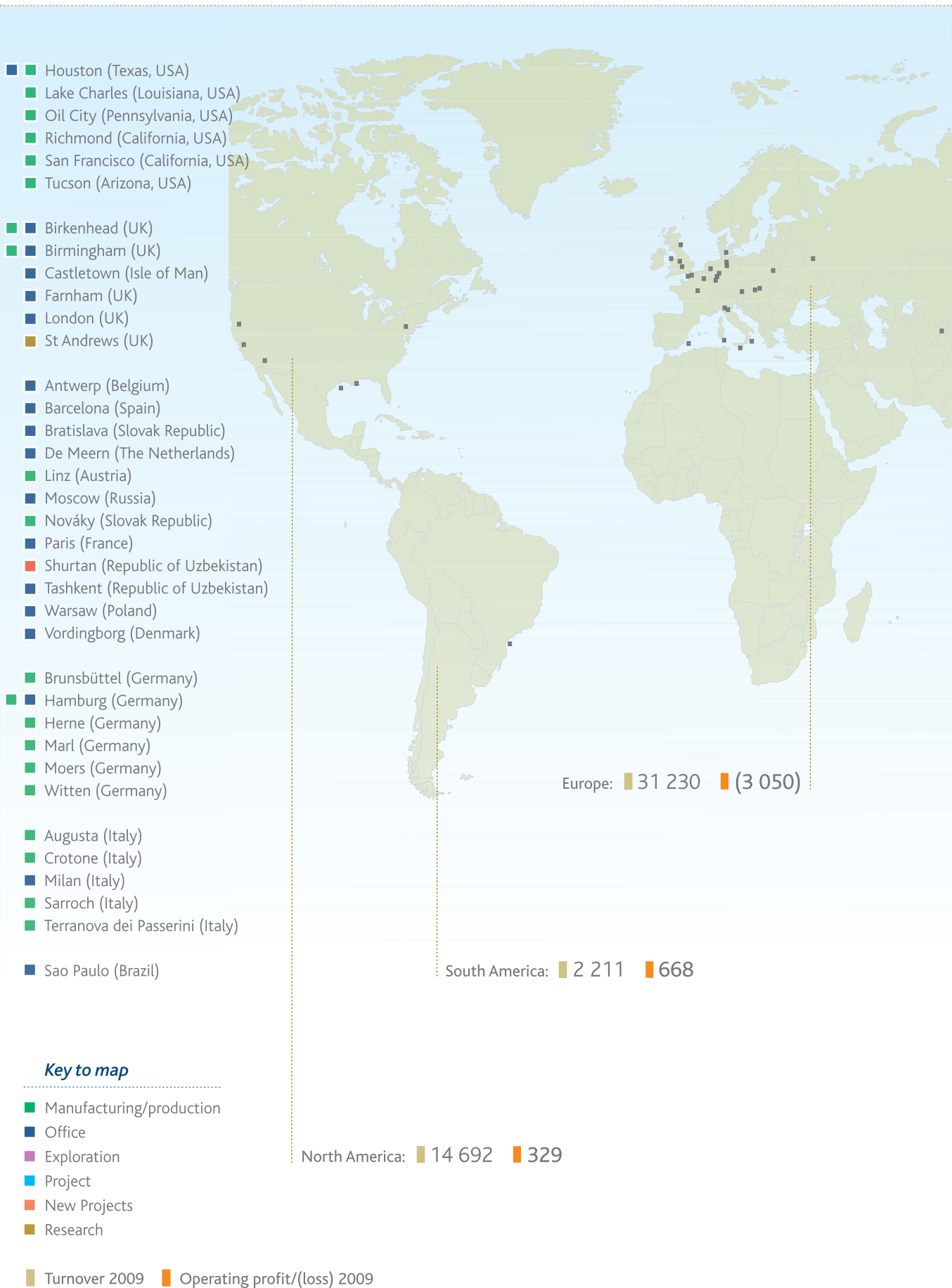
Polymers 946 > Solvents 495 > Olefins & Surfactants (160) > Other (3 525)

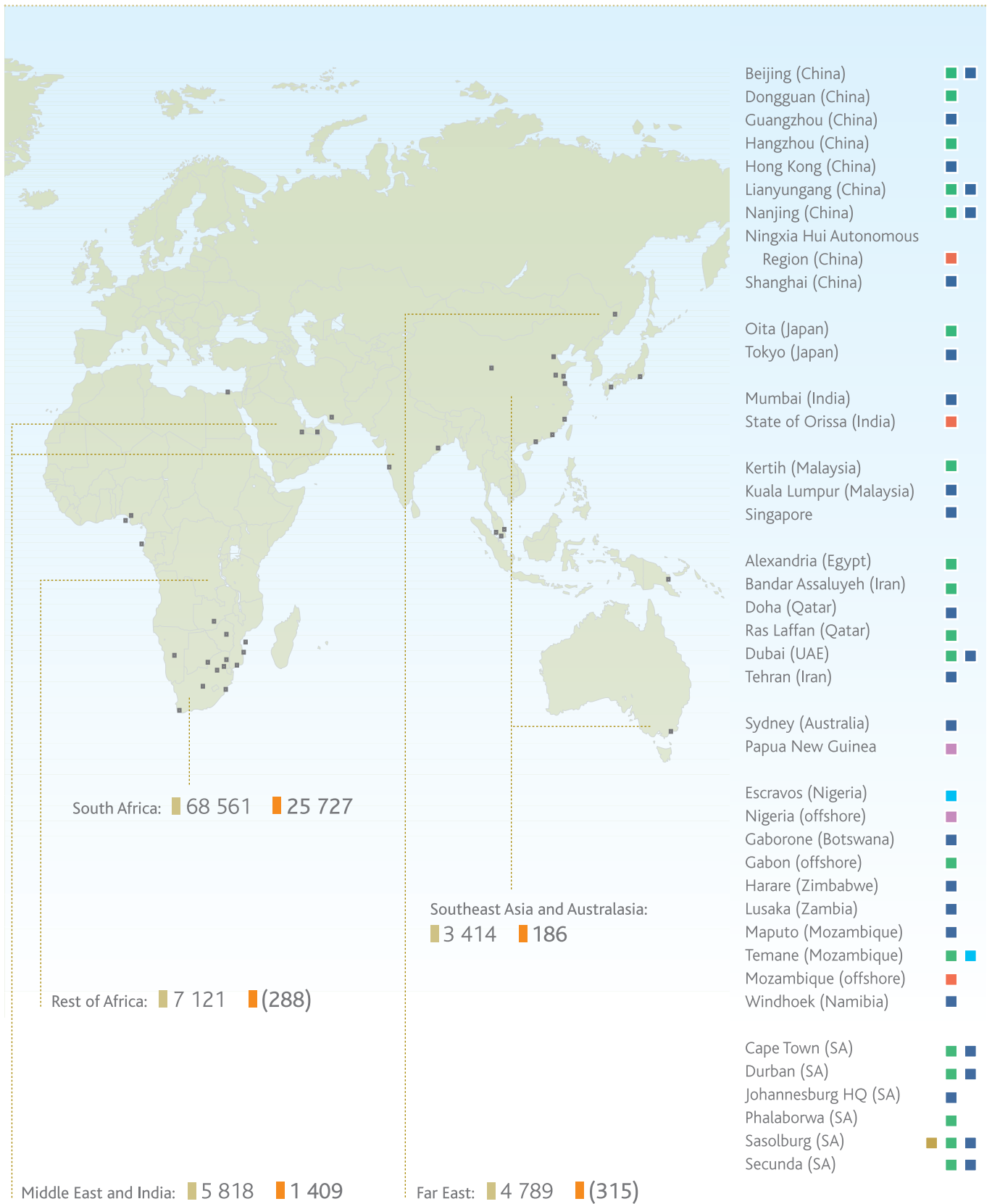
-9%

Other businesses (Rm) (2 654)

-11%

global activities





integrated business model

Sasol Limited, located in Johannesburg, South Africa, is the holding company for the group's subsidiaries.
 Sasol Group Services (Pty) Limited provides certain specialised services to group companies.

south african energy cluster

Sasol Mining p30

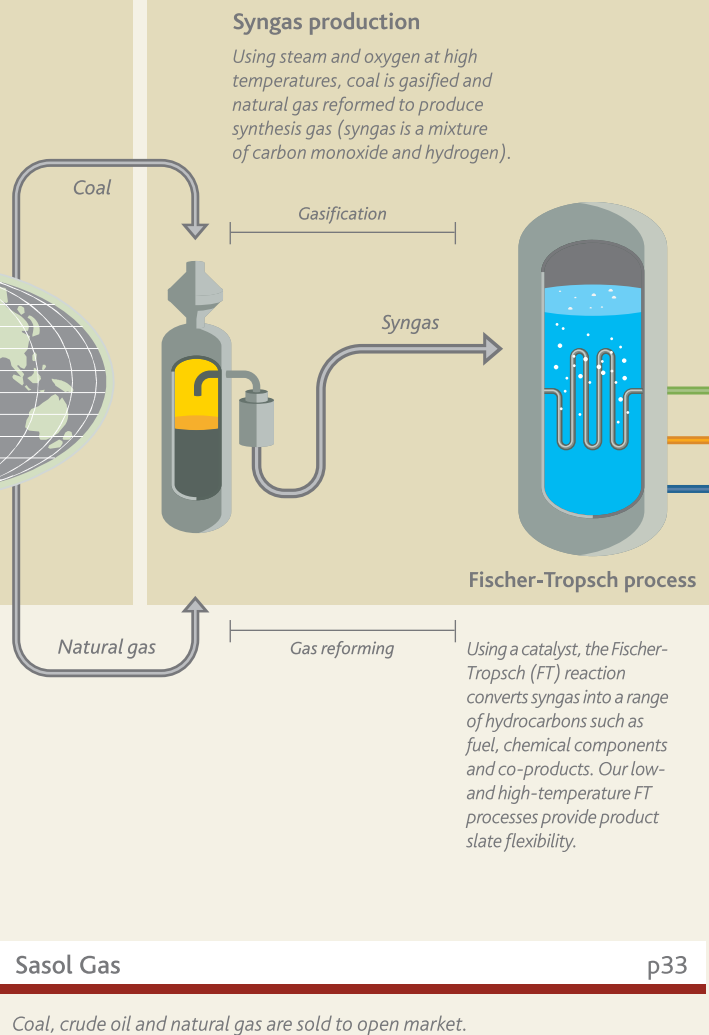
Sasol Synfuels p36

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

international energy cluster

Sasol Synfuels International (SSI) p44

Sasol Petroleum International (SPI) p47

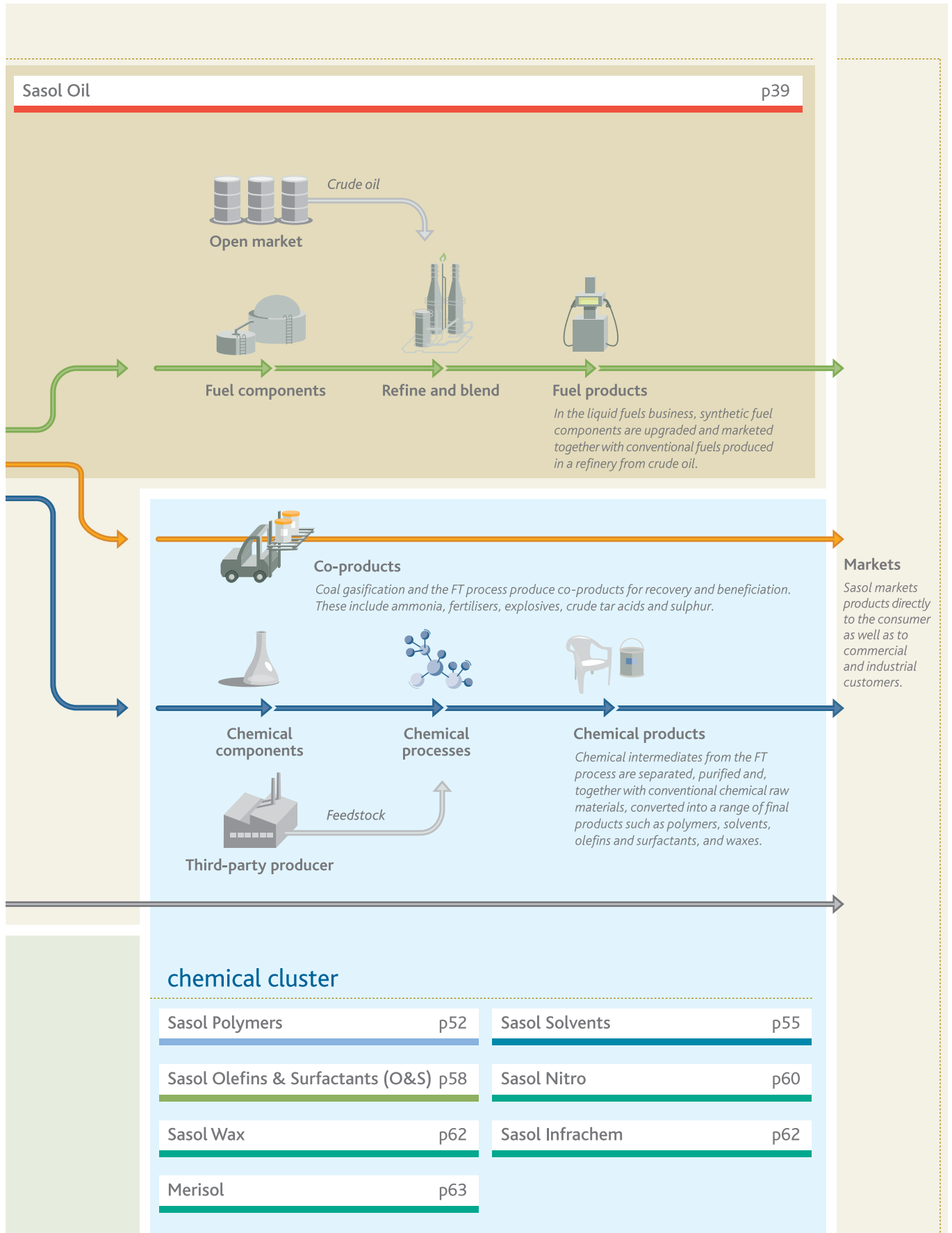


other businesses

Sasol Technology p65

Sasol Financing p67

Exploiting the benefits of our proprietary technology



consistent strategic direction

Sasol's strategy is to leverage our core competitive advantages by replicating the successful Sasol business model to create several integrated hubs based on coal as well as natural gas, thereby substantially growing our upstream, liquid fuels and chemical businesses, and by continuing to develop our existing asset base. Our strategy is reviewed annually to ensure Sasol remains robust and competitive.

We continue to strengthen the foundation of our business by optimising our balance sheet, extracting operational efficiencies and making improvements, and adopting a proactive stance on governance and compliance.

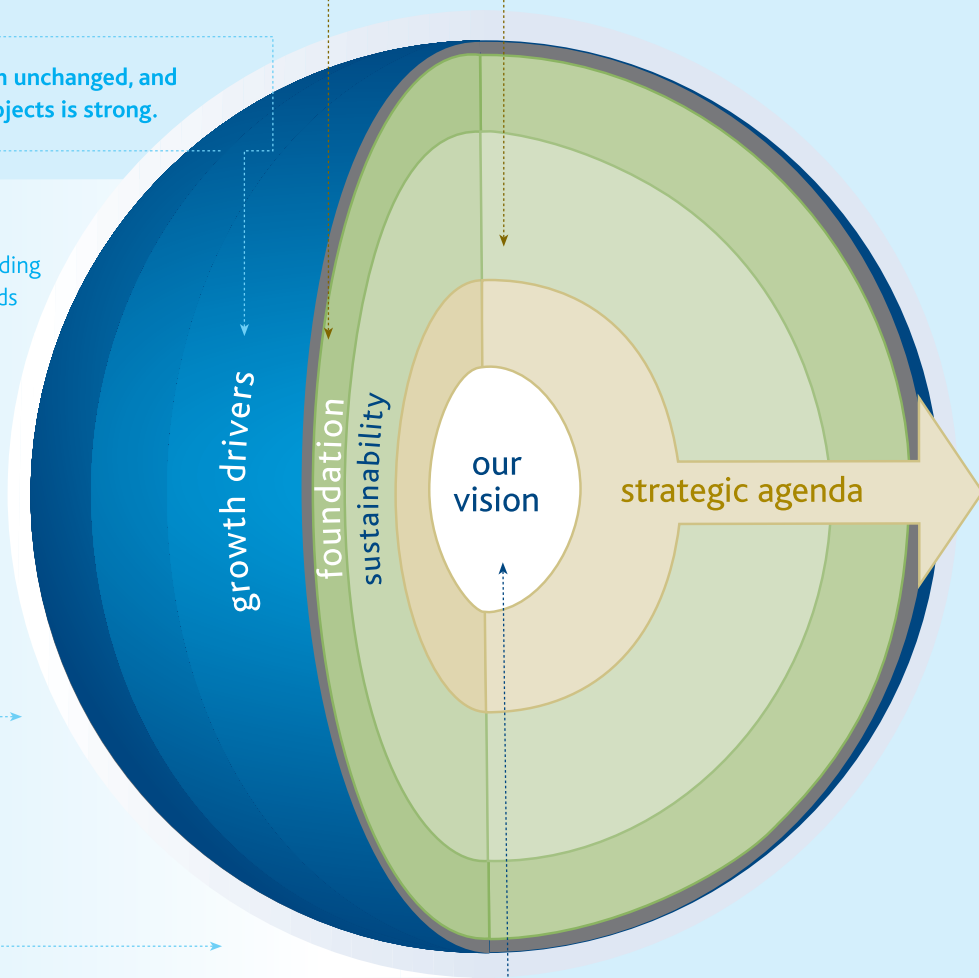
Our sustainability focus involves continuously improving safety, driving transformation in our South African operations, and further enhancing our efforts to reduce our environmental footprint across the group.

Our growth drivers remain unchanged, and our pipeline of growth projects is strong.

Commercialising and expanding our proprietary gas-to-liquids (GTL) and coal-to-liquids (CTL) technologies.

Growing our chemical portfolio, leveraging feedstock/ technological advantages.

Exploiting complementary upstream hydrocarbon opportunities.



To be a respected global enterprise, harnessing our talents in applying unique, innovative and competitive technologies to excel in selected markets in the energy, fuels, chemicals and related sectors in Southern Africa and worldwide.

Associated objectives

- Continue to implement our broad-based black economic empowerment (BEE) strategy across the seven pillars of BEE using the Codes of Good Practice for Broad-based Black Economic Empowerment.



- Grow and improve our South African production footprint.
- Achieving world-class safety record (and targeting zero harm) remains a foremost priority.
- Moderate our environmental footprint by achieving stated targets for emissions reductions supported by improvements in energy efficiency.
- Continue our drive for Operations Excellence.



- Focus on recruiting, developing and retaining skills needed to meet our strategic objectives.
- Build our talent pipeline through focused succession planning and leadership development.
- Extend our skills capacity through learnerships and external partnerships.



- Successful completion and operation of projects.
- Technology development for GTL and CTL plants.
- Pursue global opportunities in upstream CTL and GTL.
- Grow chemical businesses based on our unique technologies.



Strategic agenda

Deliver on the South African transformation agenda

Nurture and grow our existing asset base

Develop and empower our people to deliver growth

Commercialise our technological lead

Progress made

- Sasol Inzalo transaction finalised and The Sasol Inzalo Foundation established.
- Number of broad-based BEE suppliers supported by Siyakha Trust has tripled and business incubator, ChemCity, has created 2 005 jobs since 2004.
- Transformation at Sasol Mining progressed well, with rights retained to certain coal reserves (conversion to new order mining rights); women make up 11% of workforce; and BEE ownership above 20%.
- Workforce diversity in management is 56,4%.
- Sasol had 302 black women in learnerships in 2008.



- Realised cost savings of R1,6 billion in the past year, of which half is sustainable.
- R3 billion invested to improve environmental footprint over next few years.
- Signatory to launch of the South African Centre for Carbon Capture and Storage.
- R7 billion capital expenditure programme to develop new mine shafts in Secunda.
- Selective catalytic cracker reaches 70% operating rate.
- Commissioned flow and trunk lines from Pande gas wells in Mozambique, allowing supplementary supplies to flow from Pande to the central processing facility (CPF).
- Drilled two exploration wells in blocks 16 and 19 offshore Mozambique.



- Project TalentGro continues to coordinate all skills development activities.
- R386 million invested in employee training and development.
- Integrated skills development programme established to identify and address priority areas for skills attraction and retention.
- Technical skills development programme training 993 learner artisans.
- R45 million spent on bursary scheme.
- R250 million over ten years allocated to investment in South African universities.
- 9 785 employees receiving leadership training.



- 170 000 tons of coal to be mined for gasification trials in next six months at Secunda and investigating coal-bed methane as feedstock.
- Construction began on third catalyst production unit in Sasolburg, to be completed in 2010.
- Ramp-up production of second cobalt catalyst plant in De Meern in The Netherlands.
- Pre-feasibility study concluded in December 2008 to develop a GTL plant in Uzbekistan with partners Uzbekneftegaz and Petronas. Joint-venture agreement signed in July 2009 for GTL project of 36 000 barrels a day.
- Ramp-up Arya Sasol Polymers complex in Iran.
- Ramp-up third 1-octene plant at Secunda.

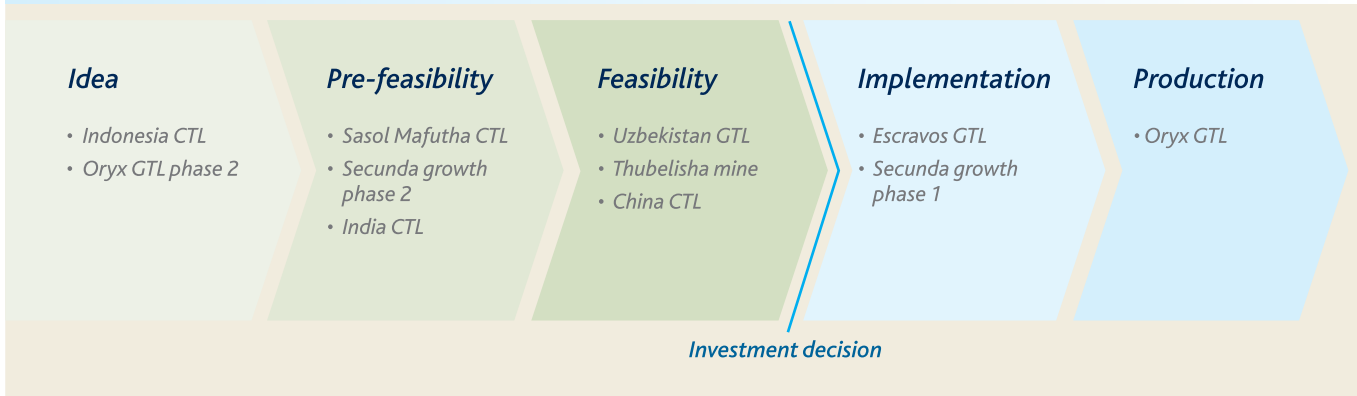


Values-driven leadership/high-performance culture

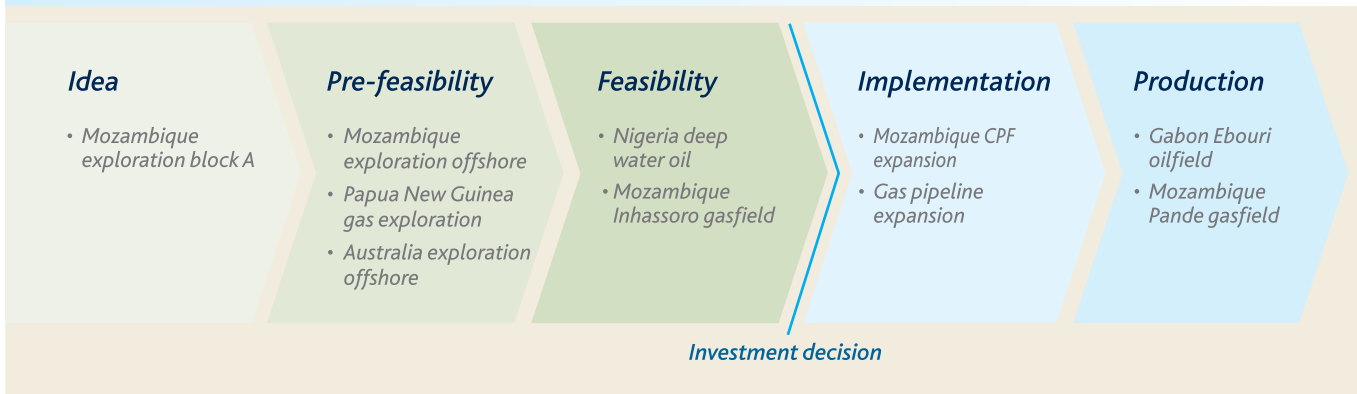
investing in growth

Our flexible approach to our capital expenditure programme allows us to continuously reprioritise and ensure that our pipeline of growth projects is advanced.

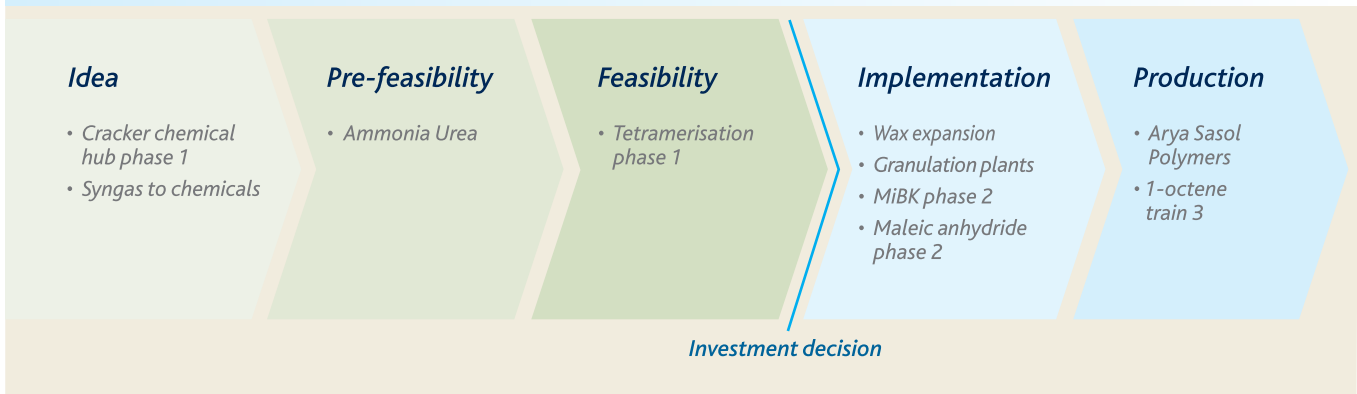
Grow CTL & GTL



Grow upstream business



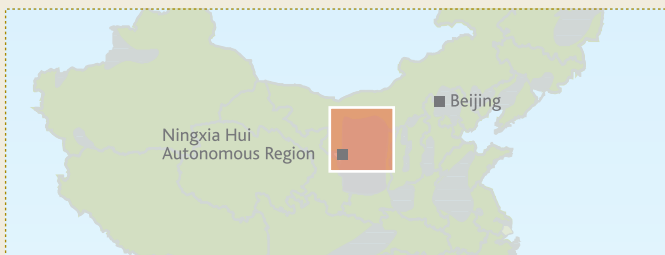
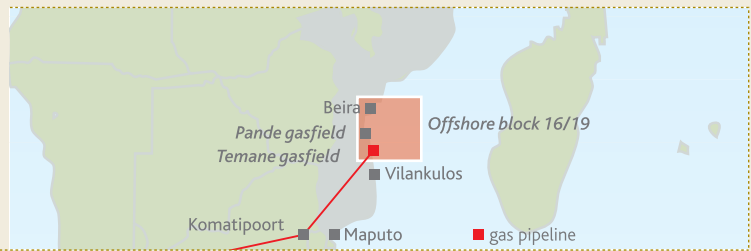
Grow chemicals





South Africa: Sasol Mafutha is a Sasol initiative to investigate the merits of establishing a new CTL facility in the northern Limpopo Province of South Africa. Sasol has signed a MOU with the Industrial Development Corporation of South Africa (IDC) as a 49% stakeholder in the possible CTL facility.

Mozambique: SPI successfully drilled two exploration wells in blocks 16 and 19 in the year. Sasol holds 50% of the licence for this concession area, while Petronas of Malaysia has acquired 35% and the Mozambican national oil company, Empresa Nacional de Hidrocarbonetos de Moçambique, owns 15%.



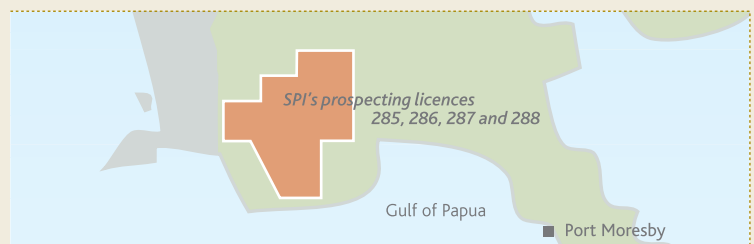
China: Together with Chinese partners, Shenhua Ningxia Coal Industry Group, Sasol is exploring the development of a CTL facility at the Ningdong Energy and Chemicals Base. Extensive infrastructure exists at the base and the site for a CTL plant has been prepared. The surrounding area has massive coal reserves.

India: Sasol has launched a pre-feasibility study into a CTL facility in India. The government has awarded the SSI and Tata joint venture long-term access to a portion of the Talcher coalfield in the State of Orissa, the largest coal block award ever made in India to a private company.



Uzbekistan: Sasol has formed a partnership with Petronas and state oil and gas company Uzbekneftegaz to establish a GTL plant in Uzbekistan. A pre-feasibility study has been completed and a feasibility study is underway. A MOU has been signed to cooperate in the Uzbek oil and gas industry.

Papua New Guinea: SPI took a 51% interest in four petroleum prospecting licences in Papua New Guinea with Papua Petroleum Limited. SPI became the operator of the licences, which cover 37 000 km² of the foreland basin in the Western Province. The area is remote, with access only via river or air.



our board of directors

non-executive chairman



Hixonia Nyasulu (55)

Appointed to the Sasol board in 2006

BA (Hons)

Non-executive chairman

Member of the nomination and governance committee.

Appointed as non-executive chairman on 28 November 2008. Director of Ayavuna Women's Investments (Pty) Limited. Director of Barloworld Limited, the Tongaat-Hulett Group (Pty) Limited and Unilever plc/NV. She is also a director of Tshwarisano LFB Investment (Pty) Limited and Sasol Oil, and a member of the JP Morgan SA advisory board.

Pat Davies (58)

Appointed to the Sasol board in 1997

BSc Eng (Mech)

Chief executive

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

Joined the group in 1975. Before his appointment as chief executive in 2005, he was responsible for the globalisation of Sasol's GTL technology as well as the group's oil and gas business, including Sasol Synfuels, Sasol Petroleum International, Sasol Synfuels International, Sasol Oil, Sasol Gas and Sasol Technology.

Nolitha Fakude (44)

Appointed to the Sasol board in 2005

BA (Hons)

Executive director

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

Responsible for worldwide group human resources, corporate affairs, government affairs and group transformation. Before joining Sasol she was a member of the group executive committee at Nedbank Group Limited. She was also a director of Harmony Gold Mining Company Limited, BMF Investment Limited and Woolworths Holdings Limited.

Benny Mokaba (48)

Appointed to the Sasol board in 2006

BA (Hons), PhD

Executive director

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

Responsible for the SA energy cluster, comprising Sasol Synfuels, Sasol Oil, Sasol Gas, Sasol Mining and Sasol Mafutha. Before joining Sasol he was executive chairman and regional vice-president of Shell Southern Africa. He has also worked for the Development Bank of Southern Africa, was head of Steinmüller Africa and chairman of Siemens Southern Africa.

Christine Ramon (42)

Appointed to the Sasol board in 2006

CA(SA)

Executive director and chief financial officer

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

Before joining Sasol she was chief executive of Johnnic Holdings Limited. Prior to this she held several senior positions, including acting chief operating officer and financial director at Johnnic Holdings Limited. She is also a non-executive director of Transnet. In 2006, the World Economic Forum recognised her as a Young Global Leader.

JJ Njeke (50)

Appointed to the Sasol board in 2009

CA(SA)

Independent non-executive director

Member of the audit committee.

Past chairman of the South African Institute of Chartered Accountants. Managing director of Kagiso Trust Investments and serves on the board of the Kagiso group of companies, ArcelorMittal (SA), Metropolitan Holdings, N M Rothschild (SA), Resilient Property Income Fund, MTN and the Council of the University of Johannesburg.

Colin Beggs (61)

Appointed to the Sasol board in 2009

CA(SA)

Independent non-executive director

Member of the audit committee.

Past chief executive of PricewaterhouseCoopers until end June 2009. He joined Price Waterhouse in 1970 and became a partner in 1979 and senior partner in 1992. In 1998, he became joint chief executive officer of PricewaterhouseCoopers, Southern Africa after the merger between Price Waterhouse and Coopers & Lybrand. Appointed chief executive of PricewaterhouseCoopers in 2001.

*Information as at 30 September 2009.

executive directors



non-executive directors



Brian Connellan (69)

Appointed to the Sasol board in 1997

CA(SA)

Independent non-executive director

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

Former executive and non-executive chairman of Nampak Limited. Director of ABSA Group Limited, Reunert Limited and Illovo Sugar Limited. He is past councillor of the South African Foundation, the Corporate Forum and The Institute of Directors and a contributor to both King Reports on corporate governance in South Africa.

Henk Dijkgraaf (62)

Appointed to the Sasol board in 2006

MSc Eng (Mining)

Independent non-executive director

Chairman of the compensation committee and of the risk and safety, health and environment committee.

Former chief executive officer of the Dutch natural gas companies, GasTerra, Gasunie and Nederlandse Aardolie Maatschappij. Held various positions at the Royal Dutch Shell Group, including president of Shell Nederland BV, former chief executive, Gas Power and Coal and director of Shell Exploration and Production. He is a member of the board and the audit committee of Eneco Holding N.V. and of the Royal Tropical Institute, and deputy chairman and treasurer of the Netherlands Institute for the Near East.

Mandla Gantscho (47)

Appointed to the Sasol board in 2003

CA(SA), MSc, PhD

Independent non-executive director

Member of the audit committee.

Former vice-president operations: infrastructure, private sector and regional integration of the African Development Bank, prior to which he was chief executive officer and managing director of the Development Bank of Southern Africa. He is a director of Group Five Limited and AfroCentric Investment Corporation Limited.

Anshu Jain (46)

Appointed to the Sasol board in 2003

BA (Hons), MBA

Non-executive director

A managing director and head of global markets of Deutsche Bank AG and member of the group executive committee. Previously a managing director of Merrill Lynch in New York.

Imogen Mkhize (46)

Appointed to the Sasol board in 2005

BSc, MBA

Independent non-executive director

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

Chairman of the Richards Bay Coal Terminal Company (Pty) Limited and a director of Murray & Roberts Holdings Limited, Mondi plc and Mondi Limited, Allan Gray Limited and Mobile Telephone Networks (Pty) Limited. She is a member of the Financial Markets Advisory Board and the Harvard Business School Alumni Board.

Jürgen Schrempp (65)

Appointed to the Sasol board in 1997

BSc Eng

Lead independent non-executive director

Member of the nomination and governance committee.

Chairman of Mercedes-Benz South Africa (Pty) Limited and a director of Compagnie Financière Richemont SA, Iron Mineral Beneficiation Services (Pty) Limited, Jonah Capital (Pty) Limited and South African Airways. He is a member of the South African President's International Investment Council and honorary Consul-General in Germany of the Republic of South Africa.

Tom Wixley (69)

Appointed to the Sasol board in 2007

CA(SA)

Independent non-executive director

Member of the audit committee and nomination and governance committee.

Former chairman of Ernst & Young, South Africa where he was a partner for 31 years. Director of Anglo Platinum Limited, New Corpcapital Limited, African Life Assurance Company Limited, Clover Industries Limited and Avusa Limited. Member of the Actuarial Governance Board of the Actuarial Society of South Africa and chairman of the ad hoc committee on corporate law reform of the South African Institute of Chartered Accountants.

non-executive directors



chairman's statement

a talent for partnership



This year, my first as chairman, has been one of extraordinary global economic circumstances. All of Sasol's stakeholders – the millions who own this business, directly or indirectly, our some 34 000 employees, the tens of millions of people who use our products every day, our suppliers and the governments with whom we partner – have felt, in one way or another, the stress and challenge of the rapid economic deterioration that marked our financial year.

But tough times reveal the true character of both organisations and people. During this difficult period, Sasol remained profitable and cash-generative. Our cash-conservation approach allowed us to end the financial year in an undergeared position. This robust financial position has enabled the group to pursue its ambitious long-term growth strategy without pause. More detail on our cash conservation approach and financial results may be found in the chief executive's report.

In these tough times, the board of directors has also revealed its resolute and supportive character. Bringing a wealth of diverse skills and experience appropriate to these difficult times, our 14-strong board has contributed effectively to governance and compliance, as well as to engage knowledgeably on strategic issues.

Our growth logic remains compelling

In the noise and drama of a global crisis, one can easily believe that nothing will be as it was before. As the dust begins to settle, it has become clear that some long-term trends that are key to our plans remain in place. Over the long run, the extraordinary increases in productivity and income experienced by hundreds of millions of people, particularly in Asia, will continue to drive energy demand.

Hixonia Nyasulu, chairman

While one should not underestimate the long-term impact of technology, all the principal forecasts suggest that for the next two decades, hydrocarbons will continue to provide more than 80% of the world's energy needs. There is a growing consensus that global oil production will start to fall in the next decade. This means that cleaner, cost-effective solutions utilising other hydrocarbon sources will become increasingly important.

Sasol's business model is quite clear: to use innovative technologies to turn low-cost sources of hydrocarbons into a diversified portfolio of high-quality, high-value energy sources and chemicals – and to do so in markets with rapidly growing demand. Disruptive as the crisis has been, it does not invalidate the compelling business logic that drives the Sasol group.

Taking a long view requires us to consider the eventual impact of emissions-driven climate change on the globe and on our business. With the full support of the board, Sasol is taking important steps to make sure that its innovative technology to turn hydrocarbons into transportation fuel is applied in a more environmentally responsible way.

This confirmation of the long-term validity of our growth model is important to our many shareholders. It is good news too for the tens of millions of people who are indirect owners of Sasol through their retirement funds and collective investment schemes.

Our obligations to our employees and customers

We feel a strong sense of obligation to the millions of families who have invested their savings in Sasol. As a South African company with an international footprint, our appreciation and obligations extend further still: to our employees, our customers, our suppliers and our communities.

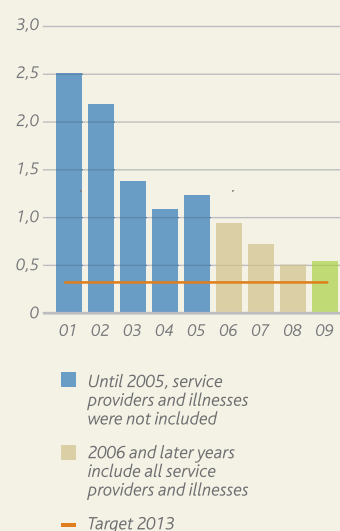
Indeed, our very first obligation is to ensure the safety of our employees. Following an intensive focus on safety during the last four years, the group has achieved a recordable case rate (RCR)* of 0,54; RCR being the international standard measurement of work-place injuries. However, anything short of a perfect safety record – which we believe equates to zero harm – is not good enough. It is with deep regret that I report the loss of life of three employees and a service provider and I express my personal condolences to their families, friends and colleagues. We will continue to give unrelenting focus to improving our safety efforts.

As important are our obligations to our customers. We have performed well in providing safe, high-quality products to our customers. However, in the last two years it was discovered that some of our business units had engaged in collusive practices. Our view on this is plain: at Sasol there is no place for disregard of the law. We have acted honestly and forthrightly to eliminate this deplorable conduct and are engaged in a process aimed at eliminating all instances of non-compliance in the group. More detail is provided in the chief executive's report. The board has an important role to play in this respect. On management's recommendation, the board has undertaken its own independent review to satisfy itself that a full assessment has been made, that the correct preventative systems are in place, and that appropriate disciplinary steps have been taken. The review will be completed by the end of calendar 2009.

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The group's robust financial position has enabled it to pursue its ambitious long-term growth strategy without pause.

*Recordable case rate (RCR)**



As a South African company with an international footprint, our obligations extend from our shareholders to our employees, our customers, our suppliers and our communities.

**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 cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.*

chairman's statement continued

Sasol and South Africa's transformation

South Africa is Sasol's home. We are committed to South Africa's continued transformation in the fullest and most inclusive sense of the word. During the financial year, we made progress with four direct forms of empowerment:

■ Empowerment through ownership

A milestone in the company's history was achieved when, on 8 September 2008, Sasol welcomed almost 300 000 new shareholders from historically disadvantaged backgrounds, as owners of approximately 10% of the company. The Sasol Inzalo Foundation, which from its inception was one of the largest charitable trusts in South Africa, was the beneficiary of 9,5 million Sasol Inzalo shares. The Foundation is dedicated to boosting skills development in mathematics, science and technology – from early child development to post-graduate studies in South Africa.

■ Empowerment through enterprise

Our business incubator programmes, Siyakha Trust and ChemCity, started in the last five years, have now created or assisted more than 170 businesses linked to Sasol, with a combined workforce of more than 2 000.

■ Empowerment through workplace diversity

Sasol has continued to increase diversity at all levels in the Sasol workplace. The representation of employees from designated groups in management levels is 56,4%. Our board comprises 14 directors, of which seven (including four women) are historically disadvantaged individuals. Three of our directors, with international experience, are based outside South Africa.

■ Empowerment through building human capital

Outside of its markets and places of work, Sasol's largest social contribution is in education. During the past financial

year, Sasol provided bursaries totalling R45 million to 761 university students, mainly in science, engineering, technology and accounting, and some 9 785 employees received leadership training. Sasol is also part of the Technical Skills Business Partnership, a partnership of six companies (including two state-owned entities) that has undertaken to train 5 400 learners as artisans, operators and miners over five years. Over and above providing dedicated training to 993 artisan learners for our own needs, we also trained 1 050 artisan learners who will contribute to the South African skills pool. The majority of the beneficiaries of these programmes are historically disadvantaged individuals. Overall, Sasol's training and development expenditure during the year came to R386 million, or 2% of payroll. These efforts are both a contribution to building human capital in South Africa and part of a long-term project to ensure that Sasol has the skills to sustain its growth over the next decade.

It is clear that a new chapter has begun in South Africa's development, with fresh energy in government being applied to key problems. Sasol is ready to work in partnership with government to build a prosperous country for the betterment of all South Africans.

The programmes outlined above are but a part of our contribution. In partnership with government, Sasol can make a particular contribution to the country's future energy security. Despite the global turmoil, we have decided to extend the duration of the pre-feasibility study of another large-scale coal-to-liquids (CTL) plant in South Africa, Sasol Mafutha. This new plant would be able to provide additional liquid fuels for the growing South African market, saving the country billions of rands in fuel import replacements in the longer term and creating thousands of jobs. We look forward to working together with our partners, the Industrial Development Corporation and the government, to advance this important initiative.

The Boitjhorisong resource centre in Sasolburg provides access to chemistry and computer laboratories, for skills development of educators and training of learners.



Outside of its markets and places of work, Sasol's largest social contribution is in education.

As one of the country's largest manufacturers, we have experienced first-hand the impact of the strong rand on business. World-scale manufacturing plants are necessary for South African industries to compete globally. Such scale in a relatively small market also requires access to export opportunities. If policies – both monetary and regulatory – do not allow for this business model to succeed, future investments in manufacturing will decline and the country will be poorer. These are important points for future dialogue. More broadly, we welcome the chance to contribute to the country's energy security options, to the skills agenda and to public-private cooperation to boost growth and alleviate poverty.

South Africa's relative resilience during the global economic crisis is testimony to what has been achieved during the first 15 years of democracy. At Sasol we believe the best is yet to come.

Strong values build strong partnerships

The scale and nature of our business is such that growth implies partnerships. Around the world governments are our partners, in some cases as business partners and always as partners in seeking positive development outcomes. We are also proud of the partnerships we have created with other companies. A talent for partnership is an enduring Sasol quality that is being reinvented for these times. Certainly we have a lot to learn from our South African experience that can be applied elsewhere. Perhaps the most important lesson is that Sasol's values – winning with people, customer focus, safety, integrity, continuous improvement, and excellence in all we do – are what makes us a good partner, and therefore form a strong foundation for our growth and success. I am pleased that our chief executive, Pat Davies, has taken such a decisive lead to instill our values and refresh Sasol's culture. We shall carry them with us wherever we do business.

Our extraordinary people

At the start of this report I noted that tough times reveal the true characters of people and organisations. At Sasol we are known for our technological prowess and our experience in running complex, integrated manufacturing processes. These attributes are indeed central to our success and need to be continually nurtured. During this difficult year, I have seen some other qualities in our people. Some have struck me in particular: a preference for partnership; an ability to adapt to new challenges; honesty in facing up to problems and persistence in solving them; and, even in the midst of crisis, boldness and imagination in the pursuit of our ambitions. These qualities are at the heart of Sasol and its people, and will stand us in good stead in times of turbulence and in times of opportunity.

Acknowledgements

I commend Pat Davies and his executive management team for their continued dedication in leading Sasol, despite the challenges presented by the competition law compliance review and the economic climate.

I extend my appreciation to the non-executive directors of the board for their wise counsel and knowledge. In particular, my thanks to our lead independent director, Jürgen Schrempp.

Pieter Cox and Elizabeth Bradley retired as non-executive directors during the course of the financial year. On behalf of the board, I offer our thanks for their contributions over many years and wish them well.



Hixonia Nyasulu
Chairman

Vice Governor Zhao Xiaoping (centre) of the Ningxia Hui Autonomous Region in China led a delegation on a tour of Sasol's operations in Secunda and Sasolburg, as well as the Oryx GTL plant in Qatar, in June 2009.



*A talent for partnership
is an enduring Sasol quality
that is being reinvented
for these times.*

chief executive's report

positive actions



Since my last report, the global economic crisis has transformed the environment in which Sasol does business. From mid-2008, American consumption and Asian exports – the premise upon which global growth and commodity prices climbed to historic highs – faltered in unison as the financial effects of the long period of expansion were revealed as unsustainable. The global economy shrank for the first time since the end of World War II. Private financial frailty soon spread to public financial weakness. Government fiscal spending in the United States and Europe ballooned to bail out banks and large corporations, and to compensate for plummeting demand from households and firms for goods and services. The result was massive dislocations in the key global energy and commodities markets in which Sasol sells its products. Liquidity in global financial markets, including those for high-quality corporate debt of the kind issued by Sasol, dried up. These markets are only now gradually easing.

Pat Davies, chief executive

Apart from the global crisis, this year has also been notable and challenging in other respects. We celebrated the 30th anniversary of Sasol's listing on the JSE Limited. We made progress in diversifying both our shareholder base and our workforce. We continued to work hard to improve safety across the group and our safety performance remains in line with international norms. However, sadly, four people died in Sasol's service in the year. I extend my condolences to their families, friends and colleagues. We remain steadfast in our goal of an incident-free working environment. We are also addressing the critical issue of competition law compliance across the group, a point to which I will return further on.

Weathering the global economic storm

In this extraordinary global environment, Sasol acted quickly and decisively to secure its position. The economic crisis has presented us with an opportunity to improve our competitiveness and make the business more robust to see out the current economic storm and withstand future downturns.

Firstly, we acted to strengthen the financial foundation of the company. We have adopted a cash conservation approach and have reprioritised capital expenditure for the next two years to about R15 billion per year. By the end of the financial year our balance sheet was undergeared and the group strongly cash-generative.

Secondly, where required, businesses were significantly restructured. The turnaround process at Sasol Olefins & Surfactants (Sasol O&S) in Europe and America, which had commenced before the crisis, resulted in the closure of seven plants, reducing capacity by more than 500 000 tons of annual production. Sasol Solvents Germany also embarked on a turnaround process which should start yielding results during the course of the 2010 financial year. I should note that in South Africa we have thus far not made any retrenchments due to the economic crisis.

Thirdly, we accelerated two major programmes across the group aimed at improving efficiencies and cutting unit costs. Critical for a manufacturing business such as ours, our Operations Excellence programme has a single aim: to improve profitability across our buy-make-sell value chain by developing competent, engaged people to adopt best practices that deliver excellent performance. The programme was launched successfully in eight production plants and will be implemented in all Sasol plants around the world. We have already seen some results from this programme, but still have some way to go. The performance of Sasol Synfuels is receiving priority attention in this regard.

A twin programme, Functional Excellence, aims to reduce costs in key support functions by simplifying and standardising business processes. Significant savings are expected from this programme over the next two years.

Our financial results

As the crisis unfolded, crude oil prices moved from a high of US\$143,95 a barrel (/b) in July 2008 to a low of US\$33,73/b in December 2008, before settling in the US\$60 to US\$70 range during May to June 2009. Another feature of the year was an unprecedented deterioration in chemical prices, with volumes falling in tandem with declining global manufacturing and construction activity. For many of Sasol's businesses, therefore, it was a financial year of two distinct halves. Despite the difficult conditions and losses in the chemical cluster in the second half of the year, the group still achieved an operating profit of R24,7 billion for the year. Excluding once-off charges, our 2008 operating profit was maintained.

Sasol's hedging programme, which hedged approximately one third of Sasol Synfuels' production, as well as Sasol Petroleum International's West Africa production in the year, by means of a zero-cost collar, bolstered profits by R5,1 billion.

Despite lower volumes at Sasol Synfuels, a strong contribution from Arya Sasol Polymers and Oryx GTL resulted in an overall increase in production volumes for the group. Elsewhere in this review we report on steps to improve volumes at Sasol Synfuels which started bearing fruit towards the end of the financial year.

We are fortunate that the underlying resilience of our businesses, including the core synfuels business, is such that we have been able to retain and build financial strength in the midst of extraordinary declines in the prices of our products. Under the circumstances it is a considerable achievement to have deleveraged our balance sheet and to have enhanced the group's net cash position.

We maintained our dividend policy as indicated to the market. The final dividend declared was R6,00 per share, bringing the total dividend for the year to R8,50 per share.

Our growth strategy remains steadfast

Our chairman has highlighted why the logic behind our growth strategy has remained compelling despite the crisis. An important point to add is that Sasol's businesses and growth plans are not based on the peak energy prices of the last upswing persisting.

Hence our resolute focus on growth throughout the period. This was evident even in our short-term responses to the crisis, focusing on conserving cash to fund our expansion projects, even if global debt markets were to remain closed or expensive. Further, the conservation of cash was achieved without reducing

chief executive's report *continued*

spending on the group's key growth opportunities. Instead, smaller projects with capital expenditures of less than R1 billion were cut back. The only sizable item cut was acquisition activity with respect to gas reserves.

A positive development in the year was the coming of age of an important beach-head in Sasol's growth plans, the US\$1 billion Oryx GTL facility in Qatar. The facility now sustains production above 26 000 barrels a day (b/d), and during the last year contributed profits to the group which are likely to increase significantly over time. We have moved rapidly up the learning curve at Oryx GTL and have identified opportunities for further de-bottlenecking to increase production. This success, achieved with our partner Qatar Petroleum, is a model for the type of partnership that will drive our growth. Another is the successful commissioning of the one million ton Arya Sasol Polymers venture in Iran, which in its first year of production achieved profits despite the severe downturn in polymer prices.

Our continued expansion requires ongoing efforts in three areas: securing access to low-cost hydrocarbon resources with partners; building the skills required for growth; and bold emissions reduction targets and technologies to minimise environmental impact. During the financial year, we made strong progress on all these fronts.

Securing access to low-cost hydrocarbon resources with partners

Securing long-term access to low-cost hydrocarbon resources for coal-to-liquids (CTL) and gas-to-liquids (GTL) ventures, whether by ownership or partnership, is the first building block of Sasol's integrated business model. In South Africa, the start of construction on the Thubelisha mine was one of a number of initiatives that are strengthening our coal-mining profile. Also in South Africa, we continue with pre-feasibility studies

on the Sasol Mafutha CTL project, a joint venture with the Industrial Development Corporation, which is expected to be an important contributor to the country's future energy security. For a project of this size to go ahead, alignment of all stakeholders, including government, is essential.

In India, government approval was obtained for the next steps in the India CTL venture with Tata, and long-term access to the preferred coal resource was secured. In China, Sasol and our partner Shenhua Ningxia Coal Group proceeded with a feasibility study of the proposed CTL plant in Ningxia Hui Autonomous Region and secured access to coal reserves.

Our extensive programme in Mozambique resulted in the Pande gasfield coming on stream via our central processing facility at Temane. In West Africa, the Ebouri oilfield off the coast of Gabon, in which Sasol has a 27,75% share, was brought into production. Upstream oil and gas activities proceeded in Nigeria, São Tomé & Príncipe, Gabon, South Africa, Mozambique, Papua New Guinea and Australia. In Uzbekistan, Sasol has partnered with Uzbekneftegaz and Petronas and is engaged in a feasibility study for an integrated GTL plant.

Building the skills required for growth

Companies that have successfully expanded internationally have inevitably done so on the basis of a deep pool of skills. It follows that the broader skills strategy reported on by our chairman is essential to our growth strategy. To ensure that sufficient skills are available for our international expansion, Sasol has formed a division of approximately 700 employees, called Global Venture Support, where incumbents are trained in specialised skills such as commissioning and start-up of new plants.

In addition to the Technical Skills Business Partnership, we have signed the CEO's skills charter through our membership of

Sasol's Oryx GTL plant in Qatar.



The success of the Oryx GTL and Arya Sasol Polymers ventures provide the model for the types of partnership that will drive our expansion.

Business Leadership South Africa (BLSA). Our response to the reporting guidelines published a year ago can be found in the sustainable development review on page 87.

A bold emissions reduction target

The world is faced with the inseparable challenges of environmental sustainability and economic development. For developing countries in particular, access to energy enables growth and enhances quality of life. It is clear that coal will continue to be an important part of the world's energy mix, allowing these countries to grow, and that Sasol will continue to produce transportation fuels from coal. We acknowledge that Sasol, like all other users of coal, produces a significant amount of carbon dioxide (CO₂) and we are committed to substantially reducing our carbon footprint.

We have set ourselves challenging targets to reduce our CO₂ emissions. We commit to reduce our greenhouse gas (GHG) emissions intensity by 15% (on the 2005 baseline) in all our operations by 2020. Further to this, we also commit to reduce our absolute GHG emissions by 20% for new CTL plants commissioned before 2020, and a 30% reduction for new CTL plants commissioned before 2030 (with the average 2005 CTL design as the baseline). This is not just about our desire to be a responsible company; a strong business case exists for sustainable development. In addition, Sasol regularly reviews the group's long-term (ie, towards 2050) absolute GHG emissions targets, as developments in the global climate change arena take place. Such targets are also contingent on technological advances, such as carbon capture and storage (CCS); increased utilisation of renewable energy; as well as developments in the regulatory and fiscal environments in which we operate.

A new division, Sasol New Energy, was created to focus on new technologies that can be integrated with our core technologies

to result in a lower GHG footprint. The first step is to ensure that we improve our energy efficiency and produce less CO₂ in our current operations. The second step is to integrate some of these new technologies into our Fischer-Tropsch processes to meet our future GHG emissions targets.

Sasol New Energy will look into a number of renewable energy options such as solar, biofuels and biomass. Technology options to produce electricity with lower or no CO₂ emissions will include nuclear, hydro and natural gas. These technologies are mostly new to Sasol, and investigations continue. Along with the Central Energy Fund and a consortium of local investors, we have made a strategic investment in a company, Thin Film Solar Technology (Pty) Limited. The company intends to produce thin-film solar panels – half the thickness of human hair – which produce electricity at a much lower price than conventional silicon technology panels.

During the course of the year, Sasol became a signatory to the launch of the South African Centre for Carbon Capture and Storage. CCS involves the capturing of CO₂ that would otherwise be emitted into the atmosphere, and storing it in deep geological formations such as saline reservoirs, coal seams, or depleted oil and gas fields. The launch of this centre brings together the best and brightest in a partnership that will be financed by local industry, government and international sources.

There is no single solution to the reduction of GHG emissions. Societies, governments and industries will have to work together to find the optimal mix of solutions, for different circumstances. I firmly believe that the solutions lie in technology – something we at Sasol know a lot about. I am confident that the work of our teams focused on reducing our environmental footprint will provide yet another way in which we will reach new frontiers.

During the year, Sasol updated its challenging targets to reduce its carbon footprint.

Our focus on efficiency and operational improvements, our competent management team, robust strategy and sound governance will ensure our long-term value proposition remains intact.



chief executive's report *continued*

Competition law compliance

Regrettably, we have been in the spotlight this year regarding competition law contraventions.

As reported in the previous annual report, the European Commission (EC) found, in October 2008, that members of the European paraffin wax industry, including Sasol Wax GmbH, had formed a cartel and violated antitrust laws. A fine of R3 678 million (€318,2 million) was imposed by the EC, noting that the infringement had begun well before Sasol played a role in the business. We have appealed against the magnitude of the fine and await the outcome.

In South Africa, the Nutri-Flo complaint was brought against Sasol Nitro in 2003. At the time, Sasol's internal investigations and external advice led us to a different view from that of the South African Competition Commission. In late 2008, Sasol commissioned another independent review, and a whistleblower provided evidence that led to Sasol reassessing its stance on the matter.

Settlement discussions with the Commission were initiated, and successfully concluded in May 2009. However, we continued with the review process because we were deeply troubled that we may not have been told the full facts. Through that process we uncovered, for the first time, direct evidence of collusive activity. We promptly and fully communicated the additional information to the Commission, resulting in a substantial increase to the proposed penalty for Sasol, to R251 million. While I accept that Sasol can be criticised for not having found out all the facts initially, we, like the Commission, were not told the truth.

We are investigating the behaviour of Sasol officials in respect of the contraventions and appropriate sanctions have already been applied to certain officials.

To assess and intensify our competition law compliance programme, a group-wide review was launched in July 2008. This programme is proactive and is being conducted by South African and international law firms. The review of our businesses, as well as of Sasol Limited management, is currently underway and is scheduled for completion by the end of this calendar year. As mentioned by our chairman, this will be supplemented by an independent assessment of the reviews by the Sasol Limited board. We will not rest until this comprehensive review process is concluded and all non-compliant behaviour is rooted out.

We will, in the course of conducting these reviews, adopt appropriate remedial and/or mitigating steps and make disclosures on material findings as and when appropriate. The review has revealed and still may reveal competition law contraventions or potential contraventions in respect of which we have taken or will take appropriate remedial and/or mitigating steps, including lodging leniency applications. The South African Competition Commission is conducting investigations into the South African piped gas, petroleum, wax, fertiliser and polymer industries. We continue to cooperate with the Commission in respect of the subject matter of the leniency applications as well as in the areas that are subject to the Commission's investigations.

I have made a commitment that we at Sasol understand our unique responsibility as a large supplier to many industries around the world. Sasol is a successful business that is built on a foundation of some 34 000 committed and responsible employees. The past actions of a few former managers and employees in certain areas of the business have resulted in serious damage to our company's reputation.

The group has made a substantial investment, including executive and staff time, in the ongoing improvement of our processes, accelerated training and the further development of multi-disciplinary specialist centres of excellence – all to ensure our compliance with global competition law and to reinforce our values.

Prospects

We remain cautious about the shorter-term outlook for oil prices and product prices. The oil market is affected by the same optimism that is driving an upward move in many equity markets. Market sentiment is generally more positive and some return of risk appetite is evident. We anticipate that the global economic recovery is likely to be a long plateau followed by a gradual incline, and we therefore continue to plan prudently for an extended period of recovery.

The recent strength of the rand has been driven primarily by significant capital inflows on the back of positive sentiment and US dollar weakness. During the past financial year, the average rand/dollar exchange rate has weakened by 24%. However, testament to the strength of the currency, despite its volatility during the year and the global economic crisis, the rand/dollar exchange rate has since returned to levels similar to those seen at the close of the 2008 financial year.



The deterioration in global chemical markets in the second half of the year is expected to stabilise, although increasing feedstock costs are expected to have a negative impact on our chemical businesses. While there has been some recovery in the markets of late, the crude oil price and foreign exchange rates remain volatile.

Taking into account the overall market conditions, with the crude oil and product prices expected to remain at levels seen in the latter part of the 2009 financial year, as well as lower product demand, an expected stronger rand/dollar exchange rate and some improvement in production volumes, earnings for 2010 are expected to be lower than that of 2009. The current volatility and uncertainty in global markets makes a more precise outlook difficult.

Our deleveraged balance sheet and strong cash flows continue to position the group well to weather the storm and fund our growth programme in tough credit markets.

We will maintain a flexible approach to our capital expenditure programme, ensuring that our pipeline of growth projects is not affected and our pre-investment work continues unabated.

The proactive measures implemented in response to the global economic crisis have realised benefits by focusing on the opportunities that the current environment presents. We have seen significant working capital improvements across our businesses, which have had a positive impact on the group's cash position.

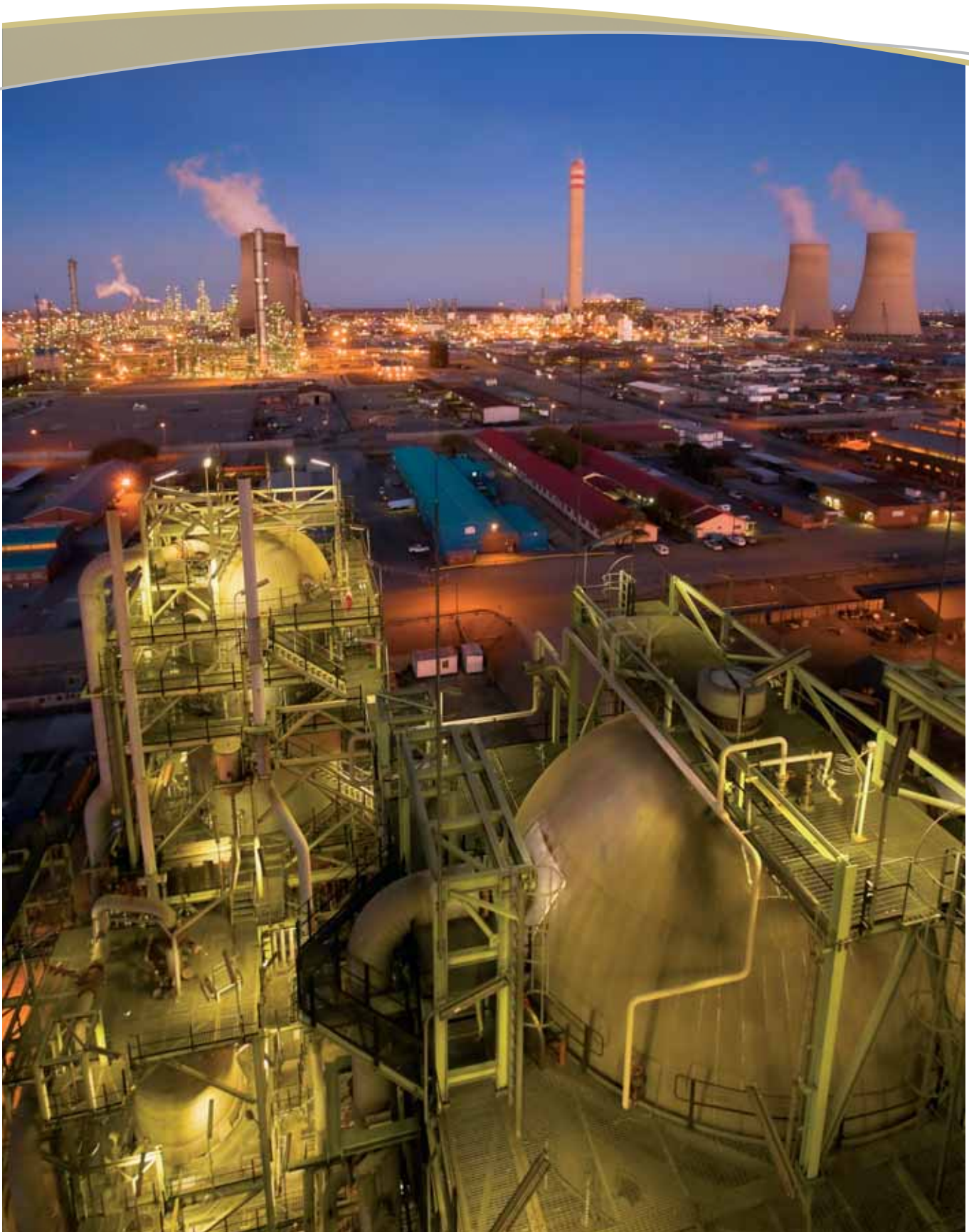
Our focus on efficiency and operational improvements, which together with our competent management team, robust business strategy and sound governance, will ensure that our long-term shareholder value proposition remains intact.

Acknowledgements

The 2009 financial year was difficult for everyone. I thank all our people at Sasol for rising to the challenges and using them as an opportunity to enhance the group's competitiveness and robustness.

Pat Davies
Chief executive

cluster reviews



A Sasol Advanced Synthol (SAS) reactor in Secunda, Mpumalanga Province.

south african energy cluster

Benny Mokaba, executive director, South African energy cluster

Strengthening our foundation

The South African energy cluster comprises the businesses upon which Sasol was founded. Its primary deliverables include remaining a reliable supplier of around a third of the country's liquid fuels and chemical components, while delivering on the national transformation agenda and developing our people to deliver growth.

High commodity prices, particularly crude oil prices which peaked at above US\$143/b in July 2008, boosted the results of Sasol Synfuels, Sasol Mining and Sasol Gas in the first half of the financial year, leading to record profits. However, the full impact of the global economic downturn was felt in the second half as oil prices slumped. In response, management adopted a strict cash-conservation approach.

As part of the group-wide review and reprioritisation of capital expenditure, a number of smaller projects were reconsidered and put on hold pending a recovery in economic conditions. As hard times encourage innovative thinking, it is pleasing to note that our people have responded by finding more cost-effective ways of doing things. The inflexibility of certain suppliers did, however, prove challenging.

The reliability of some of our operations, particularly at Sasol Synfuels and Sasol Oil's Natref business, was disappointing. Remedial actions have been implemented and we continue to allocate sufficient capital for plant maintenance. At Sasol Mining, operations were disrupted by unprotected labour action in the year, but we are pleased to report an improvement in labour relations.

The South African energy cluster had an unsatisfactory year with regard to safety performance. Sadly, we lost two employees and a service provider in the course of business: Jongimpilo Tyhokolo in the service of Sasol Mining, Piet Smith of Sasol Oil and

contractor Lucky Mkhonto working at Sasol Synfuels. All business units are increasing their efforts to reinforce behaviour-based safety procedures, which continue to deliver good safety improvements at Sasol Synfuels. The cluster's recordable case rate (RCR) deteriorated to 0,62 in the year from 0,55 in 2008.

The group's concerted effort to enhance legal compliance includes ensuring compliance with all laws and regulations applicable to the cluster. This is not only about having the appropriate internal controls in place but also extends to complying with the spirit of the law, despite the inherent complexity.

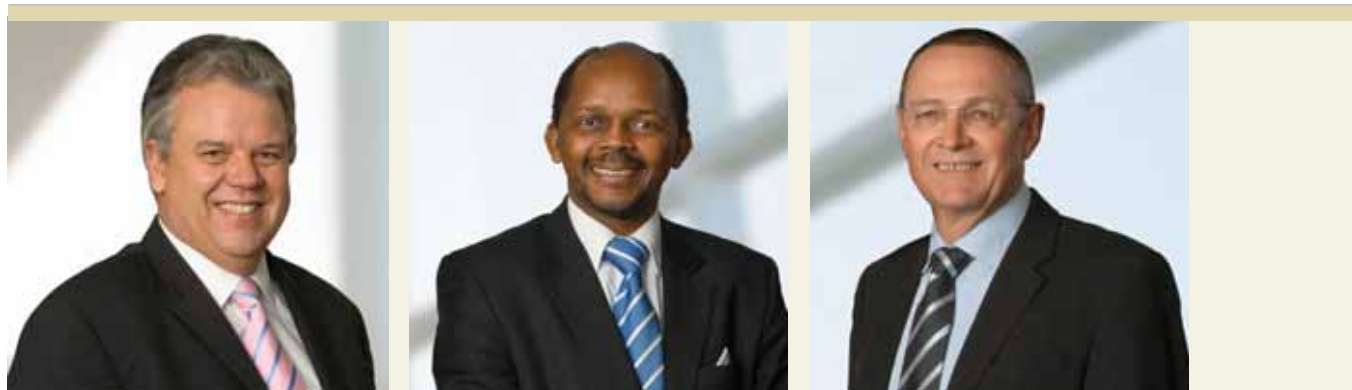
Building for the future

The progress we have made in our transformation strategy is evident at our operations and offices across the country. The Sasol bursary scheme is delivering talented black engineers who are relocating to Secunda to be at the heart of our operations. Through our various learnership programmes, historically disadvantaged individuals are developing their skills and operational knowledge. We have also made major gains in enhancing the diversity of our employees and overall living standards in Secunda and Sasolburg. There is still a long way to go, but our transformation progress has set a strong platform for the future.

We continue to investigate the feasibility of developing another large-scale coal-to-liquids plant in South Africa, a project known as Sasol Mafutha. It is our intention to reduce the carbon footprint of our current and future operations, and our efforts will guide the development of Sasol Mafutha.

The plan to expand production at Secunda is progressing, although over a longer period than originally envisaged. The first phase is based on natural gas which will be used to increase production by at least 3%, and power generation by a third by 2012.

From left to right: Lean Strauss, Benny Mokaba and Reiner Groh.



international energy cluster

Lean Strauss, group general manager, international energy cluster

Delivering growth by leveraging our competitive advantage

The international energy cluster is key to Sasol's growth aspirations outside South Africa. In a world seeking energy security and cleaner alternatives to conventional fuels, we are able to leverage the group's considerable experience and proven, proprietary technologies to add value to under-utilised and limited gas and coal reserves worldwide.

In 2009, we significantly increased our financial contribution to the group and advanced our growth plans, which will enable us to play an even greater role in the years ahead. We increased our production of hydrocarbons and explored for more, making notable progress in our efforts to secure additional gas on which to develop new gas-to-liquids (GTL) operations.

Our flagship GTL facility, Oryx GTL in Qatar, reached new production records. We are also pleased that the study to assess the feasibility of developing a coal-to-liquids (CTL) plant in China is on schedule and progressing well. In India, we launched a pre-feasibility study for a similar facility and are proud to report that after a competitive bidding process, a significant coal block was allocated to the joint-venture company we have set up with Tata.

Notwithstanding considerable spending on studies for growth, including exploration and new business development, the international energy cluster improved its operating profit to R880 million from R383 million in 2008. Working in typically difficult and remote locations, we also improved our safety record, reporting a RCR* for the cluster of 0,33, from 0,43 in 2008.

Volatile crude oil prices, coupled with the success of Oryx GTL, have prompted several coal- and gas-rich countries to approach Sasol. These countries seek to benefit from

the group's Fischer-Tropsch (FT) CTL and GTL experience and patented lower-temperature FT technology, the Sasol Slurry Phase Distillate™ process. This has presented us with a number of potentially attractive opportunities, including the development of a GTL project in Uzbekistan and a high-level screening study for a CTL opportunity in Indonesia.

Our commitment to upholding international environmental standards is stronger than ever. Sasol Synfuels International (SSI) will only pursue CTL opportunities where we can meaningfully improve the overall efficiency of our new plants to reduce the carbon dioxide (CO₂) produced, and where there is a clear possibility of storing CO₂ produced from our CTL processes. Sasol Petroleum International (SPI) is tasked with finding viable CO₂ storage solutions.

Although the sharp fall in oil prices in the latter part of the year has made all new projects more challenging, the accompanying decline in economic activity has also reduced the demand for, and cost of, engineering and construction services. In all our plans, we assess a number of scenarios to ensure that our projects are robust and can withstand volatile markets. However, by its very nature, exploration and new business development is costly and risky. Building strong partnerships helps us to spread these costs and risks.

Participation in more than 37 000 km² of onshore exploration acreage has been secured in Papua New Guinea in partnership with Papua Petroleum Limited.

In 2009, Sasol strengthened its partnership with Petronas through projects in Mozambique and Uzbekistan. SSI and Chevron Corporation reviewed their business model for cooperation on international GTL projects, which has led to a revised agreement to work together directly and on a case-by-case basis rather than exclusively through the Sasol Chevron joint venture.

**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 cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.*

Our flagship GTL facility, Oryx GTL in Qatar, reached new production records.



chemical cluster

Reiner Groh, group general manager, chemical cluster

The chemical cluster represents another leg in Sasol's portfolio, in addition to our energy businesses hosted in the South African and international energy clusters. In South Africa the chemical businesses are closely integrated in the Fischer-Tropsch (FT) value chain. Outside South Africa we operate related chemical businesses based on backward integration into feedstock and/or competitive market positions. The chemical cluster is also supplementing our CTL and GTL growth by way of three chemical growth ambitions based on the concepts of FT, conventional cracker or syngas platforms.

Dealing decisively with significant challenges

In the course of 2009, we faced two very different business environments. Record profits to November 2008 were followed by a steep deterioration in trading conditions and significant stock effects. Decisive action was taken by all businesses to mitigate the impact of the global economic downturn through cost containment, reduction of working capital and capital expenditure, as well as credit risk management.

We idled production facilities where needed and reduced working hours. Our turnaround programme at Sasol O&S continued according to plan and we announced a business improvement plan for Sasol Solvents Germany, including a 19% reduction in positions. Additional portfolio optimisation and restructuring measures included the closure of our Meyerton sodium tripolyphosphate plant, the closure of Sasol Nitro's Phalaborwa operations and the completion of the consolidation of our wax business in the USA.

The discovery of past contraventions of competition law in some of our businesses cast a shadow over the chemical cluster in 2009. In January, Sasol Wax GmbH paid a fine of €318,2 million to the European Commission for the infringement of antitrust laws between 1992 and 2005. In May, Sasol Nitro agreed to pay an administrative penalty of R251 million to the South African competition authorities for collusive practices in the fertiliser industry dating back to before the end of 2005.

The behaviour identified in these incidents is unacceptable and deeply regretted. As a supplier to many industries, we take our responsibility to act within the law seriously and we cooperated fully with the authorities in both instances. We are sanctioning those involved appropriately and, using Sasol's values as our guide, are working hard to re-build the trust of all our stakeholders.

The chemical cluster's safety performance in the year reversed some of the gains made in 2008. It is with sadness that we report the death of Johannes Lekgetho, an employee of Infrachem. The cluster's RCR deteriorated to 0,61 from 0,52 a year earlier. Although this is still better than the

2007 performance of 0,75, additional focus is now required to reach or better the group milestone of 0,45.

Employment equity in the chemical cluster showed steady progress in the 2009 financial year. The percentage of historically disadvantaged individuals in managerial positions improved from 50% to 52%. We are also excited to report that ChemCity, our enterprise development initiative in Sasolburg, supported the creation of 995 new jobs and 95 small, micro and medium enterprises in 2009.

Chemicals management in Southern Africa

In May 2009, Sasol participated in the Second International Conference of Chemicals Management held in Geneva, Switzerland. This forms part of our commitment to build capacity in sound chemicals management in Southern Africa and on the rest of the continent. These efforts are accomplished through close cooperation with the Chemical and Allied Industries Association of South Africa.

Chemical cluster growth

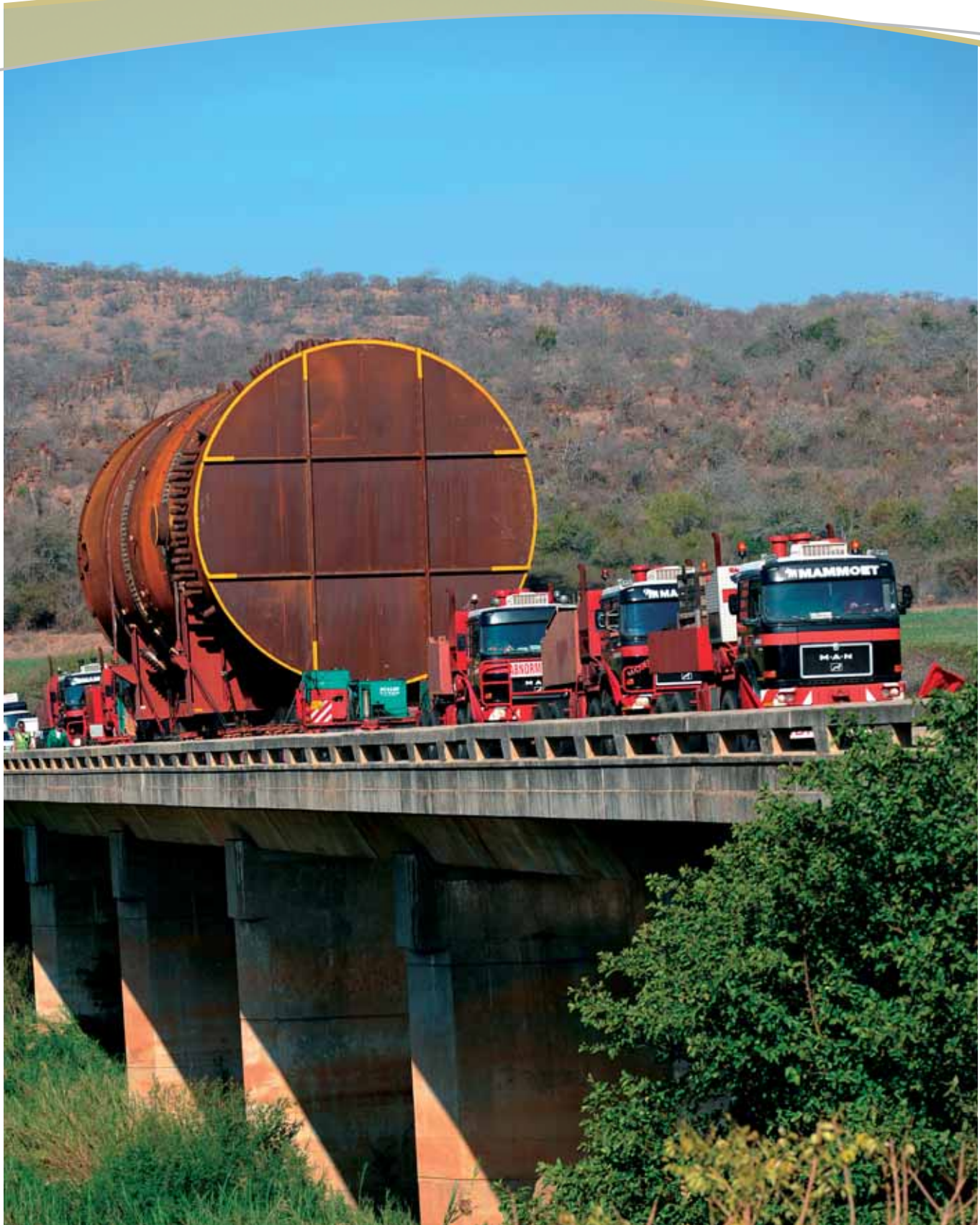
Despite the challenging economic climate, our strategy and value proposition remain intact. We are pleased to report progress in the implementation of our growth plans with the successful start-up of two polymer plants at Arya Sasol Polymers (cracker platform) and the ramp-up of our third 1-octene plant (FT platform). Our studies into the feasibility of various projects continue, one example being to expand Sasol Wax's production facilities (syngas platform). We are developing an integrated value proposition for Sasol built on the chemical cluster's three growth platforms. We believe in the competitive advantage that a flexible combination of fuels and chemicals brings to owners of hydrocarbon feedstock.

By continuing to support the growth of chemicals, together with energy, Sasol increases the long-term robustness of its growth options by providing flexible and customised value propositions to monetise natural gas and coal.

The new octene 3 plant in Secunda is running at about 60% of design capacity.



south african energy cluster



The 10th Sasol Advanced Synthol (SAS) reactor, manufactured in Japan, making its way from Richards Bay harbour to Sasol's operations in Secunda.

Financial highlights

		2009	2008	% change
Operating profit	Rm	28 684	28 048	2
Operating margin	%	28	27	4
Contribution to group operating profit	%	116	83	40

Note: Detailed segmental information is available in the annual financial statements from pages 80 to 85. 

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Sasol Mining

p30

Sasol Mining produces about 40 Mt of coal a year, mostly for gasification feedstock and utilities coal for our complexes at Secunda and Sasolburg. Its main operations comprise the Sigma: Mooikraal operation near Sasolburg and the Bosjesspruit, Brandspruit, Middelbult, Syferfontein and Twistdraai export operations at Secunda.

Operating profit	Rm	1 593	1 393
Operating margin	%	19	19
Contribution to group operating profit	%	6	4

Contribution to group operating profit

6%

Sasol Gas

p33

Sasol Gas markets and distributes natural gas from Mozambique and methane-rich gas produced by Sasol Synfuels at Secunda. It delivers gas through a 2 118 km pipeline network to approximately 550 industrial and commercial customers in Gauteng, the Free State, Mpumalanga and KwaZulu-Natal.

Operating profit	Rm	2 424	1 785
Operating margin	%	43	38
Contribution to group operating profit	%	10	5

Contribution to group operating profit

10%

Sasol Synfuels

p36

Sasol Synfuels operates the world's only commercial, coal-based synfuels manufacturing facility at Secunda. It produces synthesis gas (syngas) through coal gasification and natural gas reforming. It uses our proprietary Fischer-Tropsch technology to convert syngas into synthetic fuel components, pipeline gas and chemical feedstock for the downstream production of solvents, polymers, comonomers and other chemicals.

Operating profit	Rm	25 188	19 416
Operating margin	%	67	49
Contribution to group operating profit	%	102	57

Contribution to group operating profit

102%

Sasol Oil

p39

Sasol Oil markets fuels blended at Secunda and refined through its 63,6% share in Natref oil refinery at Sasolburg. Products include petrol, diesel, jet fuel, illuminating paraffin, liquefied petroleum gas, fuel oils, bitumen and lubricants. It imports fuels to balance its product slate and meet contractual commitments. Sasol Oil operates 411 Sasol and Exel retail convenience centres in South Africa and exports fuels to Southern Africa.

Operating (loss)/profit	Rm	(351)	5 507
Operating margin	%	(1)	10
Contribution to group operating profit	%	(1)	16

Contribution to group operating profit

(1)%

Other businesses

p64

This segment currently includes costs related to the pre-feasibility study for the expansion of our synthetic fuels capacity in South Africa.

Operating loss	Rm	(170)	(53)
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sasol mining

- *Operating profit increased 14% despite global economic crisis*
- *Successfully launched strategic business transformation initiative*
- *Introduced innovative skills training programmes*

Transforming our business

Sasol Mining maintained a stable coal supply to customers in 2009, despite volatile economic conditions – including reduced sales volumes and profit margins, and an unprotected strike.

The year started with a tragic workplace fatality, that of Jongimpilo Tyhokolo in July 2008. Our overall recordable case rate (RCR)* rose to 1,03 from 0,87 in the previous year. The implementation of audit-based remedial measures resulted in dramatically reduced workplace incidents and stabilised the trend from the first half of the year. We continue to implement behaviour-based safety procedures and appropriate supporting technologies.

Highlights during the year were the launch of our business transformation initiative, new strategies to retain and train employees and the successful introduction of methods to use technology more effectively in our operations.

In November 2008, our aim of developing and strengthening our business strategy and leadership methodology reached fruition with the implementation of our business transformation initiative. This is driven by our desire to be a growth-oriented employer of choice, as well as a reliable, cost-effective supplier of coal.

We are committed to building long-term, healthy relationships with employees and trade unions, as well as to developing and retaining a skilled workforce, raising productivity and promoting sustainable black economic empowerment (BEE). We intend to increase financial efficiency, harness technology more effectively and seek growth opportunities. Although our transformation journey is at an early stage, we have already seen meaningful improvements in performance and productivity.

Sustaining our financial performance

Operating profit increased to R1 593 million in 2009 from R1 393 million in 2008. An 11% increase in turnover to R8 297 million came mostly from higher coal prices during the first half of the year, partially offset by lower sales volumes to Sasol Synfuels and to the export market.

Our greatest challenges were containing operating costs in the face of lower production volumes and adhering to our cash-conservation strategy. Unit costs increased by 29%, driven by higher steel and energy prices, substantial salary adjustments and additional employee training costs.

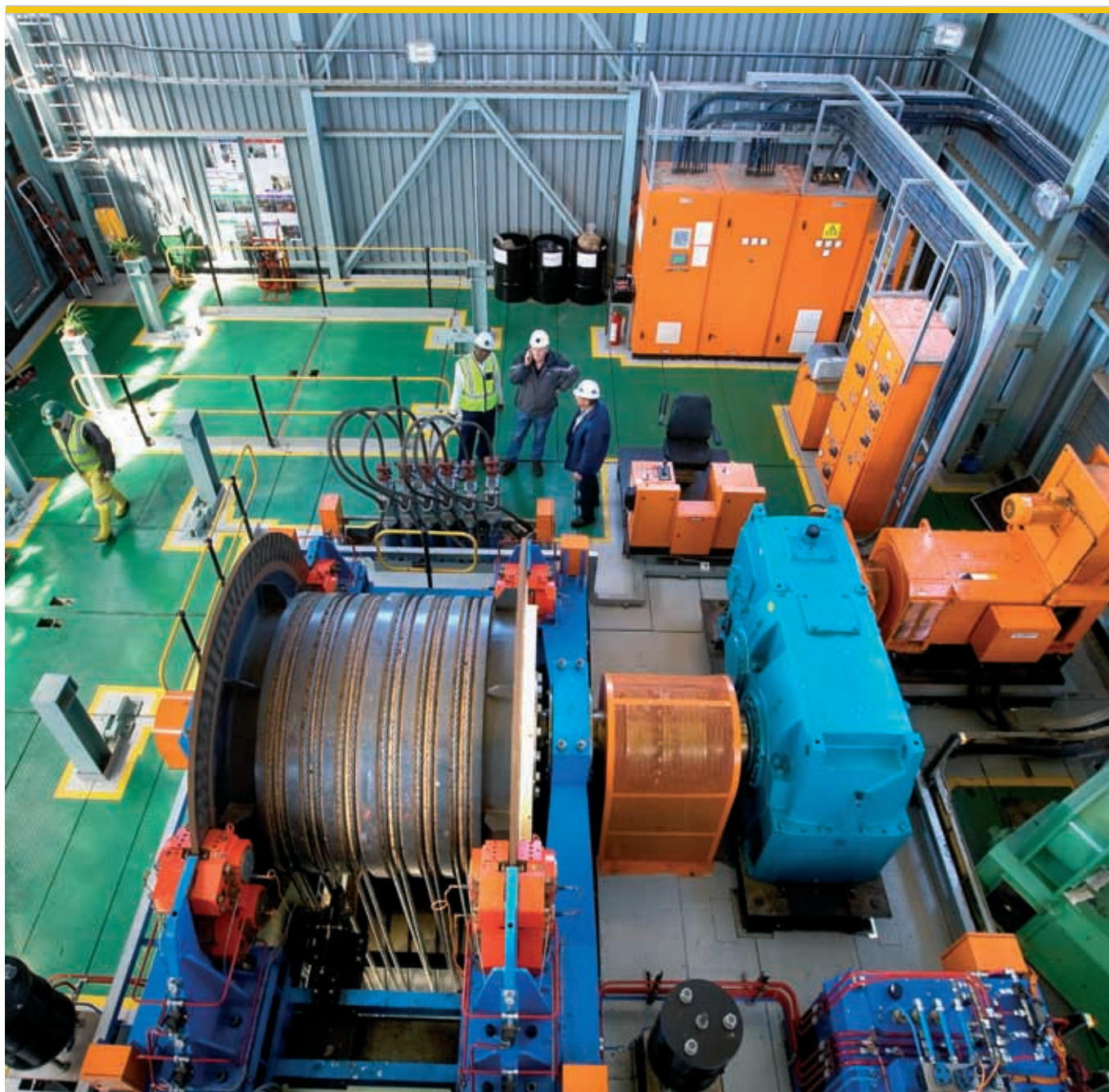
Total production decreased 9% to 39,1 million tons (Mt), with production from our Secunda operations falling almost 9% to 37,3 Mt mainly as a result of industrial action and capacity challenges experienced by Transnet Freight Rail Services on the Secunda to Richards Bay line. A star performer was our Sigma: Mooikraal Colliery, where production increased nearly 8% to 1,8 Mt to meet increased demand from Sasol Infrachem.

Expanding our business

Within the next five to ten years, three of our five Secunda mines – in operation since the 1970s and 1980s – will be approaching the end of their lives. To sustain a consistent supply to our customers, we are advancing a phased R7 billion capital expenditure programme to develop new mines and shafts in the Secunda area. In the year, we received environmental authorisation from the Department of Mineral Resources to expand Twistdraai Colliery to tap coal reserves to the north of the existing operation. The Thubelisha shaft is being established in the northwest of the reserves. In 2009, production commenced at Irenedale, a new satellite shaft of the Bosjesspruit Colliery.



As part of a programme to develop new mines and shafts in the Secunda area, production commenced at Irenedale, a new shaft of the Bosjesspruit Colliery.



Sasol Mining highlights

Financial

		% change	2009	2008
Operating profit	Rm	14	1 593	1 393
Operating margin	%	–	19	19
Contribution to group operating profit	%	50	6	4

Operational

		% change	2009	2008
Total sales	Mt	(5)	43,7	46,1
Total production	Mt	(9)	39,1	42,8
Recordable case rate*	RCR	18	1,03	0,87

*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 cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.

sasol mining *continued*

In line with the group's efforts to establish the feasibility of developing a new coal-to-liquids (CTL) plant in Limpopo Province, Sasol Mining expects to mine some 170 000 tons of coal for gasification trials at Secunda over the next six months.

Developing our people

Because we consider skilled people to be our most valuable asset, we initiated a major drive to recruit, develop and train suitable, motivated people and increased our investment in skills development by 54% to R51 million.

Following the disciplinary process and dismissal of workers after the unprotected strike in January, production suffered in the short term. However, the efforts of our loyal employees ensured that acceptable production levels were largely maintained during this challenging period. Through our newly formed management-trade union partnership forum, we are working to improve relations with trade unions representing the majority of our unionised employees.

Complying with the Mining Charter

Sasol Mining submitted all applications to convert our old order mining rights. We have engaged the Department of Mineral Resources in discussion and believe we are in the final stages of receiving conversion.

Sasol Mining is committed to managing the environmental and social impacts of our operations responsibly. We have frequently been cited for our pace-setting advances in environmental management and corporate social investment. The Mining Charter plays a significant role in our socioeconomic transformation agenda. In 2009, we exceeded the minimum percentage required for historically disadvantaged South Africans in management positions, achieving 48%. This was up 7% on the previous year. Some 11% of our total mining workforce is female, with 8% in core businesses and 3% in supporting roles. We have concluded BEE ownership transactions to raise the BEE ownership level above 20%. We have also implemented a range of local economic development projects. These projects provide infrastructure and create jobs in the community, making a significant contribution in areas where Sasol Mining is active.

In 2009, we increased our procurement spend with BEE suppliers by 45% to R833 million. We are also working with our BEE partner, Wiphold, to bring the Ixia Coal empowerment venture into operation.

Some 11% of our total mining workforce is female, with 8% in core businesses and 3% in supporting roles.



sasol gas

- *Sales maintained and profit grown despite difficult economic environment*
- *11 new customers commissioned and three meter stations upgraded*
- *96 piped-gas distribution and trading licences granted*
- *Competition authorities engaged on compliance issues*

Delivering in a difficult market

Sasol Gas performed well in the year, delivering a positive contribution to group profits despite a slowdown in economic growth and rising costs.

It is disappointing to report that Sasol's competition law compliance review indicated two contraventions at Sasol Gas, which were proactively brought to the attention of the South African Competition Commission by Sasol in 2008.

We are cooperating with the Commission which has granted Sasol Gas conditional leniency in both matters. However unintentional they may have been, we take these contraventions seriously and have implemented a number of steps to ensure full compliance with all applicable laws.

Sasol Gas, which markets natural gas from Mozambique and methane-rich gas produced by Sasol Synfuels, sustained sales volumes at 122,2 million gigajoules (M GJ) compared to 2008, despite declining demand from customers, particularly large industrial clients, as a result of the economic downturn.

However, during the year, 11 new customers were commissioned and three meter stations were upgraded. Once fully ramped up, these new customers will contribute an additional 1,9 M GJ per year to our sales volumes.

Operating profit rose 36% in 2009 to R2 424 million as higher gas prices offset lower sales volumes. Higher cash fixed costs were partly the result of increased safety initiatives and preparing for the operation of the new compressor station at Komatipoort, close to the South African and Mozambican border.

Sasol Gas highlights

Financial

		% change	2009	2008
Operating profit	Rm	36	2 424	1 785
Operating margin	%	13	43	38
Contribution to group operating profit	%	100	10	5

Operational

		% change	2009	2008
Total sales	M GJ	–	122,2	122,3
Total production	M GJ	(1)	130,0	131,5
Recordable case rate	RCR	98	0,83	0,42

sasol gas continued

The project to expand natural gas delivery from Mozambique by around a fifth is progressing well, and work on the new compressor station is scheduled for completion in the last quarter of 2009, within budget and on schedule. Ahead of this, we have set up a control room at our Germiston facility to manage the availability and capacity of the total pipeline network.

In October 2008, the National Energy Regulator of South Africa granted piped-gas distribution and trading licences to Sasol Gas in 84 areas located in the Gauteng, Free State and Mpumalanga Provinces of South Africa. A further 12 licences for areas in the KwaZulu-Natal Province were granted in March 2009. The licences cover all piped-gas distribution facilities that existed at the time of the implementation of the Gas Act in November 2005.

A remelting furnace at Sasol Gas customer, Wispeco, a leading South African manufacturer of aluminium extrusions.



We continue to work on acquiring a number of new transmission licences. We have also started implementing changes in our accounting systems to meet new regulatory reporting requirements by the February 2010 commencement date.

Working to ensure employee and community safety

Safety remains our primary objective and in the year we continued to ensure the security of our pipeline, the safety of our employees and of the communities that live in areas close to our facilities. In particular, the establishment and growth of a number of informal settlements around Gauteng has posed a major challenge, forcing us in some instances to re-route Sasol Gas pipelines. Sasol Gas is further engaging with government and communities to highlight the risks associated with the encroachment on pipelines.

Crime, such as vehicle hijacking and vandalism of pipeline monitoring equipment, took its toll on Sasol Gas in 2009. Some of our employees were injured, although fortunately none seriously, in five car hijackings. This pushed our RCR up to 0,83 in 2009 from 0,42 in 2008. These incidents, and others involving the theft of pipeline instrumentation, have also increased business costs.

To counter the possibility of hijackings, we now make use of a security company to accompany maintenance personnel in high-risk areas. We have also re-branded all our fleet vehicles to make them less attractive to potential hijackers.

Following the completion in 2008 of our first major in-line inspection to determine the integrity of the main 865 kilometre delivery pipeline from Mozambique, we commenced in-line inspections of our transmission lines in 2009. We completed the inspection of our oldest pipeline, the Boksburg to Sasolburg transmission pipeline, which was installed more than 40 years

ago. The results of the in-line inspection confirmed that the pipeline is still in excellent condition and remains fit for service under current operating conditions. In-line inspection work on other important transmission lines in the inland network will start in the new financial year.

To facilitate growth at Sasol Gas, and to meet the extensive requirements of the industry regulator, we increased employee numbers by around a third in the year.

Stepping up compliance

Two contraventions of competition law occurred for which Sasol Gas has received conditional leniency. The first relates to the structure of a piped-gas marketing joint venture which Sasol established and in which Sasol has a 49% interest. In support of the BEE joint venture, Sasol agreed to certain restrictive provisions in the agreements relating to the venture. These agreements were based on legal advice at the time, as well as an assumption that the venture could be treated as a partner, rather than as a competitor of Sasol Gas. Closer scrutiny indicated that the assumption was invalid and that the assistance and services provided to the venture and the restrictive clauses constituted contraventions of the South African Competition Act.

The second contravention relates to a restrictive clause in a supply agreement with a customer to support its privatisation. Sasol is a potential competitor of this customer only to a limited extent. Sasol Gas continues to cooperate fully with the competition authorities on these matters. We do not believe that these matters will have a material adverse impact on our business, operating results or financial condition.

The South African Competition Commission announced, in January 2009, that they had instigated an investigation into the piped-gas industry. Sasol is cooperating with the Commission in this respect.

Gas boiler operation at Isover, a manufacturer of insulation fibreglass.



Central processing facility at Temane in Mozambique.



sasol synfuels

- *Renewed focus on operating stability*
- *Record operating profit despite sharp market downturn*
- *Steady progress on growth plans*

Sustaining the foundation

Sasol Synfuels, which operates the only commercial coal-based synfuels manufacturing facility in the world, posted a record operating profit and managed to place all its output in the market in 2009. This was achieved despite the economic downturn and large swings in oil product prices. We recorded further improvement in our safety performance and took important steps to stabilise our operations.

In line with efforts to reduce our environmental footprint, we consumed less power, cut back on flaring and recovered more sulphur due to notable improvements in operational efficiency. The maintenance shutdown of Sasol Synfuels' main facilities in September 2008 went smoothly and without major incident. Progress in our endeavours to deliver on the South African transformation agenda was encouraging, and we enhanced the diversity and skills of our employees significantly.

These achievements were, however, dimmed by the death in August 2008 of service provider, Lucky Mkhonto, in an ultra high-pressure cleaning accident at our Secunda site. High levels of participation by employees and service providers in our behaviour-based safety (BBS) observation programme supported a drop in our RCR to 0,33 in 2009 from 0,36 in 2008. On average, some 3 000 BBS observations are carried out at

our operations every month. We apply a 'no name, no blame' approach, and unsafe behaviour is identified and rectified on the spot. There is no room for complacency, and management continues to drive a comprehensive safety improvement plan.

With higher product prices in the first half of the year, a weaker rand and the R4 904 million gain on the hedge on 30% of production, Sasol Synfuels raised operating profit to a record R25 188 million. These gains were offset by costs associated with the pre-feasibility study of expanding production at Secunda, as well as significant feedstock price escalations in the first half of the year on the back of a soaring oil price. Later in the year, crude oil prices fell to around US\$34/b from a peak of US\$143/b, illustrating the enormous volatility in our macro environment.

Higher coal and gas prices and extraordinary electricity price increases, as well as costs associated with plant instability, pushed cash costs per unit up 31% on a year-on-year basis.

Total annual output dropped 4,1% to 7,1 Mt largely due to once-off incidents and operational disruptions, including availability problems at the coal gasification and associated downstream units, as well as at our gas reforming plants.

The maintenance shutdown of our main facilities at Secunda went smoothly.



The selective catalytic cracker at Secunda recorded significant gains in availability and stability.



Sasol Synfuels plans to increase self-generated power by at least 200 MW with two open-cycle gas turbines expected to start operating in 2009.



Sasol Synfuels highlights

Financial

		% change	2009	2008
Operating profit	Rm	30	25 188	19 416
Operating margin	%	37	67	49
Contribution to group operating profit	%	79	102	57

Operational

		% change	2009	2008
Total sales	Mt	(7)	7,0	7,5
Total production	Mt	(4)	7,1	7,4
Recordable case rate	RCR	(8)	0,33	0,36

sasol synfuels continued

Reinforcing the base

To improve the robustness of our operations, we are replacing the jackets and linings of 80 gasifiers with belt jackets based on new technology. We expect to complete this project by the end of the 2010 calendar year. The heat exchangers on our gas reformers are coming to the end of their useful lives and we will start replacing them in the next year.

These disruptions underscore the importance of a strict maintenance and renewal programme to avoid work stoppages in future. We are on track in this regard and the interventions implemented to date are already starting to deliver benefits. To further improve plant stability, we are also investigating the feasibility of acquiring additional Sasol Fixed-Bed Dry-Bottom Gasifiers™, which – pending final capital approval – we plan to bring on line in 2012.

Optimising new technology

After overcoming numerous start-up challenges, the selective catalytic cracker (SCC) unit performed to expectations, recording significant gains in availability and stability from July 2008. This complex and integrated system – which uses an innovative technology to crack low-octane fuel into high-octane fuel and chemical components – is currently operating at 70% of its design load and producing on-specification products. We expect this to increase to 80% within the next few months and to reach full design load in due course.

Advancing power savings and environmental benefits

Sasol Synfuels made encouraging progress in saving electricity in the year, reducing purchases from Eskom by generating on average 460 megawatt (MW) of our own power. We have already realised savings of 35 MW from various energy-efficiency programmes and plan to double these by June 2010.

Work to increase Sasol's power generation capacity is advancing. We plan to increase self-generated power by at least 200 MW, with two open-cycle gas turbines expected to start operating in the coming months.

Our commitment to improving our environmental footprint will be underpinned by the investment of over R3 billion over

the next few years in various projects aimed at the recovery of volatile organic compounds from emissions. Early successes have been achieved through a leak detection and repair programme, and we continue work on flare reduction to lessen product losses and visible flaring.

Gearing up for growth

We have refined our Secunda expansion plans and will phase in the expansion over a longer period than originally planned, through smart integration to optimise the overall project economics. The first phase, in which the complex will be modified to accommodate an additional 24 M GJ of natural gas, is expected to increase production by at least 3% and electricity generation by 33%.

Construction is far advanced on the new gas turbines and the 132 kilovolt substation, while construction began on a 16th oxygen train, as well as a 10th Sasol Advanced Synthol™ reactor. Engineering work continues on the conversion of reformers to more efficient gas-heated heat exchange reformers, as well as on the necessary utility systems and the expansion of the refinery in an integrated manner.

Phase two of the expansion programme is in the pre-feasibility stage. We believe this phased approach is appropriate in the depressed economic environment as we anticipate a reduction in project costs. Breaking down the investments into smaller modules will also improve the efficiency of project execution – we call this smart integration. This will be our approach in this ambitious programme.

The growth programme, the first step in our plan to extend the life of the Secunda complex, supports the group's strategic objective of nurturing and growing our asset base.

Empowering South Africans

At year end, the representation of people in the designated groups was 56,4% of management, based on the new reporting template. We continued to focus on promoting and training black people, women and people with disabilities. Of a total of 1 502 learner artisans at Sasol Synfuels, 84% are black and 13% are women. Notwithstanding the progress of recent years, we believe we still have some way to go in our transformation journey.

sasol oil

- *Severe pressure on operating results due to declining product prices and tighter margins*
- *Decisive action taken to improve safety performance*
- *Costs scrutinised in response to global economic downturn*
- *Leniency applications lodged on competition law compliance*

Navigating stormy seas

The prevailing global economic recession caused havoc in oil markets during the year leading to the destruction of around 5% of global oil demand, which in turn precipitated a collapse in oil prices and refining margins. This resulted in a sharp decline in product prices, which was the main contributor to Sasol Oil's operating loss for the year.

Sasol maintained steady fuel supply to customers in 2009 despite the economic downturn.

It is with great sadness that we report a fatality in a fire at our tank farm in Secunda in March 2009, which took the life of long-time employee, Piet Smith. Two contractors were also injured in the incident but have recovered fully. The authorities are still investigating the cause of the fire.

Following this incident, we have taken further steps to improve the safety of all our facilities, intensifying our focus on behaviour-based safety. We have aggressively stepped up leadership visibility and adopted a reward-and-recognition safety

programme. We have also resolved to take tough action against those who do not adhere to safety standards in the workplace.

Sasol Oil's RCR deteriorated to 1,11 from 0,63 in 2008. This poor safety performance was mainly as a result of incidents occurring during the shutdowns at our joint-venture Natref refinery.

Driving enhanced compliance

As part of the group-wide compliance review, Sasol Oil's legal advisers ascertained that certain conduct could be construed as contravening the South African Competition Act. These matters have been raised by Sasol with the Competition Commission in the form of leniency applications and we continue to cooperate with them. The Competition Commission announced, in January 2009, that they had initiated an investigation into the South African petroleum industry.

Responding to the downturn

Sasol Oil's turnover decreased 2% to R51 694 million in 2009 and sales volumes were 1% lower at 9,85 million cubic metres (Mm³) as the South African economy slowed.

Sasol Oil highlights

Financial

		% change	2009	2008
Operating (loss)/profit	Rm	(106)	(351)	5 507
Operating margin	%	(110)	(1)	10
Contribution to group operating profit	%	(106)	(1)	16

Operational

		% change	2009	2008
Total sales	Mm ³	(1)	9,85	9,98
Total production Natref	Mm ³	(1)	3,49	3,54
Recordable case rate	RCR	(76)	1,11	0,63

sasol oil *continued*

We posted an operating loss of R351 million compared to an operating profit of R5 507 million a year earlier.

The steep decline in crude oil and product prices experienced during the first half of the financial year led to significant stock losses when stocks were sold at progressively lower prices during the period August 2008 to January 2009. Despite prices recovering slightly during the latter half of the financial year, the full extent of the earlier losses did not reverse. Refining margins were also significantly tighter than the previous year.

Natref, which is 63,6% owned by Sasol Oil, experienced a number of unplanned shutdowns in the year, which resulted

in a reduction of crude throughput. Crude throughput decreased 1,4% bringing Sasol Oil's share of annual output to 3,49 Mm³. The refinery achieved a total white product yield of 87% from 89% in the previous year.

Components purchased from Sasol Synfuels reduced due to the continuous beneficial operation of the SCC as well as some unplanned unit interruptions, which resulted in lower annual fuels production of 5,05 Mm³ from 5,6 Mm³ the previous year.

Despite the production and component purchase volumes reducing, sales volumes only showed marginal deterioration against the backdrop of the economic slowdown.

Sasol Oil remains one of the leading suppliers of liquid fuels to South Africa's industrial heartland of Gauteng Province where nearly two-thirds of the country's petrol and diesel is consumed.



Of the 411 Sasol and Exel retail convenience centres, half are owned or leased by historically disadvantaged individuals.



Launching our turnaround plan

In response to the rapid deterioration in economic conditions, we cut back on costs and reduced stocks to alleviate the pressure on working capital. We also renewed our focus on operational excellence and on improving the throughput and crude rate of our refineries. Proactive maintenance of all our facilities remained a priority.

We are pleased to report that Natref reduced electricity consumption by 10% to 30 MW, supporting the South African government-led drive to save power.

In line with the group's focus on cash conservation, we slowed the pace of rolling out new Sasol convenience centres while maintaining a steady market share of around 9%. We also scaled back on plans for three new distribution depots around Gauteng, focusing instead on upgrading and expanding the tank capacity of the existing Alrode depot.

We continued to reposition our commercial business according to our customer-focused strategy. In recent years we have signed a number of large supply contracts and estimate our share of this market at around 6%.

Sasol Oil remains one of the leading suppliers of liquid fuels to South Africa's industrial heartland of Gauteng, where nearly

two-thirds of the country's petrol and diesel is consumed. In 2009, we met some 34% of South Africa's total liquid fuels requirements.

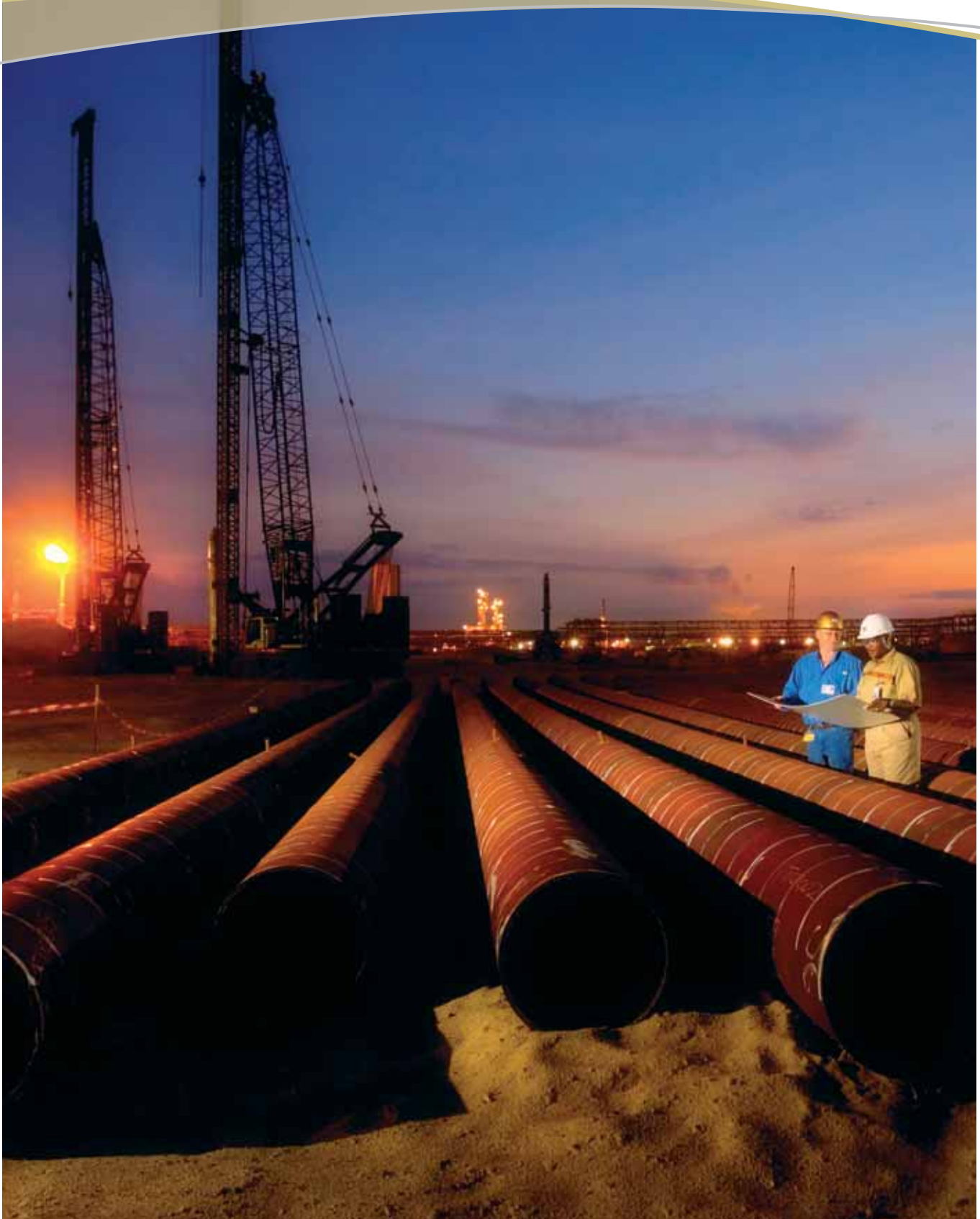
We continue to consult with the authorities on plans to introduce further changes to the national fuel specifications, as well as regulatory changes and improvements. At Natref, we are investigating the possibility of expanding the refinery's capacity by building new processing units to meet evolving specifications for petrol and diesel.

Empowering our people

Sasol Oil's retail business continued to prosper and by year end there were 411 Sasol and Exel retail convenience centres nationwide. These businesses – half of which are owned or leased by historically disadvantaged individuals – are an important component of Sasol Oil's efforts to further black economic empowerment (BEE).

We are pleased to report an improvement in our broad-based BEE rating to a level four contributor, awarded by a reputable, independent ratings agency. Apart from enterprise development, the progress we have made in preferential procurement and employment equity supported the improved rating.

international energy cluster



Sasol is committed to providing experienced people and ongoing support for the commissioning and start-up of Escravos GTL in Nigeria.

Financial highlights

		2009	2008	% change
Operating profit	Rm	880	383	130
Operating margin	%	17	10	70
Contribution to group operating profit	%	4	1	300

Note: Detailed segmental information is available in the annual financial statements from pages 80 to 85. 

operating reviews 28–68

south african energy cluster	28
international energy cluster	42
chemical cluster	50
other businesses	64

Sasol Synfuels International (SSI)

p44

SSI pursues international synfuels opportunities based on coal-to-liquids (CTL) and gas-to-liquids (GTL) conversion technology. In partnership with Qatar Petroleum, SSI brought our first international GTL plant, Oryx GTL, into operation at Ras Laffan, Qatar in 2007. The company has established liaison offices in Beijing, Mumbai, Houston and Tashkent in Uzbekistan to promote our CTL/GTL interests in these regions.

Operating loss	Rm	(235)	(621)
Operating margin	%	(8)	(35)
Contribution to group operating profit	%	(1)	(2)

Contribution to group operating profit

(1%)

Sasol Petroleum International (SPI)

p47

SPI develops and manages our upstream interests in oil and gas exploration and production in Mozambique, South Africa, Gabon, Nigeria, the joint development zone between Nigeria and São Tomé & Príncipe, in the Gulf of Guinea, Papua New Guinea and Australia. It produces gas and condensate from Mozambique's onshore Temane and Pande fields and oil from Gabon's offshore Etame oilfield cluster. SPI pursues gas exploration opportunities to enable it to supply feedstock to potential future GTL plants.

Operating profit	Rm	1 115	1 004
Operating margin	%	52	51
Contribution to group operating profit	%	5	3

Contribution to group operating profit

5%

sasol synfuels international

- *Year-on-year production at Oryx GTL more than doubled*
- *World-class safety performance; RCR of 0,30*
- *Feasibility study in China far advanced*
- *Coal blocks allocated in India; pre-feasibility study launched*
- *Joint-venture agreement signed on GTL project in Uzbekistan*

Performing well across the board

Sasol Synfuels International (SSI) made good progress in the year. Notable was the ramp-up of production at our Oryx gas-to-liquids (GTL) joint venture in Qatar, as well as encouraging advances in our ambitions to develop a GTL plant in Uzbekistan and coal-to-liquids (CTL) facilities in China and India. Our catalyst business also recorded a number of achievements.

SSI maintained a world-class safety performance, with Oryx GTL reporting a recordable case rate (RCR)* of 0,29 in the year, down from 0,42 in 2008. SSI as a whole recorded a RCR of 0,30, down from 0,38.

SSI reported an operating loss of R235 million, compared to an operating loss of R621 million in 2008. This improved performance was mainly due to increased production from Oryx GTL but was negated by the loss realised on the sale of a portion of our economic interest in the Escravos GTL (EGTL) project in Nigeria. Sasol has reduced its economic interest in EGTL from 37,5% to 10% and realised a loss of R771 million on the sale of its interest. SSI also made significant investments in studies to assess the commercial viability of a number of opportunities, to allow for the future growth of the division.

Sasol's licensing and catalyst supply arrangement with EGTL remains in place. We are committed to providing experienced people and continued support for the successful commissioning and start-up of the facility. In this regard, lessons learned from Oryx GTL will be invaluable.

Capitalising on the ramp-up of Oryx GTL

Modifications made to some of the equipment at Oryx GTL and the smoother overall operation of the facility significantly lifted its production of environmentally friendly GTL fuels in the year. The average production level for 2009 more than doubled that of the previous year. By year end a total of 12,4 million barrels of GTL product had been sold since the start of production.

We believe Oryx GTL is on a sound financial, operational and commercial footing. Together with our joint-venture partner, Qatar Petroleum, we are now looking at further enhancing the facility's performance.

Building on the success of Oryx GTL, as the world's largest commercial-scale GTL facility, SSI is assessing other international opportunities based on gas. In December 2008, we concluded a pre-feasibility study with our partners Uzbekneftegaz and Petronas into the development of a GTL complex in Uzbekistan. This was followed by the signing, in April 2009, of a "heads of agreement" document governing the commercial principles of a joint GTL project in the Central Asian country.

Uzbekistan envisages adding value to its gas resources and improving energy security through the local production of transportation fuels and through job creation. SSI and our partners are looking to develop a GTL facility to produce in the order of 1,3 million tons a year of superior environment-friendly products such as GTL diesel, kerosene, naphtha and liquefied petroleum gas (LPG). We signed a joint-venture agreement in July, launching a feasibility study that will incorporate the learnings from our GTL facilities in Qatar and Nigeria.

*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 cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.

The smoother overall operation of Oryx GTL in Qatar significantly lifted its production of environmentally friendly GTL fuels.



Sasol Synfuels International highlights

Financial

		% change	2009	2008
Operating loss	Rm	62	(235)	(621)
Operating margin	%	77	(8)	(35)
Contribution to group operating profit	%	50	(1)	(2)

sasol synfuels international continued

Pursuing opportunities in China and India

In October 2008, SSI launched the group's first CTL feasibility study outside South Africa. Alongside our partner in China, the Shenhua Ningxia Coal Group, we appointed Foster Wheeler International Corporation and Wuhuan Engineering Company to carry out the study for an 80 000 b/d CTL plant at the Ningdong Energy and Chemicals Base in the Ningxia Hui Autonomous Region. There has been good progress since then and we look forward to the results of the feasibility study in 2010.

India intends to further exploit its coal reserves and boost the domestic supply of liquid fuels, offering attractive opportunities for CTL. In February, the Indian government awarded the SSI and Tata joint-venture company long-term access to a portion of the North of Arkhpal and Srirampur coal block in the Talcher coalfield in the State of Orissa. This is the largest coal block award ever made in India to a private company and ensures access to about 1,5 billion tons of coal.

Although the prospects of introducing Sasol's proprietary Fischer-Tropsch (FT) technology to China and India are the focus of SSI's current CTL endeavours, we continue exploratory discussions with some of the world's other coal-rich countries, such as Indonesia, where SSI plans to conduct a high-level screening study with a view to developing similar plants in future.

Enhancing our environmental performance

It is important to reiterate that these new opportunities will not be pursued at any cost. SSI's commitment to improving the environmental performance of any new international operation has been clearly stated: we will only invest in new

CTL plants if there is a technically viable opportunity to store carbon dioxide (CO₂) in the future. We continue to implement more efficient processes to reduce the production of CO₂ per barrel of product and to invest significantly in developing the next generation of carbon-efficient technologies. We are confident of meeting the group's stringent reduction targets for greenhouse gas emissions.

Extending our catalyst capability

To secure the supply of cobalt-based catalyst, and to meet the projected demand of future CTL and GTL plants, Sasol recently began the construction of a third catalyst production plant in Sasolburg. This is due to be completed in the second half of the 2010 calendar year.

Sasol and BASF ramped up production at the second cobalt catalyst plant at De Meern in The Netherlands. Both units at De Meern can now operate by more than a third higher than the original name-plate capacity of the first unit.

SSI is pleased to report improvements in the service life and performance of the catalyst at Oryx GTL as a result of introducing better operating procedures and improving the mechanical stability of the cobalt catalyst. The drive to further reduce the cost of this catalyst motivates the extensive technical research and development underway at Sasolburg. We continue to identify further improvements in this regard.

The capacity of the De Meern cobalt catalyst plants was increased by more than a third.



During the year, SSI made progress with Sasol's first feasibility study outside South Africa, for an 80 000 b/d CTL plant in China.



sasol petroleum international

- *Maintained total oil and gas production levels despite global turbulence*
- *Significantly increased production capacity in Mozambique by commissioning Pande gasfield*
- *Proved Reserves replacement ratio at 167% (five-year rolling average)*
- *Successful entry into Papua New Guinea and Australia*

Expanding our portfolio

Sasol Petroleum International (SPI) develops and manages the group's upstream interests in oil and gas exploration and production. Particular focus is given to securing more natural gas reserves with the aim of leveraging the group's proprietary technology and developing new gas-to-liquids (GTL) facilities.

SPI continued to grow its hydrocarbon resource base in 2009 and is also pleased to report important advances in our efforts to expand our portfolio beyond the borders of Africa. With the Pande and Ebouri fields coming on stream and a second gas sales agreement signed for the Mozambican fields, SPI matured a significant volume of petroleum resources, resulting in a 167% Proved Reserves replacement ratio and 224% Proved Developed Reserves replacement ratio (both on a five-year rolling average). We have also made notable progress in Asia Pacific and Central Asia.

We also continued to improve our safety performance in the year, and extended our capacity to develop carbon capture and storage (CCS) solutions in support of the group's coal-to-liquids (CTL) and GTL ambitions.

Operating safely and caring for the environment

We follow best practice with regards to safety, reporting a RCR of 0,34 in 2009 from 0,46 in 2008. This significant achievement is largely the result of a sharper focus on the safety management of our service providers and joint ventures, as well as the introduction of a behaviour-based safety programme at our operations in Mozambique. The implementation of enhanced safety processes, systems and controls also supported the strong overall showing, but we are aware that there is still some way to go to make zero harm a reality.

In all our endeavours – some in sensitive marine and jungle environments – SPI applies world-class standards of environmental protection.

Sasol Petroleum International highlights

Financial

		% change	2009	2008
Operating profit	Rm	11	1 115	1 004
Operating margin	%	2	52	51
Contribution to group operating profit	%	67	5	3

Operational

		% change	2009	2008
Total gas sales (Mozambique)	M GJ	–	74,7	74,8
Total condensate sales	b	(9)	457 243	501 289
Total oil sales (Gabon)	M/b	11	2,0	1,8
Recordable case rate	RCR	(26)	0,34	0,46

sasol petroleum international continued

Remaining profitable

Driven by increases in crude oil output from our offshore Gabon assets and maintaining our gas production in Mozambique, SPI increased its profit contribution, despite global turbulence. However, the subsequent sharp decline in the oil price reduced profit margins and, along with increased exploration expenditure, led to only slightly higher earnings for the full year. SPI recorded an operating profit of R1 115 million from R1 004 million in 2008.

Growing our Mozambican heartland

SPI's heartland is Mozambique, where we produce gas and condensate from the Temane onshore gasfield in partnership with Companhia Moçambicana de Hidrocarbonetos and the International Finance Corporation. In May, the Pande gas field was successfully brought on stream.

In 2009, our Mozambican partnership produced and sold, primarily to Sasol Gas in South Africa, 106,8 million gigajoules (M GJ) of natural gas, which was similar to 2008 volumes.

SPI is well on track to increase the capacity of our production facilities from 120 M GJ to 183 M GJ a year with the aim to supply gas to various projects in South Africa and Mozambique. As part of our strategy to grow the upstream resource base in Mozambique, SPI successfully drilled two exploration wells in offshore blocks 16 and 19 in the year. Sasol, as the operator, holds 50% of the licence for this concession area, while Petronas of Malaysia has acquired 35% and the Mozambican national oil company, Empresa Nacional de Hidrocarbonetos de Moçambique, owns the remaining 15%. We are encouraged by the initial results of the campaign, but believe a significant amount of work is still required to assess whether developing these gas-bearing reservoirs will be commercially viable.

Drilling took place adjacent to the Bazaruto National Park. We rigorously ensured compliance with our environmental management plan, reinforcing employee awareness of their surroundings. SPI is a sponsor of the Bazaruto National Park Conservation Support Programme. We are also committed to adding value to the economy and the people of Mozambique through various social development initiatives.

SPI successfully drilled two exploration wells in blocks 16 and 19, offshore Mozambique, during the year.



Boosting West African output

In West Africa, the Etame oilfield cluster, offshore Gabon, continued to perform well, raising output and profits. The satellite Ebouri field was brought into production, boosting total volumes from this concession. SPI recorded total oil sales in the year of 2 million barrels through its 27,75% share in this licence.

SPI is also a minority shareholder in deep-water licences in Nigeria and São Tomé & Príncipe. In 2009, we continued our exploration and appraisal work of these concessions.

Making progress in Asia Pacific

In August 2008, SPI took a 51% interest in four petroleum prospecting licences in Papua New Guinea (PNG) with Papua Petroleum Limited. Subsequently, SPI became the operator of the licences, which cover 37 000 km² of the foreland basin in the Western Province. This area consists of lowlands of the Fly River delta system, with dense rainforest and marsh areas. It is remote, with access only via river or air.

By June 2009, SPI completed a 375 km (helicopter-supported) 2D seismic survey and a 23 000 km airborne gravity/magnetic survey. Processing of most of the recently acquired seismic data is complete, and interpretation and prospect generation are well advanced. Planning for drilling operations is underway, with exploration drilling scheduled for 2010.

We are hoping to replicate the success of Mozambique in PNG. There are many operational challenges to overcome in undertaking exploration, especially for a new entrant in the region. However, the excellent collaboration of our partners, the availability of professional contractors with good local experience and good safety management systems, together

with the cooperation of the authorities and the local community, have facilitated Sasol's entry into the PNG upstream business.

It is also pleasing to report progress in Australia, where in July 2008, Sasol bought a 30% interest in licence WA-388 in the Carnarvon Basin, offshore the north-west shelf. In September 2008, we completed a 3D seismic survey, the results of which are being assessed.

Accessing Central Asia

In Uzbekistan, SPI recently signed a memorandum of understanding (MOU) with Uzbekneftegaz and Petronas to further upstream cooperation in the country with particular focus on oil and gas exploration and appraisal. Sasol Synfuels International and its partners have recently concluded a pre-feasibility study for such an operation in the Central Asian country.

Progressing plans for non-conventional gas and CCS

In the year, we grew our in-house capability in the field of non-conventional gas (coal-bed methane and shale gas), setting up a team of specialists to consider opportunities for equity participation in such ventures. Furthermore, we continued our work to develop effective CCS solutions for the group. We are pleased to report that we have built significant capacity in this respect and in 2009 joined a number of prestigious international associations working to master CCS. Sasol is a founding member of the South African Centre for CCS, which recently hosted the first South African conference on the subject. CCS is among the most promising measures identified so far with the potential to slow climate change.

The Minister of Mineral Resources of Mozambique, Ms Esperança Bias, officially opened the Pande gas field.



Papua New Guinea jungle operations in progress.




chemical cluster



The purity of the octene flowing from the new plant at Secunda has set a new standard in the industry.

Financial highlights

		2009	2008	% change	operating reviews	28 – 68
Operating (loss)/profit	Rm	(2 244)	6 605	(134)	south african energy cluster	28
Operating margin	%	(3)	9	(133)	international energy cluster	42
Contribution to group operating profit	%	(9)	21	(143)	chemical cluster	50
					other businesses	64

Note: Detailed segmental information is available in the annual financial statements from pages 80 to 85. 

	2009	2008
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Sasol Polymers

p52

Sasol Polymers has plants at Sasolburg and Secunda and supplies ethylene, propylene, polyethylene, polypropylene, polyvinyl chloride, chlor-alkali chemicals and mining reagents to domestic and international customers. It has joint-venture monomer and polymer interests in Malaysia and Iran.

Contribution to group operating profit

Operating profit	Rm	946	1 511
Operating margin	%	6	13
Contribution to group operating profit	%	4	5

4%

Sasol Solvents

p55

Sasol Solvents has plants in South Africa and Germany and supplies alcohols, ketones, esters, acrylic acid esters, ethyl acetate, ethers, propionic acid, acetic acid, comonomers and mining chemicals to customers worldwide. It has a German maleic anhydride joint venture with Huntsman.

Contribution to group operating profit

Operating profit	Rm	495	2 382
Operating margin	%	3	14
Contribution to group operating profit	%	2	7

2%

Sasol Olefins & Surfactants (Sasol O&S)

p58

Sasol O&S has plants in Germany, Italy, the USA, China, Dubai, South Africa and in the Slovak Republic and supplies C₆-C₂₂ alcohols, linear alkylbenzene, surfactants, inorganic speciality chemicals and oleochemicals as well as chemical intermediates to customers worldwide. It has a joint-venture alcohols plant with Wilmar China Investment (Yihai) in China.

Contribution to group operating profit

Operating (loss)/profit	Rm	(160)	1 512
Operating margin	%	(1)	5
Contribution to group operating profit	%	(1)	5

(1%)

Sasol Nitro, Sasol Wax, Sasol Infracchem and Merisol

p60

Sasol Nitro has plants at Sasolburg, Secunda, Rustenburg and Bronkhorstspuit in South Africa and supplies ammonia, nitric acid, explosives, fertilisers, ammonium sulphate, sulphuric acid, phosphates and blasting accessories. It markets the ammonia, sulphur and speciality gases produced by other Sasol businesses.

Sasol Wax has production and marketing operations in South Africa, Germany, Austria, the UK and the USA and sales offices in France, Egypt, Malaysia and Australia. It is a world-leading supplier of waxes, petroleum jellies and liquid paraffins derived from Fischer-Tropsch and oil-refinery feedstock to customers worldwide.

Sasol Infracchem provides a services platform for reforming natural gas and providing utilities, infrastructure and site support at our Sasolburg complex. It is responsible for Sasolburg site governance and reputation management in the Free State Province.

Our **Merisol** joint venture with Merichem of the USA has plants in South Africa and the USA and joint-venture production facilities at Sasolburg and Oita, Japan. It supplies cresols, xyleneols, alkylphenols and other phenolics and their derivatives to customers on all continents.

Contribution to group operating profit

Operating (loss)/profit	Rm	(3 525)	1 200
Operating margin	%	(19)	7
Contribution to group operating profit	%	(14)	4

(14%)

sasol polymers

- *Successful production ramp-up at Arya Sasol Polymers complex*
- *Commissioning of Turbo project complete – at lower volumes than designed*
- *Effective cost control implemented to counter margin decline*

Remaining profitable in tough times

Higher volumes resulting from the ramp-up of production at our joint venture in the Middle East underpinned Sasol Polymers' profitability in 2009, amid a steep fall in global product prices. Good stability at our Malaysian facilities also contributed to a resilient performance in a year of two very different halves.

After a strong start, marked by comfortable margins despite high feedstock prices, world polymer prices dropped sharply in November on expectations that plastic consumption would be affected by the global economic slump. Prices were further undermined by the industry's high inventories. However, towards the end of the second half of the year, polymer prices stabilised as some manufacturing lines remained closed and the start-up of new capacity in the Middle East and China was delayed. Margins continued to be tight.

In response to the tough economic environment, Sasol Polymers initiated a number of internal processes to reduce costs, with a firm focus on inventory and debtors' control.

Sasol Polymers' turnover increased 37% to R15 525 million in 2009 while operating profit was lower at R946 million from R1 511 million a year earlier.

Our safety performance was disappointing in the year. Our recordable case rate (RCR)* rose to 0,73 from 0,36 in 2008. There were no serious injuries to employees or contractors. We responded to this deterioration by launching an aggressive safety improvement intervention in all our businesses, which included highlighting the role of leadership, increasing safety awareness, testing the robustness of our safety systems and implementing a safety compliance drive.

*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 cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.

Sasol Polymers highlights

Financial

		% change	2009	2008
Operating profit	Rm	(37)	946	1 511
Operating margin	%	(54)	6	13
Contribution to group operating profit	%	(20)	4	5

Operational

		% change	2009	2008
Total sales	Mt	33	1,6	1,2
Total production	Mt	20	2,4	2,0
Recordable case rate	RCR	103	0,73	0,36



Raising output

Production volumes in South Africa rose 9% in the year as we continued to ramp-up production and improve stability at the new Project Turbo plants – a second polypropylene plant at Secunda and a low-density polyethylene 3 plant at Sasolburg. However, these manufacturing units rely on feedstock from

Sasol Synfuels' new selective catalytic cracker (SCC) which is undergoing modifications to improve its stability. The first Operations Excellence pilot project in the group was implemented at the polyethylene 2 plant, and we are pleased to report steady progress in this regard. This project includes establishing best practices and improved processes throughout the facility.

Sasol Polymers is at the forefront of technology with its new totally enclosed ground flare (TEGF) at its monomer ethylene plant in Sasolburg. The TEGF replaces the elevated flare, reducing noise, smoke pollution and illumination.



sasol polymers *continued*

Delivering a good international performance

Sasol Polymers' international joint ventures continued to thrive. Following the start-up of Arya Sasol Polymers' ethane cracker in the previous year, the complex's two polymer plants entered beneficial operation in 2009 and are currently running at around 70% capacity. We are particularly pleased with the extended run of the low-density polyethylene plant so soon after start-up – achieving up to 27 days of uninterrupted operations, which compares favourably with industry norms for similar plants. Arya Sasol Polymers is a joint venture between Sasol Polymers Germany and the National Petrochemical Company of Iran.

In Malaysia, our Petlin and Optimal Olefins joint ventures continued to perform with excellent stability. The Wesco China warehouse and packaging line near Shanghai has been fully commissioned. Through this joint-venture distributor, we will serve the growing Chinese market with some volumes from Arya Sasol Polymers. We are also developing the market for our products in India and other countries.

Restructuring the chlor-vinyls business

Sasol Polymers recently integrated our mining reagents and chlor-alkali business with the vinyls operations. This is aligned to the group's Functional Excellence drive and has resulted in a more streamlined organisation and smoother management

processes. Although the restructuring has strengthened our chlor-vinyls operations, this business has been affected by the slowdown in the gold mining and manufacturing sectors.

Winning with people and the environment

We continued to work towards creating a more motivational environment for employees. We have revised our recognition systems to promote performance, innovation and creativity, and this has already borne fruit.

As part of our efforts to reduce our environmental footprint, we are pleased to report good progress in our project to convert an ethylene flare stack at Sasolburg to a totally enclosed ground flare to reduce the associated noise and illumination. We expect this to be commissioned early in the new financial year. Also at Sasolburg, the remediation of the old chlor-alkali and plastics plants is at an advanced stage.

Sasol Polymers' medium-term growth opportunities are focused on the full utilisation of our South African assets, as well as the further ramp-up of Arya Sasol Polymers. In the year ahead, we plan to tap more of the potential of the South African value chain as the SCC is optimised, freeing up feedstock.

Sasol's first Operations Excellence pilot project was implemented at Sasol Polymers.



sasol solvents

- *Maintained solid safety record*
- *Performance underpinned by strong relationships with customers*
- *Ramped up third 1-octene plant; product well received by the market*

Reinforcing customer relationships in challenging times

The global economic downturn and accompanying decline in demand for products made using solvents and comonomers posed a major challenge for Sasol Solvents in 2009. However, our strong relationships with customers – which enabled us to better understand our markets and adjust production accordingly – underpinned our performance.

Sasol Solvents maintained a solid safety record, although our RCR deteriorated to 0,49. This was achieved by a continued focus on safety and the implementation of a new service provider management procedure which, among other things, requires strict adherence by contractors to Sasol safety rules. However, we recognise that we cannot be complacent and will continue to focus on eliminating incidents. This will be realised through an uncompromising commitment from Sasol Solvents leadership, zero tolerance of violations of the safety code of practice and ongoing training of all employees and service providers.

In line with group efforts to reduce our environmental footprint, engineering work continued on several projects aimed at meeting Sasol's targets for minimum safety, health and environmental requirements on all operating sites by 2015. During the year, Sasol Solvents reduced hazardous waste volumes further as well as reduced flare volumes through capital spending on cooling water self-cleaning units.

Curtailing output to match demand

Demand, prices and – to a lesser extent – margins were affected by slowing economic activity in 2009, necessitating a curtailment in production at a number of our facilities. We closely monitored inventory levels to balance working capital requirements, demand and the need to run production units as part of the Sasol Synfuels value chain. The revaluation of inventory at lower prices and the relative strength of the rand against major currencies also affected Sasol Solvents' financial performance in 2009.

Sasol Solvents highlights

Financial

		% change	2009	2008
Operating profit	Rm	(79)	495	2 382
Operating margin	%	(79)	3	14
Contribution to group operating profit	%	(71)	2	7

Operational

		% change	2009	2008
Total sales	Mt	(6)	1,62	1,72
Total production	Mt	(7)	1,67	1,79
Recordable case rate	RCR	20	0,49	0,41

sasol solvents continued

Turnover rose 5% to R18 115 million but operating profit declined 79% to R495 million from R2 382 million in 2008. In line with swings in the price of oil, feedstock costs in the first half were high, before falling sharply in the second half of the year which helped to partly offset the impact of lower sales. We estimate that after the widespread de-stocking by industry at the end of the 2008 calendar year, market demand is now some 20% to 25% lower than before the economic crisis and is likely to remain around this level for some time to come.

One of the Sasol group's six shared values is customer focus. In a depressed economic environment, we consider strong, open relationships with customers even more critical. Sasol Solvents believes that our sales model of having our own sales force rather than using sales agents or distributors is standing the business in good stead. The challenge is to remain a reliable and preferred supplier through the tough times.

We are pleased to report the excellent reception by customers of the product flowing from our new octene train 3 at Secunda. The purity of the octene, which is used for producing certain plastics, has set a new standard in the industry. The plant, which was started up in June 2008, is operating successfully and running at around 60% of its design capacity of 100 000 tons per annum. Sasol Solvents will continue to ramp it up to full production in the year ahead, according to plan.

With octene train 3 extracting the last of the comonomer range olefins from the Secunda complex, Sasol Solvents will turn to a

new technology to feed the growth of its comonomer business. Basic engineering on the new, in-house developed tetramerisation technology is expected to commence in the first quarter of the new financial year.

Focusing on costs

Sasol Solvents is working hard to reduce costs, including supply chain costs which are exacerbated by the distance between the South African business and many of our markets. In Germany we are reviewing and restructuring our operations as part of a business improvement plan. This will involve the possible rationalisation of Sasol Solvents' product portfolio and, unfortunately, some job losses. We continue to build our German customer base, helping reduce our exports from Germany.

In another effort to better manage costs, we have deliberately slowed down the construction of our second methyl iso-butyl ketone (MiBK) plant at Sasolburg. Depressed market conditions mean that early commissioning of the new facility is not necessary and we now plan to start it up at the end of the 2009 calendar year.

The project to expand the manufacturing capacity of the Sasol-Huntsman maleic anhydride train at Moers in Germany by 75%, is progressing well and is on schedule and within budget. Start-up is set for 2011, when we expect demand for this product, which is a building block for unsaturated polyester resins, to have improved.

A voluntary fire fighter undergoing training at our Herne site in Germany.





Extracting a sample of high-quality isopropanol at the Sasol Solvents plant at Moers, Germany.



sasol olefins & surfactants

- *Group decision taken to retain Sasol O&S*
- *Solid safety performance maintained*
- *Resilience under pressure as turnaround gains traction*
- *Contracts with major customers renegotiated*

Riding out the storm

Sasol Olefins & Surfactants (Sasol O&S), a leading global producer and supplier of surfactant intermediates, surfactants and inorganic specialties, as well as chemical intermediates, made good progress in our turnaround strategy in the year. The simplification of our functional organisational structure enabled the business to respond quickly and innovatively to the economic downturn, while the reduction in fixed costs allowed us to manage slowing demand.

The success of the new strategy and the improved robustness of the business were validated by Sasol Limited deciding to retain Sasol O&S. This has removed the uncertainty over the future of the business and allows us to explore synergies with the rest of the Sasol group. However, a number of assets in the business remain under review.

Since the turnaround process began in April 2007, we have closed seven world-scale plants, representing more than 500 000 tons of annual production. We now operate 14 production sites in seven countries, with a total footprint of 28 locations in 15 countries. Employee numbers are now under 3 000 from

more than 3 300 two years ago. This has been achieved in a responsible way through natural attrition or in collaboration with employee representative bodies.

Underpinned by close and proactive customer engagement, which is one of our key strategic differentiators, we sealed longer-term contracts with major customers in 2009, securing the sale of significant quantities of product at acceptable margins.

Our stringent focus on managing inventories, which are currently at their lowest levels ever, allowed us to moderate working capital and costs, and enabled the release from inventories of some R2,5 billion in cash. We are also pursuing a number of other projects with customers to cement our position in the market and better manage inventory levels.

In 2009, our employees were instrumental in supporting management in their efforts to weather the economic storm. We were able to further reduce fixed costs and avoid job losses beyond those that had been agreed as part of the turnaround programme. This was achieved by implementing various measures supported by employee representative bodies, including trade unions and works councils.

Sasol Olefins & Surfactants highlights

Financial

		% change	2009	2008
Operating (loss)/profit	Rm	(111)	(160)	1 512
Operating margin	%	(120)	(1)	5
Contribution to group operating profit	%	(120)	(1)	5

Operational

		% change	2009	2008
Total sales	Mt	(10)	1,88	2,09
Total production	Mt	(11)	1,83	2,07
Recordable case rate	RCR	(5)	0,36	0,38

Dealing with reduced demand

Sasol O&S is exposed to many of the industries which have been hardest hit by the economic downturn. In the United States, we supply ethylene to manufacturers of polyvinyl chloride (PVC), which is used extensively in the construction sector. We also supply surfactants to cement makers. In the automotive industry, our inorganic business has experienced a reduction in demand for alumina products used as carrier catalysts for automotive emission control.

Demand for the active ingredients in household detergents, personal care and other consumer products has also dropped as some consumers have moved away from premium-brand products. Instead, many consumers are buying lower-priced products which contain less active ingredients such as Sasol's surfactants and surfactant intermediates. Despite the trend, which we expect to be temporary, and excluding the impact of revaluing inventory, our margins in this segment expanded slightly.

Sasol O&S's turnover dropped 10% in euro terms, although it increased by 3% to R29 534 million in rand terms. This deterioration was mainly due to a 10% reduction in sales volumes. The business reported an operating loss of R160 million compared to an operating profit of R1 512 million in 2008. Other factors which contributed to this result were the revaluation of stock at lower international prices and the appreciation of the rand against the euro.

Securing the safety of our people

We sustained our safety performance in the year, with a RCR of 0,36, marginally improved from 0,38 a year earlier. This was supported by the use of a behaviour-based safety programme, which was particularly successful at our Lake Charles operations. Early in the financial year, employees at this facility were evacuated and production was disrupted for almost a month because of two hurricanes along the Gulf coast. All employees, including the hurricane ride-out crews, were kept safe and Sasol O&S did not suffer any damage to the plant thanks to careful forward planning.

In preparing to meet the many requirements of the European Union's regulations on the Registration, Evaluation and Authorisation of Chemicals (REACH), our compliance team completed pre-registering close to a thousand substances by December 2008 and has made good progress towards the goal of full registration of our high-volume substances by December 2010.

In China, we are pleased to report that our new joint-venture alcohol plant, which uses palm kernel oil as a feedstock, is running successfully and at full capacity. Although Chinese demand slipped after the Olympic Games, there has since been a sharp rebound and the outlook remains positive.

Employees conduct a routine equipment check at Sasol Yihai (Lianyungang) Alcohol Industries Co Limited, a 50% Sasol joint venture in Lianyungang, China.



sasol nitro, sasol wax, sasol infrachem and merisol

- *Sasol Nitro's explosives and ammonia businesses perform well in tough markets*
- *Sasol Wax responds quickly to global economic downturn*
- *Sasol Infrachem records significant electricity savings*
- *Merisol remains profitable despite global economic downturn*

sasol nitro

Withstanding challenging times

A steep fall in international commodity prices in the second quarter of the 2009 financial year pressured Sasol Nitro's ammonia, fertiliser and explosives businesses, reducing demand and depressing prices and margins. Operationally, however, many of Sasol Nitro's plants performed well with the Sasolburg ammonia facility achieving record output in the year.

We are pleased to report a further improvement in Sasol Nitro's safety performance. Our recordable case rate (RCR) deteriorated slightly from 0,44 to 0,48 and transport incidents reduced to the lowest-ever level. This can be attributed to the commitment of leadership, employees and service providers together with improved risk procedures and safety processes.

Enhancing compliance and environmental performance

As a result of the findings of an internal Sasol compliance review of competition law compliance, Sasol Nitro reached a settlement agreement with the South African competition authorities in the year. This relates to collusive practices in the fertiliser and phosphoric acid businesses. We have agreed to pay an administrative penalty of R251 million.

The conduct identified in these investigations is unacceptable and runs counter to our shared Sasol values. The settlement agreement is an important step forward and we look forward to concluding outstanding matters on allegations of abuse of dominance in some of the markets in which we compete.

Sasol Nitro, Sasol Wax, Sasol Infrachem and Merisol highlights

Financial

		% change	2009	2008
Operating (loss)/profit	Rm	(394)	(3 525)	1 200
Operating margin	%	(371)	(19)	7
Contribution to group operating profit	%	(450)	(14)	4

In its second year of operation, Sasol Nitro's nitrous oxide greenhouse gas abatement programme continued to deliver environmental benefits and generate good earnings from carbon credits. This initiative, which is registered as a clean development mechanism under the Kyoto Protocol, delivered its first batch of 259 537 certified emission reductions.

Maintaining robust operations

Reliability was a feature of Sasol Nitro's plants in the Sasolburg complex in 2009, with our facilities running at full capacity and producing record volumes. To manage the slowdown in demand, we cut back on imports of ammonia in the year.

Sasol Nitro's explosives business felt the impact of downscaling in the mining industry. However, the enhanced safety features and reliability of our products and our excellent service delivery helped us to continue delivering value to our customers. A highlight in the year was the successful commissioning

of upstream feedstock preparation capacity at the Ekandustria explosives accessories manufacturing plant. The factory supplies raw materials, which were previously imported, to the Sasol Dyno Nobel explosives plant.

The fertiliser business had a challenging year. Despite good rains and a strong agricultural performance in the region, the drop in international fertiliser prices weighed down local prices and resulted in delayed purchases by many farmers in anticipation of further price reductions. We continue to advance our plans for a new fertiliser granulation plant at Secunda, following the successful commissioning of a new ammonium sulphate plant late in 2009.

As a result of its poor commercial viability, we closed the ageing Meyerton-based sodium tripolyphosphate plant in South Africa. We continue to scrutinise the Sasol Nitro value chain to ensure we maintain a robust business model and remain well positioned to benefit from an economic recovery.

Sasol Nitro's product loading and off-loading facility at its plant in Rustenburg, as part of the new de-bottlenecking project.



sasol nitro, sasol wax, sasol infrachem and merisol continued

sasol wax

Dealing with turbulent markets

Sasol Wax, a leading producer and marketer of synthetic and petroleum-derived waxes, experienced an extraordinary year. Sales of our products in the first five months were extremely strong but in December the full weight of the global economic downturn was felt in most of our customers' markets, leading to a sharp drop in demand. Demand for product supplied to the construction and automotive industries was particularly hard hit.

Since then we have seen a slow return of confidence, with sales inching up from month to month. Demand for hard wax, including that from the hot-melt adhesives industry, continues to be more resilient than that for medium wax.

Responding to the economic downturn

Sasol Wax took a number of steps to counter the effects of the global economic downturn. In the United States we completed the consolidation of our business with that of Luxco Wax, streamlining and reducing costs by shutting down the office in Connecticut. We launched what we call the "Sasol Wax difference", which is the introduction of products and services where our deep technical knowledge and global infrastructure adds significant value to the customer. We also exited low-margin commodity business.

In Germany, Sasol Wax reduced employees' working hours to avoid job losses. We were assisted by the German authorities, who helped to make up much of the remuneration lost through reduced work time. In May these operations resumed full-time production.

Sasol Wax also reviewed and renegotiated agreements with suppliers, with a focus on conserving cash. We worked hard to reduce working capital, but this was paired with intensive and constructive engagement with our customers to ensure that, as far as possible, we continued to meet their demand even though this was difficult to predict in the uncertain environment. We sold our Danish distribution business and a small speciality business office, completing our drive to streamline, optimise and focus our global business.

Operating safely

Safety remained a priority and we are pleased to report a significant improvement in the year. Our RCR improved to 0,57 from 0,82 as the safety interventions launched at the end of the previous year took effect. We also continued the roll-out of the Sasol safety systems at our North American business.

Expanding production

Sasol Wax received approval to continue with basic engineering and environmental approvals for the project to double hard wax production at our Sasolburg facilities.

We completed a project to upgrade the automated packing system at our solidification plant in Sasolburg, improving the consistency of the packaging and product quality. We also made good progress and remain on schedule and within budget in our project to increase capacity to purify wax through the installation of a hydro-treater at our site in Hamburg, Germany.

As part of our efforts to continually enhance our value-adding product offering, in the year Sasol Wax developed a new wax dispersion based on the group's proprietary Fischer-Tropsch process. This innovative material performs better than conventional petroleum-wax-based dispersions to reduce the water absorption of wooden materials like construction board. Produced at our Hamburg operations, the product has been successfully introduced to industrial customers in Europe.

Appealing the European Commission fine

On 1 October 2008, the European Union found that members of the European wax industry, including Sasol Wax GmbH, had formed a cartel and violated antitrust laws. A fine of €318,2 million was imposed on Sasol Wax by the European Commission, and Sasol has appealed the quantum of the fine. Sasol has intensified competition and antitrust law compliance programmes and has conducted a group-wide compliance review in all businesses, including Sasol Wax.

sasol infrachem

Extracting efficiencies

The year was overshadowed by the death, in March, of electrical technician and supervisor, Johannes Lekgetho, who succumbed to burns sustained in a high-voltage switching incident in January. Three others were injured in the incident, which prompted additional management safety inspections and hazard identification procedures. We also rolled out our behaviour-based safety initiative to service providers. Sasol Infrachem reported a RCR of 0,76 for 2009, from 0,69 in 2008.

Due to the planned maintenance shutdown in August, reformed gas production from Sasolburg's two autothermal reformers in 2009 was 6% below the previous year's 38 M GJ. However, we are pleased to report significant reductions in the use of Eskom-generated electricity, which fell 17% in the year as a result of an

additional 25% increase in self-generated power. The start-up of two previously mothballed generators will support further savings and assist to alleviate pressure on the state electricity utility.

In line with our efforts to achieve operational excellence, we reduced our electricity consumption and redirected 7,9% more flare gas to the methanol plant, thereby reducing our emissions. Flaring from the Sasolburg gas loop as a whole decreased 60% in the year.

The improvement of our environmental footprint continues to be a major focus for Sasol Infrachem and in May 2009 the authorities published the Vaal Triangle Priority Area Air Quality Management Plan. The plan, created in consultation with industry, sets targets and timelines for the reduction of specific emissions.

The remediation of our waste disposal sites in Sasolburg remain on track, with the completion of the Venco Park area as well as the Omnia and Fisons fertiliser sites. The final grassing of these sites will take place during the summer growing season. We also made good progress in the year towards the remediation of our old tar pits, scheduled for completion by 2012.

Ahead of the planned expansion of Sasol Wax's hard wax production line in Sasolburg, Sasol Infrachem has started preparations on site for the additional utilities required. We have also supported Sasol Solvents in the run up to starting its second MiBK plant.

The people of Sasolburg continue to benefit from the work of the Metsimaholo Rejuvenation Trust, of which Sasol is a major sponsor. The trust aims to improve the lives of the community by developing better education, healthcare, sports and arts facilities, and a cleaner environment.

merisol

Improving fundamentals

Improvements to the operational and financial performance of Merisol in the past three years helped the phenolics joint venture between Sasol and Merichem Company remain robust and profitable in 2009. This was despite the slowdown in demand from customers in the housing, electronics and automobile industries.

The global recession directly impacted Merisol's traditional markets, reducing sales volumes sharply in the second half of the year. However, our operation in the USA continued to be profitable, with its contribution almost matching that of the South African business.

Our safety performance was similar to the previous year with a RCR of 0,64 in the year from 0,63 in 2008, which is still above our group milestone of 0,45. Reducing Merisol's environmental footprint remains a priority and we have earmarked US\$10 million over the next five years to enhance the environmental performance of our USA operations in particular. The United States Environmental Protection Agency (EPA) recognised Merisol USA for achieving its goal to reduce or eliminate certain so-called priority chemicals as part of the EPA's National Waste Minimisation Program and Resource Conservation Challenge.

We are also pleased to report progress in our efforts to meet the requirements of REACH. Compliance in this respect will help to maintain Merisol's position as a preferred supplier in the industry.

Sasol Wax developed a new superior wax dispersion product that reduces water absorption by wooden materials, and which has other industrial applications.



Sasol Infrachem completed the remediation of the Omnia and Fisons fertiliser sites during the year.



other businesses



The Sasol Fuels Applications Centre in Cape Town tests for engine emissions using liquid fuels produced from both CTL and GTL processes.

Sasol Technology

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Sasol Technology manages our research and development, technology management and innovation, engineering services and project management portfolios. It helps our fuel and chemical businesses to maintain growth and competitive advantage through appropriate technological solutions and services.

Sasol Financing

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Sasol Financing is responsible for group cash and liquidity, credit-rating processes, in-house banking, financing arrangements, foreign exchange, interest-rate and treasury-risk management, and general banking activities. It is also a business partner to Sasol businesses for specialised financing and financial risk mitigation strategies and arrangements.

sasol technology

- *Good progress made in honing technology for next-generation CTL and GTL plants*
- *FT design reactor and catalyst test reactor pilot plants commissioned*
- *First research framework agreements signed with South African universities*

<i>operating reviews</i>	28 – 68
<i>south african energy cluster</i>	28
<i>international energy cluster</i>	48
<i>chemical cluster</i>	50
<i>other businesses</i>	64

Innovating for sustainability

Sasol is a company built on technological innovation. Our past success and future prosperity is tied to the expertise of our engineers and scientists, and their ability to direct, acquire, commercialise, install and optimise technology effectively. In this way, they strengthen the group's competitiveness and ensure its sustainability. In 2009, Sasol Technology continued our work to position the group for growth, as well as to bolster Sasol's strong technological foundation. We also remained focused on developing better ways to reduce the group's environmental footprint.

Operating safely

Everything we do is underscored by our firm focus on safety. During 2009, we improved the safety performance of our employees and the service providers who work with us. We reported a combined recordable case rate (RCR)* of 0,44. Another key milestone was reached in May when our employees achieved 5 million manhours without a lost workday due to injury.

Environmental considerations are also central to all our endeavours. Within the group, Sasol Technology is tasked with improving process efficiency and identifying opportunities to use non-carbon-based energy to reduce the amount of carbon dioxide (CO₂) produced by our facilities. We are also investigating better ways to capture CO₂ and divert it to productive use or underground storage. Our integrated approach means that we are also working to minimise other undesirable co-products emanating from some processes. In particular, as a signatory to the UN Global Compact CEO Water Mandate, we are reducing the water intensity of our facilities.

*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 cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.

Positioning the group for growth

In pursuit of the group's strategic growth ambitions, Sasol Technology is assessing the feasibility of various opportunities and refining our technology offering to ensure the best possible preparation before any final investment decision is taken.

The success of the group's Oryx gas-to-liquids (GTL) joint venture in Qatar – which uses Sasol's proprietary Slurry Phase Distillate™ technology – is an important springboard for further international growth. Oryx GTL operated at higher production rates in 2009 and recorded significant improvements in its performance. Sasol Synfuels International, Qatar Petroleum and Sasol Technology are now embarking on studies into further enhancing the performance of Oryx GTL and increasing its capacity. Our operational experience in Qatar will then be applied to other GTL facilities, including Escravos GTL (EGTL) in Nigeria and a possible plant in Uzbekistan.

Good prospects also exist for the further application of Sasol's proprietary coal-to-liquids (CTL) technology, upon which the business was founded some 60 years ago. Sasol Technology is designing the next-generation CTL facility, with enhanced process efficiencies, including a reduced CO₂ and water footprint. We are also assisting the group with the feasibility study into a CTL complex in China and the pre-feasibility study into developing a similar facility in India.

In South Africa, Sasol Technology is working closely with the Sasol Mafutha team on the pre-feasibility studies into the viability of developing a CTL facility in the northwest region of the Limpopo Province.

sasol technology continued

Nurturing the foundation

In our quest to direct virtually the entire technology value chain, Sasol Technology renewed its focus on coal gasification technology, the first step in the process to turn coal into liquid fuels. We believe we have the necessary in-house resources to hone our expertise in fixed-bed, dry-bottom gasification techniques and that this specialisation will enhance the group's technology value proposition for future CTL facilities.

Nurturing the group's foundation in South Africa remains an important part of our focus. A significant portion of our resources are targeted at assisting Sasol Synfuels to improve the stability of the Secunda facility, as well as at executing its growth project.

We are pleased to report the commissioning of the Fischer-Tropsch (FT) design reactor and the catalyst test reactor pilot plants at Sasolburg in the year. Both these facilities are central to developing new, more efficient CTL and GTL plants. They support our specific focus on the development and demonstration of next-generation FT catalysts and associated reactor designs. Another feature of our research and development (R&D) work was the opening, in June, of the Sasol Fuels Application Centre in Cape Town. This facility enables us to carry out thorough engine emissions testing using liquid fuels produced from both CTL and GTL processes.

Development of a unique ethylene tetramerisation technology, which converts ethylene into 1-octene through an innovative chemical process, received ongoing focus in the year. We will soon be in a position to implement this first-of-a-kind technology.

We are also investigating the opportunity to set up an integrated syngas platform to produce chemicals, primarily from our FT process.

Prioritising skills

Sasol Technology places the highest importance on its intellectual resources – our people secure our competitive advantage. To resource the group's various growth opportunities, we are carrying out a focused recruitment drive in China, after recently completing a similar exercise in India. Although we are constantly looking to attract suitably qualified talent, the economic downturn has meant that the skills shortage we faced as recently as two years ago is now less acute. However, we continue to invest in bursaries and other learnerships to sustain a solid skills base.

The international project management landscape has also changed dramatically in the past year as many companies have cancelled or delayed large projects. This has led to an easing of schedule pressures and could result in a decrease in costs that bodes well for Sasol's capital programme.

In recognition of the depth of skills at Sasol Technology, we were awarded two innovation prizes at the Technology Top 100 awards, hosted by the Department of Science and Technology in February. We won the 2008 South African Academy of Engineering Award for Excellence in the Management of Research as well as the 2008 JSE Limited Award for Excellence in the Management of Technology, Innovation and People.

Acknowledging the important role of universities in furthering R&D, Sasol Technology has to date signed research framework agreements with Stellenbosch University, University of Johannesburg, Nelson Mandela Metropolitan University and Free State University. These are the first of nine such accords we plan to sign with South African tertiary institutions.

Pat Davies, CE of Sasol, Naledi Pandor, Minister of Science & Technology, Helen Zille, Premier of the Western Cape, and Willem Louw, MD of Sasol Technology, at the opening of the Sasol Fuels Application Centre.



sasol financing

- *Appointed joint financial advisers for China CTL opportunity*
- *Finalised Sasol Inzalo funding arrangements*
- *Work started on export credit agency funding for the group*
- *Concluded the financing of Sasol Mining's Ixia Coal transaction with Wiphold*

Prudently managing group treasury and funding requirements

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.

In a year marked by substantial market turmoil, we are pleased to report that the group's deleveraged balance sheet remained strong and its cash position stayed positive. This has placed Sasol in a favourable position to fund its growth programme.

To facilitate the feasibility study on the China CTL opportunity, Sasol Financing, together with our partner, Shenhua Ningxia Coal Group, appointed Hong Kong and Shanghai Banking Corporation (HSBC) and Industrial and Commercial Bank of China (ICBC) as joint financial advisers. The considerable size of the potential project (US\$5 – 7 billion) makes this an important mandate that requires significant risk analysis and coordination of various disciplines to ensure the most optimal financing structure in terms of cost, size and risk-sharing.

Among other important financing activities, Sasol Financing was involved in arranging a three-year loan of R600 million for the Republic of Mozambique Pipeline Investments Company (Pty) Limited, jointly with the Central Energy Fund, for the first phase of the project to expand the capacity of the main gas delivery pipeline to South Africa. Together with our partners Tata, we also helped secure a guarantee from the State Bank of India and FirstRand Bank, India, for the further development of the allocated coal blocks for the Indian CTL opportunity.

Sasol imports equipment from a wide range of countries, but primarily from Germany, Italy, France, Japan and the United States. During the year, Sasol Financing started work on export credit agency funding, which will be used to procure high-value imported goods. We estimate that the loans for funding qualifying equipment will amount to approximately R15 billion over the next three years.

A highlight of the year was the conclusion in September 2008 of the funded and cash invitation to the black public as part of our Sasol Inzalo black economic empowerment (BEE) transaction. This involved the issue of preference shares to the value of R4,2 billion with respect to the funded invitation. Another feature of the year was the conclusion of the funding arrangement for BEE group, Ixia Coal, to take a 20% share in Sasol Mining. Ixia Coal is funded through an equity contribution from Sasol, Wiphold and Mining Women Investments, together with the issue of preference shares to Sasol and Nedbank Limited. The transaction is subject to the approval by the authorities of the conversion of Sasol Mining's mining rights to new order rights.

Suspending the share repurchase programme

Sasol's positive cash balance at year end was enhanced by the adoption early in the second quarter of a cash-conservation approach. This included a reduction, by more than a third, in the group's spending on smaller-scale capital projects, as well as the suspension of the share repurchase programme. Prior to the suspension, Sasol Financing had since March 2007 overseen the repurchase by Sasol Investment Company (Pty) Limited of a total of 6,4% of ordinary shares at an average price of R299,77 per share, returning capital of R12,1 billion to shareholders.

sasol financing continued

In response to the global economic crisis, the group lowered its targeted gearing range to between 20% and 40%, which we consider prudent given uncertain credit markets. However, as a result of the suspension of the share repurchase programme, capital prioritisation and the cash conservation drive, we reflected an undergeared position of 1,2% at year end compared with a gearing level of 20,5% a year earlier. We expect the ratio to return to the target range as attractive investment opportunities and projects offering acceptable returns are pursued.

Benefiting from the oil price hedge

The success of the strategic oil price hedge, facilitated by Sasol Financing, also helped bolster Sasol's cash holdings in 2009. We assisted in implementing the hedge on 30% of Sasol Synfuels' production and on a similar amount of Sasol Petroleum International's West African crude oil output. The floor of US\$90 a barrel on the zero-cost collar favoured Sasol, resulting in the payment of in excess of R5 billion to the group from banks who participated in the hedge.

Sasol views oil price hedging as one of many tools to mitigate financial risk. Against the backdrop of our initiatives to conserve cash and reduce costs and capital expenditure, we decided that there was no compelling case – at this stage – to renew the hedge for 2010. This is subject to continuous review.

While the evaporation of liquidity in the global financial markets made fundraising more difficult and costly in 2009, it also made

the investment of surplus cash more challenging because of associated counterparty credit risk. Sasol Financing responded by spreading the group's cash among a greater number of financial institutions and investment products (including government paper) and by constantly reviewing the credit risk profiles of our counterparts.

Sasol Financing invests the group's surplus cash for short terms only to keep funds available and liquid, and we are therefore exposed to short-term interest rate fluctuations on this portfolio. On our long-term debt portfolio, it is Sasol's policy to maintain a sound balance between fixed and floating interest rate exposure, depending on the tenor of debt, future liquidity requirements and market conditions.

To plan for liquidity requirements well in advance, Sasol Financing prepares a group funding plan annually, based on relevant assumptions and ten-year cash flow forecasts for the group.

Despite the adverse market conditions, Sasol maintained its credit ratings in the year. This was achieved through prudent and consistent financial policies as well as proactive management decisions to defend our balance sheet and keep debt and gearing at acceptable levels. Both Standard & Poor's and Moody's Investor Services confirmed Sasol's long-term foreign currency rating at investment grade, assigning ratings of BBB+ and Baa1 respectively.

One of the low-temperature FT reactors for the EGTL plant, being shipped from Yokohama, Japan to Escravos, Nigeria.





sustainable development review



Sasol's people philosophy is to build a sustainable organisation of talented, diverse, competent and inspired people who face the future with confidence.

“Despite our cost cutting measures, we are determined not to compromise the safety of our workforce, the environmental performance of our operations, the integrity of our equipment, the rigour of our governance and legal compliance or our strategic growth projects.”

Pat Davies, Sasol chief executive

Businesses flourish best in a healthy and functioning society. It is thus in our interest as a large business to ensure that we are contributing effectively to the development of such a society. A healthy society is one that respects the rights of its individual members to express their views, provides them with meaningful opportunities for self-development and seeks to promote equality. It is also a society that recognises the interdependency between economic development, social justice and environmental protection.

In this section of the annual review we provide a brief summary of our activities and performance relating to the social, economic and environmental issues that have a material impact on our core business. A more detailed review of our sustainability management approach and performance is provided in our separate sustainable development report, available online at www.sasol.com at the end of November 2009. The separate report includes a specific focus on some of our most material sustainability concerns, including energy security, climate change, water scarcity, safety, workforce diversity, ethics, skills development and black economic empowerment.

Sasol game reserve adjacent to the Secunda operations in the Mpumalanga Province of South Africa.



2009 performance highlights	2009 performance disappointments	Ongoing challenges and key focus areas
<ul style="list-style-type: none"> ■ Investing R386 million in employees' training and development. ■ Approved capital expenditure of R100 million on energy-efficiency projects, which should result in reductions of approximately 760 000 tons of greenhouse gases (GHG) a year. ■ Selected as overall winner of the Industry, Mining and Power Sector category of the 2009 Water Conservation and Water Demand Management Sector Awards for a water recovery project at Secunda that resulted in savings of approximately 18 million litres per day. ■ Finalising Sasol Inzalo, our broad-based black economic empowerment (BEE) transaction. ■ Tripling the number of broad-based BEE suppliers that the Siyakha Trust has supported and raising the number of jobs created through our business incubator, ChemCity, to 2 005 since 2004. ■ Improving employment equity (EE) in the company with EE candidates making up 56,4% of our people in top, senior, middle and junior management. ■ Signatory to the launch of the South African Centre for Carbon Capture and Storage (CCS). ■ Implementation of a single permit-to-work system for all of our Southern African operations. 	<ul style="list-style-type: none"> ■ Four work-related fatalities. ■ Fines imposed on Sasol Wax GmbH and Sasol Nitro for anti-competitive behaviour. ■ Removal from the JSE Limited's Socially Responsible Investment (SRI) Index for 2008 as a result of the Sasol Wax fine. ■ No further improvement on the recordable case rate (RCR)* of 0,50 achieved in June 2008. 	<ul style="list-style-type: none"> ■ Further reducing GHG emissions while repositioning the company for a carbon-constrained future. ■ Reducing our water consumption and adopting a catchment view regarding water supply and impacts, in line with our commitments to the UN Global Compact CEO Water Mandate. ■ Completing the competition law compliance review of all our businesses and ensuring competition law compliance throughout the organisation. ■ Further entrenching a shift in behaviour and attitude towards safety in Sasol, with a focus on safety leadership to once again improve our RCR. ■ Achieving our EE targets, improving our disability management and improving the empowerment of women towards realising transformation in the company. ■ Continuing to develop skills within our company and in South Africa. ■ Continuing to strive towards meeting our self-imposed targets for improving our broad-based BEE scorecard.

**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 cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.*

safety, health and environment (SH&E) challenges

The table below provides a list of the challenges we face in addressing certain safety, health and environment risks. The table briefly describes the measures in place to address these challenges. From time to time, we review the way in which these challenges and risks are being addressed to ensure that they are aligned with changes in context and strategic direction and improvements in business processes.

Challenge	Summary of measures taken to address the challenge
The risk of a major fire, explosion or release of hazardous gas or vapour.	All Sasol sites have identified and quantified their major risks and mitigation measures. Contingency plans have been prepared and, where required, agreed with relevant authorities. Site risks, as well as mitigation and contingency plans, are reviewed as part of SH&E governance audits. We are implementing programmes to reduce the frequency and severity of these events by focusing on both behaviour-based and process safety management.
The risk of a major shipping or transport incident (fire, explosion, emission, spillage or pipeline rupture).	We have rolled out a new strategy to improve our logistics management and reduce these incidents, which is already producing good results. The strategy was developed with some of our larger logistics service providers and comprises preventative controls to improve the safety performance during the transport, handling and storage of Sasol products, and corrective controls to ensure readiness in case of an emergency.
Climate change.	Our management interventions include setting short- and long-term intensity and absolute targets for reducing GHG emissions. To achieve these targets we are: advancing our projects to improve and further develop energy- and carbon-efficient technologies and processes; actively pursuing GHG mitigation-related financial instruments; assessing the GHG implications – including factoring in the cost of future emissions – of new and existing ventures; engaging in GHG-relevant partnerships (including with government) and investigating carbon capture and storage opportunities for future coal-to-liquids (CTL) plants.
Changes in environmental laws, resulting in higher costs of compliance (related to South African legislation).	We are preparing "Priority Area Improvement Plans" for our facilities in the Highveld and Vaal Triangle Priority Areas of South Africa to meet the requirements of the new Air Quality Act and we are awaiting the forthcoming Ambient Air Quality Standards. A new Environmental Management Waste Act was promulgated in March 2009, which will fundamentally reform the way waste is managed in South Africa. We have been extensively involved in the development of the Act and are preparing to address its implementation. The Consumer Protection Act was published in April 2009 and affects procurement, product stewardship and extended producer responsibility. The Mineral Petroleum Resources and Development Act and National Environmental Management Act now need to be considered together for mining activities, including prospecting, exploration and production. The National Energy Act was promulgated in November 2008 and formalises the process on the regulation of energy. The Mine Health and Safety Amendment Act was published in 2008. This will change how incidents are investigated and will impact on the personal liability for directors for corporate homicide. Labour and social plans have been developed for our mining operations in accordance with the Mineral Petroleum Resources Act. We maintain good working relationships with government departments in all the major regions in which we operate.
The potential health impact of long-term exposure to harmful chemicals.	Emission inventories are undertaken and monitored at all our operations, with the aim of demonstrating improvement. Operational personnel are subject to annual medical evaluations and are provided with personal protective equipment and necessary training.
Inherent SH&E risks in technology development (R&D, concept, design, construction and commissioning).	From R&D to commissioning, measures are implemented to reduce the SH&E risks inherent in our technology, and to ensure a cleaner production approach. Additional classification tools and checklists are being developed.

Challenge	Summarised measures taken to address the challenge
<p>Implementation of tighter product regulations, such as chemicals legislation in Europe.</p>	<p>By the end of November 2008, we completed the first milestone of the European Union (EU) Registration, Evaluation and Authorisation of Chemicals (REACH) regulation in pre-registering all Sasol substances produced within or imported into the EU. We are committed to adhering to the given milestones for the registration of these substances, categorised according to specified volume ranges and existing substances of very high concern. We will track the implementation of the Globally Harmonised System for classification and labelling of chemical substances in all countries where our products are manufactured and marketed to ensure legal compliance of our products.</p>
<p>Availability of skills and competence to design, construct, operate and maintain plants.</p>	<p>We map out talent pipelines to identify priority areas for intervention to maximise skills attraction and retention. This includes a re-evaluation of our corporate development programmes, career development plans, bursary schemes, accelerated leadership programme and rotation schemes. We also participate in government initiatives and engage other employers regarding skills development to grow the national and our own skills pool.</p>
<p>The risk of natural disasters and epidemics or pandemics (eg, SARS, avian influenza and H1N1).</p>	<p>Business units review the probability and potential to disrupt business and have put plans in place to manage these threats.</p>
<p>The risk of environmental liabilities due to past contamination (eg, mine water, air emissions and contaminated groundwater).</p>	<p>A group-wide approach has been developed to identify and quantify environmental liabilities in South Africa. The EU and USA sites' environmental liabilities were well characterised during the due diligence process of their acquisitions, with relatively low residual risk. Ongoing work is undertaken to remediate contaminated land throughout our South African operations.</p>

Sasol's Sasolburg operations in the Free State Province. All Sasol sites have identified and quantified their major risks and mitigation measures.



safety, health and environment (SH&E) challenges *continued*

Our sustainability management framework

We develop, implement and strive to continuously improve our management framework so as to provide our businesses with the policies, governance structures, targets and reporting systems needed to manage the risks and opportunities associated with sustainable development. Our management of sustainable development is coordinated at group level and implemented at business level, with ultimate responsibility residing with our board of directors. Our chief executive, Pat Davies, holds the responsibility as the group's chief safety, health and environment (SH&E) officer, providing leadership and direction in promoting a culture of values-driven leadership and in driving our sustainability improvement efforts. He is assisted on the group executive committee (GEC) by Bram de Klerk – who has responsibility for SH&E and sustainable development issues, greenhouse gas management, skills development and Operations Excellence – and by specialised board committees. One of these is the group SH&E committee, the activities of which are outlined in more detail below.

Our GEC receives strategic and operations-specific inputs from all businesses, as well as from specialised committees. The group executive SH&E committee reviews performance,

and considers and approves recommendations on sustainable development and SH&E guidelines and policy. The boards of the relevant companies comprising the Sasol group – as well as the Sasol Limited board – require assurance on SH&E legal compliance and performance, particularly since directors have collective and individual responsibilities for ensuring the company's SH&E performance and legal compliance. In addition, South African legal requirements impose specific responsibilities and liabilities for directors on SH&E matters, giving them statutory and fiduciary duties to comply with on SH&E.

The Sasol SH&E Centre, based at our Johannesburg head office, oversees the group approach and progress on SH&E and sustainable development. The centre is responsible for global SH&E and sustainable development strategic direction, policy, review and governance. It also provides specialist advice and support services to our business units. At the operational level, senior management is held accountable for ensuring effective implementation of the Sasol SH&E policy. Each of our businesses has dedicated SH&E staff responsible to assist line management with SH&E implementation. The Sasol SH&E Centre maintains active communication with these staff members through networks and quarterly SH&E forums.

A dredger removing sediment from an evaporator dam to increase capacity for water received from Secunda plants, as well as rain water.



Promoting our SH&E strategy, policy and targets

In terms of our SH&E strategy, our vision is to be a world-class company that is respected globally for our performance, processes and culture. To achieve this vision, we have set the following goals for each of our priority focus areas. Each of these goals is supported by more immediate short-term goals.

Strategic focus areas	Our longer-term goals
<p><i>Our long-term goal is zero harm, and we manage our activities according to a philosophy of "zero exposure to harm". To advance along this path we have committed all our operations to meeting the following SH&E performance targets:</i></p>	
Safety and health	Achieve a RCR of less than 0,30 by 2013.
Process safety management (PSM)	Ensure PSM systems are in place and practiced where applicable.
Greenhouse gas (GHG) emissions	Reduce our GHG emissions intensity by 15% in all our operations by 2020 on the 2005 baseline. To achieve a 20% reduction in absolute emissions for new CTL plants commissioned before 2020, and a 30% reduction for plants commissioned before 2030, with 2005 CTL designs as the baseline. Sasol regularly reviews the group's long-term (ie, towards 2050) absolute GHG emission targets, as developments in the global climate change arena take place. Such targets are also contingent on technological advances, such as carbon capture and storage, increased utilisation of renewable energy, as well as developments in the regulatory and fiscal environments in which we operate.
Water management	Comply with and, where reasonably possible and appropriate, exceed the expectations of the UN Global Compact CEO Water Mandate.
Energy efficiency	Improve the energy efficiency of our South African utilities by 15% per unit of production by 2015. Additional targets are being finalised as part of the power conservation programme with Eskom, the national electricity utility.
Volatile organic compounds (VOCs)	Achieve at least an 80% reduction in emissions of defined VOCs on the restated 2008/2009 baseline by the end of June 2020.

Monitoring and managing our global impacts

Our sustainable development management framework covers our international construction, exploration, production, research, and marketing and sales activities in all countries in which we operate. At year end, through our businesses and joint ventures, we had activities in 38 countries – across Africa, the Americas, the Middle East, Australasia and Europe – with our larger production activities being concentrated in South Africa, Qatar, Mozambique, Germany, Italy, Iran and the USA.

Our operations in all countries are subject to regulations for exploration and mining rights and protecting safety, health and the environment. All new projects and joint ventures under

our control are required to comply, as a minimum, with our SH&E minimum requirements, based on World Bank and International Finance Corporation requirements. Our investment guideline, which includes human rights, is being used to ensure that joint ventures are in alignment with our values, standards and strategic goals.

To ensure that our performance targets are being met and that they are in alignment with group policies and objectives, governance audits are undertaken throughout the business. The audits highlight each business's major risks and liabilities, identify progress against the group's sustainability targets and report on any major incidents and events of non-compliance. Our internal audits are enhanced by our annual external

safety, health and environment (SH&E) challenges *continued*

verification audits with approximately 98% of our businesses achieving ISO 14001 certification and 94% of businesses achieving Occupational Health and Safety Assessment Series (OHSAS) 18001 certification.

Promoting product stewardship

Recognising the risk management and marketing benefits associated with environmentally responsible products, Sasol adopts a life-cycle approach to the products we develop, manufacture, use, distribute and sell. We have a formalised global support structure to ensure an ordered, group-wide response to product stewardship. We have a strong focus on capacity-building activities, developing various product-specific training programmes for our customers and employees to promote further awareness and implementation of product stewardship.

We contribute to the development of, and will adopt, the Globally Harmonised System of Classification and Labelling of Chemicals (GHS). We also participate in the UN sub-committee of experts on the GHS, representing the South African Department of Trade and Industry, and we have taken on the role of vice chair for 2009/2010. All products manufactured in or exported to the EU are in the process of being registered in compliance with REACH regulations.

We continue to work closely with the South African Chemical and Allied Industries' Association (CAIA) and the global Responsible Care® initiative in promoting and building capacity in sound chemicals management and product stewardship practices.

Reporting publicly on our sustainability performance

We have been recognised as among the leaders in corporate sustainability reporting since 1996, when we published our first standalone environmental report. Our 2009 sustainable development report has once again been produced in accordance with the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). While we appreciate the value of the GRI in encouraging improved reporting practices and facilitating benchmarking, and have therefore reported on the GRI indicators material to our operations, we are committed to reporting in more detail on those issues that are material to our business and that are of specific interest to stakeholders.

To this end, our 2009 reporting process involved a dialogue with external experts on our six most material sustainability challenges. An overview of this dialogue process is provided on page 77. A more detailed review of the outcomes of the dialogue is provided in our sustainable development report.

Sasol's 2009 reporting process involved a dialogue with external experts on our material sustainability challenges.



Summarised challenges and responses to our most material sustainability issues

This year, as part of our sustainability reporting process, we entered into a process of dialogue with identified thought leaders for each of our six most material sustainability challenges: global energy security, operating within a carbon-constrained future, managing the challenge of water scarcity, maturing our safety culture, managing workforce diversity, and promoting ethics and integrity. For each issue, the external expert has provided a written challenge to Sasol, highlighting their expectations on what business leadership looks like in the context of their particular subject area, and sharing their views


on Sasol's performance. We provided a written response to each challenge, which was shared with all the external experts, before we engaged with them in a facilitated panel discussion involving our chief executive and senior members of the management team.

The facilitated discussion allowed for open dialogue on our response to the experts' challenges and allowed the experts to outline what they felt was outstanding and what additional commitments they would like to see us make over both the short and medium term. The experts' challenges, our responses and a summary of the outcomes of the panel discussion are included in our sustainable development report. A summary of this process is provided below.

Global energy security

Challenge by Jeremy Wakeford, research director: Association for the Study of Peak Oil

External challenge – key issues*	Sasol response – summary
In a future context of oil price spikes and shortages there will be public pressure on Sasol to act in the societal interest rather than reap the rewards of scarcity rents. Sasol's use of finite, depleting coal and natural gas feedstock poses a challenge in terms of meeting sustainability criteria.	Gas and coal both have advantages over oil in terms of energy security: 80% of coal reserves currently resting in countries with 45% of the world's population, as compared with oil where the majority of reserves rest with only 5% of the global population. Using this coal in a sustainable and efficient manner is a primary objective, and access to clean coal technologies is of strategic importance. For South Africa's economy to grow optimally – and to provide opportunities for job creation, education and housing – it will need access to reliable sources of energy. The lack of oil reserves in the country requires that we seek energy security through available domestic resources – including coal and other energy sources such as nuclear, solar and wind – to give the country a sustained ability to grow.
Sasol could continue to occupy its niche in the fossil fuel sector, while aiming to increase energy and carbon efficiencies, or it could reinvent itself and use its considerable managerial and technical expertise to become a leader in renewable energy technology.	We agree that we have two broad paths that we might follow in response to the challenges of energy security and climate change. We believe that our immediate focus should be to sustain our competitive position within the coal and natural gas environment – continuously striving to improve our efficiencies and reduce emissions. At the same time, however, we recognise the likelihood of a future low-carbon economy and have established Sasol New Energy as well as new technology capacity in renewable and low-carbon electricity (including nuclear). This includes looking to upscale and possibly improve existing renewable energy technologies to enable their commercialisation. We have begun establishing relationships and collaborative development programmes with local and international research bodies to further develop low-carbon and renewable energy technologies.
Carbon capture and storage (CCS) could be an avenue out of the climate change dilemma, although it would add considerably to costs.	We are committed to implementing CCS technologies. We recognise, however, that these changes will come at an additional cost, and for CCS this cost element is still unclear. We are participating in studies to investigate the CCS capacity in South Africa and in all regions where CTL opportunities are being considered. A major portion of our GHG emissions are in a concentrated form, making it easier for cost-effective capture.

*Details of key challenges and Sasol's response are available in the full Sasol sustainable development report and on www.sasol.com from end November. 

safety, health and environment (SH&E) challenges continued

Operating within a carbon-constrained future

Challenge by Saliem Fakir, director: Living Planet Unit, World Wide Fund for Nature (South Africa)

External challenge – key issues*

Sasol response – summary

Sasol should not wait to see what others say or do – it matters more that Sasol says what the future should be and leads others on this path. Can Sasol set in motion a low-carbon economy movement, not seeing the carbon-constrained world as a risk but as a way to create a new vision of the world?

The challenge of balancing immediate energy needs with the climate change challenge is well understood, making the timing and nature of our investment decisions increasingly significant. Since we are a relatively late starter in new energy compared to some of our global peers, we expect the first year or two to be more about exploration of our opportunities, followed by a rapid focus on and investment in growing the identified opportunities. We understand the need for visionary leadership. Recognising this need, a year ago we embarked on a dedicated effort to develop a new energy business in the group, Sasol New Energy, an important goal of which is to investigate the implications for Sasol to reposition itself for a carbon-constrained future.


Instead of asking the outside world what Sasol should look like in 20 – 30 years, put the challenge out to your company's finest brains.

We updated our GHG portfolio and set ambitious GHG emissions targets which will be achieved through:

- developing and implementing energy- and carbon-efficient technologies and processes;
- actively pursuing mitigation-related financial instruments such as the Clean Development Mechanism (CDM);
- developing and maintaining partnerships in alternative energy renewables, CCS and other fields;
- investigating opportunities to capture and store CO₂ as part of our planned international expansion of our CTL interests; and
- working with governments and regulatory authorities in the countries where we operate to achieve optimum GHG management solutions.

Sasol should invite Eskom and other like-minded industries in a Sasol-led initiative to think up new ways of finding low-carbon economy solutions.

We seek to play a prominent role in formulating GHG policy and regulation for South Africa – largely through our involvement in Business Unity South Africa (BUSA) and the South African National Committee on Climate Change (NCCC). We also participate as a South African representative on the international Carbon Sequestration Leadership Forum (CSLF), where there is valuable sharing of information among experts from more than 20 countries. We regularly meet with Eskom and other corporates to share our views on the climate challenge and have also co-sponsored several National Business Initiative (NBI) initiatives on this topic with the aim of ensuring greater business leadership on this issue.

*Details of key challenges and Sasol's response are available in the full Sasol sustainable development report and on www.sasol.com from end November. 

Managing the challenge of water scarcity

Challenge by Prof Mike Muller: School of Public Development and Management, University of the Witwatersrand

External challenge – key issues*

Sasol response – summary

Sasol should develop proposals to contribute to better water management in general rather than simply assuring its own access.

We are exploring opportunities beyond our factory fence to support water demand management across the catchment. We see significant water-saving opportunities through helping to reduce physical losses in urban water supply systems.

Expanding into water-constrained regions that will result in controversial competition for access to water, is a significant challenge.

A water supply solution to develop the Lephalale region of South Africa exists (Sasol Mafutha and other developments) with treated sewage effluent, also referred to as return flow transferred from the Gauteng region. While some very significant infrastructure challenges and water quality considerations remain, this proposed water supply strategy would beneficially exploit the underutilised excess treated effluent which is present in the system. Anchor projects like a new Sasol plant make such transfer schemes viable, which in turn provide numerous opportunities for broader social and economic growth in what is a very underdeveloped region of the country.

An alternative expansion strategy would be to move the coal and the production to areas with lower water impacts in a more socially cost-effective way or to select alternative sources of feedstock.

Almost half of South Africa's remaining coal resources are located in the Lephalale region. There are various aspects that need to be considered for citing of a CTL plant, with water being a key consideration. Among others, we need to consider the overall footprint of the location of our operations. Transporting coal to another, water abundant region and the refined product back to the interior might well lead to a greater footprint than the transfer of water. Our assessments identify that better synergies would be realised when a CTL facility is located closer to the coal and fuel markets.

Sasol should develop an objective estimate of water use for the production of liquid fuels by CTL/GTL compared to production from "natural" sources or other emerging sources of transportation energy; it must ensure that its coal mining activities do not further aggravate water resources.

Benchmarking water use needs to consider geographical location, feedstock type and technology choices. While benchmarking water use is a useful measure, we believe it does not go far enough. We are, therefore, advancing our methodologies to better map our water footprints. We believe this approach will provide a better basis from which to reduce water risks that are reflected in more dimensions than the volumes of water used. In terms of our mining operations, there are complex site-specific mining, process effluent and rehabilitation challenges that are being addressed in various ways in the design, operational and closure phases of projects. A particular area of focus is our coal-mining activities on which progress will be reported on in the next year.

safety, health and environment (SH&E) challenges *continued*

Maturing Sasol's safety culture

Challenge by *Leo Strydom, managing member: Behaviour Based Initiatives*

External challenge – key issues*

While the company's 80 active employee-driven safety systems tend to function well, they are also relatively isolated from the strategic operations of the business, significantly limiting their impact.

Sasol has sound set safety systems and activities. These are, however, relatively isolated and tend to function without support from non-safety organisational systems.

Skills and accountabilities, particularly at the supervisor level, are often insufficient for supporting existing safety activities.

Sasol response – summary

Our Operations and Functional Excellence programmes will render a streamlined and more efficient approach to safety where scarce resources are effectively leveraged across the business units. Through values-driven leadership we strive to engender a climate of mutual respect and thus a platform for interdependent safety behaviour. From this will stem the further development of common best practices and ultimately the foundation upon which to build integrated management systems.

Our priority areas for the forthcoming two years will be to evaluate those culture aspects that are hindering our progress towards interdependency, including updating our culture survey to ascertain exactly where we lie on the safety maturity curve.

We are developing leading indicators of performance and focusing behaviour-based safety programmes on the quality of interactions and on ensuring that data collected is effectively used to reduce exposures to risk. We need to focus further on improving existing ad hoc business unit initiatives to develop safety leadership at both management and supervisory levels.

Managing workforce diversity

Challenge by *Jimmy Manyi: president, Black Management Forum*

External challenge – key issues*

Many organisations still deal with the issue of diversity either for compliance purposes or political correctness.

The discussion on diversity cannot be complete without making reference to racism, which continues to be a challenge especially in the corporate environment.

The issue of intercultural integration will become unavoidable, especially with global expansion ie, diversity is not only a South African issue but a global phenomenon.

It is important to ensure that the middle to senior management layers reflect the economic active population of South Africa.

Sasol response – summary

Clearly, workforce diversity is also a compliance issue, but at Sasol we have identified transformation in the South African context as a strategic imperative, with a strong belief that diversity offers real value. We have set challenging targets for 2012 in terms of employment equity (EE) numbers but are also focusing on changing the culture of the organisation. We believe our transformation agenda moves beyond only compliance or political correctness.

In the framework of our culture change imperative, we have established zones of uncomfortable debate that cover issues such as racism. Common diversity challenges that are raised are addressed by individual business units and facilitated by the diversity management forums.

Our programmes are designed to ensure that employees are provided with opportunities, skills and attitudes that enable them to work across cultures and borders. We are developing a Sasol culture in which the tolerance of all cultures is promoted. We have strong company values, which are communicated to all employees and service providers.

To address diversity at all levels, we have developed affirmative action measures centred around talent retention, mobility and accelerated development processes. We also focus specifically on under-represented groups by setting appropriate targets in our incentive scheme.

Promoting ethics and integrity

Challenge by Prof Johan Hattingh: University of Stellenbosch

External challenge – key issues*

Sasol response – summary

Does Sasol's ethical risk management system entail a system of compliance that stands external to employees and directors, without becoming part of business decision-making and performance appraisal?

Sasol's corporate values are "customer focus, winning with people, safety, continuous improvement, excellence in all we do, and integrity". Our ethics code guide provides detail on each fundamental principle that should guide the decisions of all employees in the normal course of business. Implementation of our values is measured through the company's performance management system, with 30% of each individual's scorecard being allocated to values-driven behaviour, as assessed through "360 degree" reviews. We are also using a "values-driven leadership" process called Project Enterprise to further reinforce the general culture and values of the Sasol group.

What does Sasol really understand as the meaning of "integrity", and how does this meaning relate to the fundamental principles and standards of Sasol's code of ethics and its implementation? And what does it mean in practice for a director, a senior manager and a middle manager?

Our code of ethics defines "integrity" as "acting consistently on a set of ethical standards and principles". We have a policy of "zero tolerance to unethical behaviour", which applies to all Sasol people – employees and directors alike. Our position is that in making decisions, both "ethics and performance" should be considered as opposed to "ethics or performance". The most important role of the individual in establishing and developing an ethical culture is to act ethically himself. It is essential that every individual is aware of ethics and reports unethical behaviour, both from his peers, or from more senior management directly. It is management's role and priority to enforce, encourage and promote an ethical culture, particularly by becoming role models.

What should be in place in Sasol in terms of organisational structure, decision-making procedures, communication channels and "operational culture" to promote the fundamental principles and standards of Sasol's code of ethics? What is lacking that prevents the fundamental principles and standards of Sasol's code of ethics to take root and flourish?

Our organisational structure involves a high level of governance, with formal systems, policies and processes in place. Our six Sasol values have been augmented by 25 "From – To" behaviours. To ensure that ethics is embedded in the culture of Sasol in a sustained way, we are working with leadership teams on the following six "levers of influence": personal insights, fostering understanding and conviction, developing talent and skills, team and system insights, reinforcement with formal mechanisms and role modelling. We are challenged by needing to communicate globally in a manner that takes into account the various cultural, language, legal and social issues. This challenge is being addressed through our Operations and Functional Excellence programmes that aim to create a simplified, standard and shared approach to one Sasol way of conducting business. The use of the ethics call line is being promoted and more thorough, independent investigations are being carried out for potentially serious ethics cases. We are now placing greater emphasis on consistent consequence management and the escalation of high-risk cases. While work remains to be done in changing our culture, we are actively working to improve on our values and behaviour shifts.

*Details of key challenges and Sasol's response are available in the full Sasol sustainable development report and on www.sasol.com from end November. 

our sustainable development performance

Our sustainability targets

- **Safety (RCR):** Our long-term goal is zero harm, and we manage our activities according to a philosophy of “zero exposure to harm”. Our target is to achieve a 10% reduction year-on-year in the RCR so that we reach less than 0,30 by June 2013. This statistic includes injuries and illnesses for employees, hired labour and service providers.
- **Process safety incidents:** to achieve less than four significant fires, explosions and releases per quarter by July 2011, and a 50% reduction in minor fires, explosions and releases on the 2006 baseline by July 2011, with the ultimate goal of zero incidents.
- **Logistics incidents:** to achieve a 50% reduction in significant logistics incidents per ton of product transported, on the 2004 baseline, which was achieved by July 2009.
- **Greenhouse gas (GHG) emissions:** to reduce our emissions intensity by 15% in all our operations by 2020 on a 2005 baseline; to achieve a 20% reduction in absolute emissions for new CTL plants commissioned before 2020, and a 30% reduction for plants commissioned before 2030 with the 2005 CTL designs as a baseline. Sasol regularly reviews the group’s long-term (ie, towards 2050) absolute GHG emissions targets, as developments in the global climate change arena take place. Such targets are also contingent on technological advances, such as carbon capture and storage, increased utilisation of renewable energy, as well as developments in the regulatory and fiscal environments in which we operate.
- **Responsible care®:** to achieve at least an overall 90% practice in place average for Responsible Care®, and 90% specifically for product stewardship, by July 2011, confirmed by external verification.
- **Energy efficiency:** to improve the energy efficiency of our South African utilities by 15% per unit of production, by 2015 on the 2000 baseline.
- **Volatile organic compounds (VOCs):** to achieve at least an 80% reduction in emissions of defined VOCs on the restated 2008/2009 baseline by the end of June 2020.

Sasol supplies about 34% of South Africa’s fuel requirements.



Sasol is committed to the rehabilitation of previously disturbed areas located adjacent to its plant in Secunda. These grasslands form part of a biodiversity priority area that is being scientifically managed. Cattle grazing is being employed to help maintain a healthy ecosystem in the associated game camp.



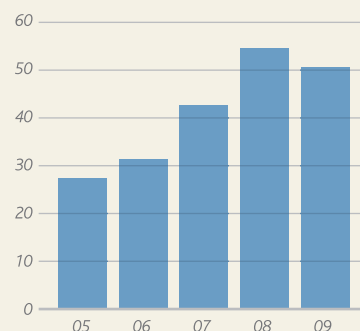
Contributing to wealth creation in Southern Africa

Group wealth creation decreased 7% from R54,5 million in 2008 to R50,5 million in 2009, as illustrated in the graph below, which was distributed to our stakeholders.

Sasol contributes, directly and indirectly, about 4,7%¹ to South Africa's annual gross domestic product (GDP) and we supply about 34% of the country's fuel needs. Our fuel and chemical production saves the country about R40 billion a year in foreign exchange. We are the country's single largest industrial investor and largest chemical feedstock producer. We are also the largest private-sector investor in research and development in the country, providing the foundations for further growth and development in the region. Our broad-based black economic empowerment deal launched in July 2008 remains the biggest to date in the country.

1. Calculated by Global Insight according to available 2005 statistics.

Wealth created (R billion)



our sustainable development performance *continued*

Promoting broad-based black economic empowerment in our South African operations

The Sasol group of companies developed a broad-based black economic empowerment (BEE) scorecard as at 30 June 2008. The scorecard was verified by Empowerdex, a verification agency accredited by the Department of Trade and Industry, as a level six contributor for broad-based BEE recognition, in September 2008. The scorecard is built into the business processes of the Sasol group. As a group of companies, we are striving to be a level four contributor by 2012 and have a strategy in place to achieve this, which focuses on the areas over which we have control.

The seven pillars of empowerment under the broad-based BEE focus of Sasol include: equity ownership, management control, employment equity, skills development, preferential procurement, enterprise development, and socioeconomic development (SED). With our scores being relatively good on the pillars of equity ownership, skills development and SED, we plan to focus in particular on our preferential procurement and enterprise development.

We have a solid strategy in place to advance employment equity in the business. Our employment equity performance is

addressed as part of our "workforce diversity" programmes (see page 90).

To improve our scores for procurement and to support a more sustainable base of broad-based BEE suppliers, we are working together with industry bodies, stakeholders and suppliers to the industry to ensure that we receive valid broad-based BEE certificates. We are also working to support enterprise development through programmes such as Siyakha and ChemCity and are exploring other innovative ways of further supporting enterprise development.

ChemCity accelerated its activities in 2009, adding 99 enterprises and more than 900 jobs, as well as a post implementation support group. Some 170 enterprises have been established and more than 2 000 jobs created since June 2004. The Department of Economic Development considers ChemCity as one of the most successful national models for SMME development.

Beyond the broad-based BEE scorecard, we are required to report against the Mining Charter and Liquid Fuels Charters. Our progress against these charters is reported on our website (www.sasol.com).

Sasol's corporate social investment programmes aim to promote people-centred, needs-driven and sustainable community development.



Investing in communities

The vision of Sasol's corporate social investment (CSI) programme is to promote people-centred, needs-driven and sustainable development of communities. Our social investments are channelled into five priority areas: education (35%); health and welfare (25%); job creation (25%); arts, culture and sports development (5%); and the natural environment (5%); with another 5% made available for disaster relief and other community challenges.

Our community engagement focuses on building capacity and providing a long-term commitment beyond just financial assistance and we also encourage our employees to get involved.

Central to our community engagement strategy are the following principles:

- Community involvement and ownership.
- Strengthen community leadership.
- Targeted impacts-driven interventions.
- Addressing key community priorities.
- Strategic research-informed interventions.
- Monitoring and evaluation.
- Building capacity through partnership.

During the year, we committed R109,4 million (excluding R45 million in bursaries) to socioeconomic development projects, mostly in South African communities. As part of the Mozambique natural gas pipeline project, Sasol has a social development plan which invested R22,9 million in community development projects along the Mozambique to Secunda pipeline route in 2009. Our sponsorships include sports, arts and culture, science and technology, conferences and exhibitions, and environmental projects.

As mathematics, science, engineering and technology are central to Sasol's business, efforts to improve knowledge and skills in these areas through the public education system are the main focus of our community development strategy. We aim to promote a culture of innovation by investing heavily in mobilising educators and learners through national expos, science week activities and science resource centres. Boitjhorisong is one such centre in the Free State. It provides skills development to educators and training to learners. The access it provides to chemistry and computer laboratories has greatly enhanced the performance of many since its establishment.

The myriad health and social challenges in the communities in which we work – such as HIV/Aids, tuberculosis, crime and domestic violence – impact directly on social justice and community resilience. Sasol's numerous health and welfare projects cover a wide range of issues, with a strong focus on HIV/Aids prevention and care. They also include support to, for example, the upgrade of the paediatric surgical unit at the Johannesburg General Hospital and to the Stop Gender Violence Helpline in South Africa. The toll-free helpline provides multilingual, confidential counselling to victims of violence.

Sasol's investment in job creation initiatives has a particular focus on the development of sustainable jobs for unskilled or marginalised groups such as rural women and youth. While we support national projects like the Joint Initiative on Priority Skills Acquisition (along with the South African government, business and labour), we also invest in emerging entrepreneurs to promote income-generation and to sustainably address the needs of those affected by poverty.

In all our projects to support the arts, culture and sports development, Sasol endeavours to create interest and enthusiasm and to develop talent. One such project is the Sasol Schools Festival which provides children with an opportunity to explore local history, traditions and various art forms.

our sustainable development performance *continued*

Improving our safety performance

Against a backdrop of economic upheaval and uncertainty, safety remains a key priority and a core value of everyone at Sasol. The improvement in our safety performance that was noted in 2008 was not sustained during 2009; it has effectively reached a plateau with a year end RCR* of 0,54 and four fatalities. On a positive note, Sasol's safety performance compares favourably with typical RCR values for petrochemical/chemical operations (excluding mining), which range from 0,23 to 1,13. There was an ongoing improvement in service provider safety performance in 2009 (included in the overall performance). This can be attributed to the initiatives highlighted in the 2008 sustainable development report.

Performance in process safety incidents has been erratic and although for the majority of the year significant incidents were below three per month, it is difficult to draw conclusive trends. We have seen an ongoing reduction in the number of logistics incidents during 2009 as a result of the joint initiative taken between Sasol Logistics and its service providers during 2008. Initiatives to achieve our safety targets are documented in a "roadmap" style document that addresses both behaviour-based

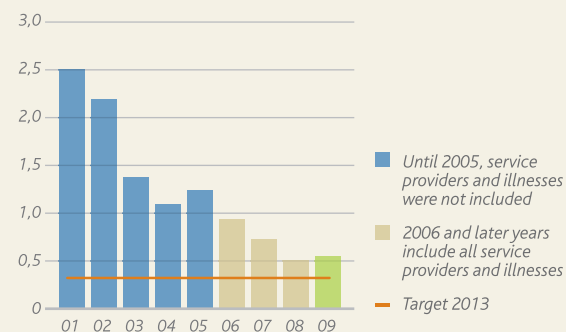
safety (BBS) and process safety management. We have extended BBS to site established service providers in both the Sasolburg and Secunda centres, thus enabling them to embrace our safety culture despite an essentially transient workforce.

During the year, a third-party audit conducted on some of the business units highlighted that while some elements of process safety management (PSM) have been well entrenched, it is evident that others will require significant effort. The original deadline of 2010 for full implementation across all of the business units will not be achieved. Notwithstanding this concern, we remain confident that our PSM is on the right track. Key developments this year include: implementing a single permit-to-work system for all of our South African operations; agreeing a standard incident investigation procedure for utilisation throughout the group and finalising a fire, explosion and release severity index that will enable better data collection.

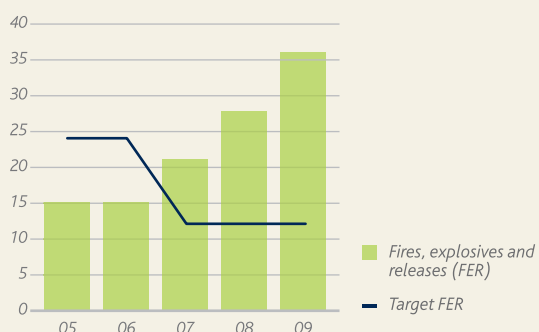
The development of new overseas facilities presents a challenge to ensuring the appropriate incorporation of SH&E in design standards. Sasol Technology has responded to this challenge by the strategic placement of ground-based, front-end SH&E coordinators in both China and India.

*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 cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.

Recordable case rate – RCR



Process incidents



Sasol currently provides dedicated training on its plants to 993 learner artisans for its own needs, and a further 1 050 learner artisans for the petrochemical industry.



Investing in skills development

Summary of skills statistics for 2009

Investment in employee training and development*	R386 million
Proportion of the above focused on black employees**	R264 million
Development interventions	65 526
Investment in bursary scheme	R45 million
Undergraduate and postgraduate bursars	761
Graduates in Graduate Development Programme	232
Employees in Training Outside Public Practice programme	28
Employees in Sasol's learner artisan pools	993
Learner artisans that Sasol trains as part of the oil, gas and electrical manufacturing project	1 050
Learners in external Technical Skills Business Partnership	193
Additional positions created in Global Venture Support programme	700
Investment in South African universities	R25 million
Employees receiving leadership training	9 785

*Excluding the compulsory 1% or R90 million skills levy.

**African, Coloured and Indian people.

our sustainable development performance *continued*

Developing our human resources

Sasol's people philosophy is to build a sustainable and adaptive organisation of talented, diverse, competent and inspired people who face the future with confidence. We have mapped out our talent pipeline to identify priority areas for intervention with regards to skills attraction and retention. Our corporate development programmes have been re-evaluated to place further emphasis on career development plans, bursary schemes, our accelerated leadership programme and rotation schemes.

At year end, Sasol had 29 723 (permanent and non-permanent) employees in our South African companies and 4 615 permanent employees in our international companies. Net employment creation for the year was 2 316 (excluding joint ventures).

Our employee turnover rate for the year in our South African operations was 8,7%, comprising 3,8% voluntary turnover and 4,9% involuntary turnover. The employee turnover rate

for the year in our international companies was 9,2%, comprising 1,8% voluntary turnover and 7,4% involuntary turnover.

In South Africa, much effort has gone into building and sustaining partnerships with employee representative stakeholders, including unions (CEPPWAWU, SACWU, Solidarity and UPUSA). Joint forums between trade unions and management are held to encourage constructive dialogue. These forums discuss issues such as wages, conditions of employment, health and safety, training and development, community care, restructuring, transformation and HIV/Aids. Fifty six percent of Sasol employees are members of trade unions and are covered by collective agreements entered into with trade unions within the various jurisdictions in which Sasol operates. During the year, 1 078 employee days were lost due to unprotected industrial action.

Our current and future success depends on our ability to attract, retain and develop skilled individuals, of which there is currently a shortage both in South Africa and globally. To address this

Graduates and diplomates

Current employment			Average age		Resigned			Appointed		
Permanent	Non-permanent	Total	Permanent	Non-permanent	Permanent	Non-permanent	Total	Permanent	Non-permanent	Total
7 190	145	7 335	38	41	514	90	604	661	72	733

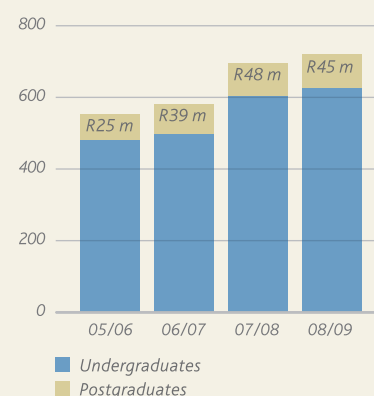
Artisans, technicians and technologists

Current employment			Average age		Resigned			Appointed		
Permanent	Non-permanent	Total	Permanent	Non-permanent	Permanent	Non-permanent	Total	Permanent	Non-permanent	Total
3 675	100	3 775	39	29	245	14	259	362	18	380

Our current and future success depends on our ability to attract, retain and develop skilled individuals.



Bursaries – number of graduates



challenge, we have developed an integrated skills development programme that has identified and seeks to address priority areas for skills attraction and retention, including career development plans, bursary schemes and an accelerated leadership programme.

Our skills development activities are coordinated through Project TalentGro, which focuses on developing internal skills and competency; building an external pool of experienced and specialised employees that Sasol can access during critical project phases; partnering with external skills development initiatives to grow South Africa's competency pool; and undertaking various ad hoc initiatives that enhance short-term delivery of skills, such as developing a pool of retired employees to assist in enhancing the transfer of skills through coaching and mentoring programmes.

To ensure access to experienced people to meet our growth ambitions we have established the Global Venture Support division. To prepare for international growth, and to promote job creation in the countries in which we operate, experienced individuals are being brought to South Africa for two- to three-year periods to receive training on critical technical aspects of our operations, as well as to be exposed to the Sasol culture. These individuals will then act as trainers in their home countries.

Developing a sufficient talent base of artisans remains a significant priority for the South African business community. To this end, we currently provide dedicated training on our plants to 993 learner artisans for our own needs. As part of a collaborative project, we train a further 1 050 learner artisans for the oil, gas and chemical manufacturing project of the petrochemical industry. We continue to play an important role in the Technical Skills Business Partnership (TSBP) programme with 193 TSBP learners. The TSBP learner pool will be increased to deliver 900 artisans over a period of seven years, with an estimated investment by Sasol of R123 million. We also run one of the largest bursary schemes in South Africa, with investment in the last year totalling R45 million. In addition, internal programmes include our Graduate Development Programme (GDP), which supports further science and technology graduates and our Training Outside Public Practice Programme (TOPP), which trains accountancy professionals.

Internally, we continue to provide leadership programmes that include accelerated development programmes aimed specifically at developing leaders from historically disadvantaged groups within South Africa. We continue to invest in South African universities to promote our research and development activities, and to help address the concerns of the shortage of academics, and the quality of equipment and facilities in relevant departments.

Sasol continues to provide leadership courses that include accelerated development programmes aimed specifically at developing leaders from historically disadvantaged groups in South Africa.



our sustainable development performance *continued*

Promoting workforce diversity

The representation of people in the designated groups is 56,4% in management, based on the new reporting template which defines categories as top, senior, middle and junior management.

Sasol had 302 black women participating in learnerships in 2008. There were 1 329 black participants with SETA registered learnerships for the period 1 July 2008 to 30 June 2009 of which 192 were women. The company also reported, for the same period, 391 black participants on skills development programmes that are not registered with SETA.

Ensuring employee wellness

Our vision is for Sasol's employees to operate in a healthy, energised and engaged manner, contributing to the success of the company. We have developed a wellness strategy that aims to enhance individual productivity by contributing positively to work-life balance and proactively managing

and reducing the health risk of our people by providing access to quality healthcare, and educating and empowering employees to take responsibility for their own health and wellbeing.

Our Employee Assistance Programme (EAP) focuses on the psychosocial health of our employees and their dependants. The programme utilisation has increased from 9,1% in 2008 to 18,2% for 2009. The provision of face-to-face solution-focused counselling is well utilised, reflecting the employees' needs and their confidence in the EAP services. An employee wellness scorecard is being implemented for most business units in South Africa as from May 2009. Within our wellness programme, we focus on two priority areas: HIV/Aids and occupational health.

HIV/Aids

Our integrated Sasol HIV/Aids Response Programme (SHARP), launched in September 2004, focuses on reducing the rate of HIV infection throughout our Southern African operations and extending the quality of life of HIV-infected employees

Sasol group workforce profile at Sasol's South African operations as at 30 June 2009

Summary of the employment equity progress report for public companies as required in terms of Section 22 of the Employment Equity Act (55 of 1998).

	Females				Males				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	2	1	1	4	7	0	2	66	1	0	84
Senior management	5	3	4	25	31	8	21	183	7	1	288
Middle management	242	42	183	747	834	89	343	2 354	93	15	4 942
Junior management	700	132	179	1 487	3 447	256	348	4 462	69	16	11 096
Semi-skilled	947	59	55	737	7 824	93	114	1 222	328	4	11 383
Defined decision-making	366	6	1	10	1 237	10	1	154	26	0	1 811
Total permanent	2 262	243	423	3 010	13 380	456	829	8 441	524	36	29 604
Temporary employees	11	1	0	3	58	5	2	39	0	0	119
Grand total	2 273	244	423	3 013	13 438	461	831	8 480	524	36	29 723

Implementing and managing the objectives of employment equity in our workplace remains a challenge. However, we have made progress towards improving the representation of African males. The effort going forward will be on the attraction and retention of African and Coloured females across occupational levels. Efforts are being made to ensure that our processes and systems are aligned towards achieving the goals as stated in our Employment Equity Plan as agreed with the Department of Labour, for the period up to 30 June 2012.

by providing managed healthcare. Businesses, trade unions, community representatives and independent experts all contributed to the design of SHARP. Early diagnosis and wellness is a key element of SHARP. HIV/Aids awareness and education are key elements of our prevention and care strategy. Capacity for the implementation and integration of the programme within all businesses has been built by conducting extensive accredited workplace peer training programmes for HIV/Aids educators, coordinators and leaders.

The initial voluntary counselling and testing (VCT) drive was conducted throughout our South Africa operations between 2002 and 2005, with the incidence rate being 7,1% based on 82% uptake of testing. In the period 2006 to 2009, business units reviewed the need to conduct VCT drives and instead focused on ensuring ongoing access to testing. This was done through increasing awareness of testing through awareness programmes and encouraging testing through community and medical aid resources; offering VCT at wellness days; and offering VCT at occupational health clinics.

On the treatment side, all our employees have access to medical aid schemes through which they access healthcare and, in particular, anti-retroviral therapy. Anti-retroviral therapy is also available through public healthcare facilities. Our partnership with the South African Business Coalition on HIV/Aids (SABCOHA) has seen the launch of the HIV/Aids Supply Chain Development Programme within Sasol. The programme targets the SME sector and offers workplace capacity building, VCT, pre-treatment care and support, and treatment.

Occupational health

We undertake baseline analyses, ongoing monitoring and management of illnesses, the adoption of preventative measures, the development of rehabilitation and return-to-work programmes, as well as the management of compensation claims and payments for disabilities in accordance with legislative requirements. We offer pre-employment health assessments to ensure that employees and service providers are not placed in positions that could damage their health and we undertake medical surveillance on all risk-exposed workers. Injuries on duty are diagnosed, treated and followed-up until full recovery. We undertake exit examinations on persons leaving the company and maintain medical records for 40 years after their departure.

Managing greenhouse gas emissions

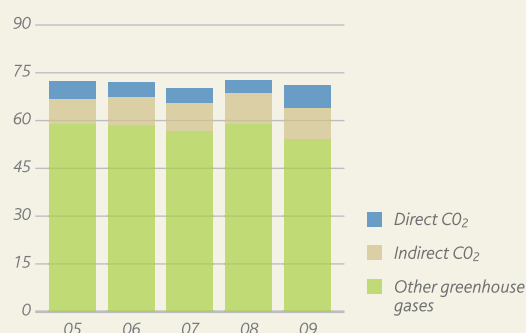
Our global emissions of greenhouse gases (GHG) which have been independently verified, have decreased from 73 million tons (Mt) in 2008 to 71 Mt in 2009. Our emissions intensity was 3,24 (measured as carbon dioxide equivalent per ton of production). This compares with 3,0 in 2008 and 3,29 in 2007. The worsening in intensity is due to lower production volumes. This decrease in tons is primarily due to the implementation of GHG reduction projects and lower energy use as a result of reduced production volumes. For the first time, our reporting includes the carbon dioxide (CO₂) emissions figures from our own transportation of goods and services.

Our emissions inventory has been developed using the GHG reporting protocol of the World Business Council for Sustainable Development and the World Resources Institute.

Sasol's HIV/Aids education campaigns are key to the success of its prevention and care strategy.



Greenhouse gas emissions (million tons)



our sustainable development performance *continued*

Over the past year, we have implemented various energy-efficiency related projects, with a capital expenditure value of R100 million, which should achieve a reduction of around 760 000 tons of GHG per annum. In addition, we have recently approved projects with a capital expenditure of R4,8 billion that should be completed by the end of 2012, and that will result in a further 2 Mt a year of reduced GHG emissions. As part of our work on renewables, we have obtained a 40% interest in Thin Film Solar Technologies (Pty) Limited in South Africa, which is set to be relatively large scale at 40 MW.

In June 2009, we opened a R70 million Fuels Application Centre in Cape Town, which will facilitate state-of-the-art fuels research and development focused largely on deepening our understanding of vehicle emissions and their impact on the environment.

An initial investment of approximately R7 million was made over the past three years to investigate the potential for geological storage of CO₂ and we are committed to developing the human and technical capacity to implement carbon capture and storage (CCS) as a possible GHG mitigation solution for our existing and planned production facilities. We were recently privileged to be invited to the inaugural meeting of the Global Carbon Capture and Storage Institute. The institute has annual funding of up to AUD100 million to accelerate the global deployment of commercial-scale CCS projects. Locally, we are a founding member of the South African Centre for CCS, launched on 27 March 2009.

Further information on our approach to responding to the challenge of climate change is provided on page 72, in the sustainable development report and in our 2009 submission to the global Carbon Disclosure Project (CDP), which can be found on our website (www.sasol.com).

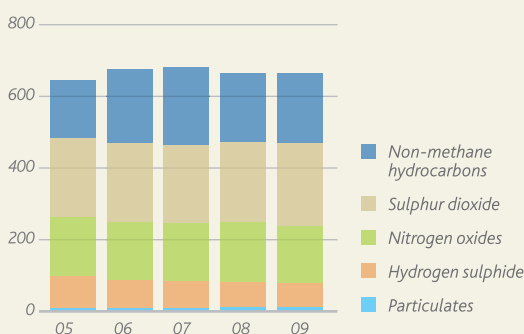
Reducing other atmospheric pollutants

Our major South African facilities are situated in priority areas as defined by the new Air Quality Act, and are thus required to develop priority area improvement plans. These facilities will be required to meet stricter emission standards than the minimum National Emission Standards which are expected to be published shortly. The Highveld Priority Area (Secunda) Improvement Plan is currently being developed for the region and the Vaal Triangle Priority Area Air Quality Management Plan has been approved in principle by all stakeholders as a “living” document. All our facilities have developed improvement plans that will enable them to meet IFC standards or local standards. In March 2009, the South African Ambient Air Quality Standards were published for public comment and the emission standard process is nearing completion.

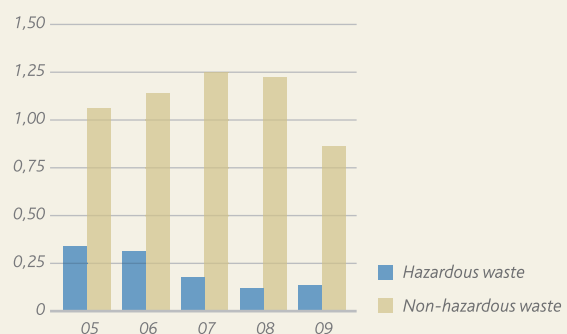
We have significantly advanced the leak detection and repair programme at our Secunda and Sasolburg sites, which will further reduce our emissions of volatile organic compounds (VOCs). A baseline assessment for VOCs has been completed, and an updated indicator of performance for VOCs along with revised targets to reduce VOCs have been approved.

To assess our atmospheric emissions of mercury, in 2008 we undertook a project to determine a mercury mass balance across Sasol Synfuels, and to apportion these emissions from the facility. This assessment, by external reviewers, revealed a much lower volume of mercury being emitted than previously assessed.

Atmospheric emissions (kilotons)



Hazardous and non-hazardous waste



Promoting waste minimisation and cleaner production

The promulgation of the new South African Environmental Management Waste Act will fundamentally reform the way waste is managed in the country. We have been extensively involved in the development of the Act and will continue to be involved in addressing specific aspects of its implementation.

In 2009, Sasol operations generated 111 kilotons (kt) of hazardous waste, representing a 14,4% increase on the previous year. There was an increase in hazardous waste from Sasol Infrachem reflecting the disposal of contaminated soil from clean-up operations. These volumes are once-off. The figures also include high sulphur pitch, which was stored in waste lagoons under permit conditions and will be stabilised when the tar pits are remediated.

Over the same period, we generated 697 kt of non-hazardous waste, 28,9% less than the 980 kt produced in 2008. Sasol Nitro generated a 51% reduction in non-hazardous waste as compared to 2008, due to a substantial decrease in phosphoric acid production.

A detailed waste inventory was recently completed at Sasol Synfuels. Moving forward, we will need to develop an Integrated Waste Management Plan for Sasol Synfuels and possibly other Secunda-based operations. The Synfuels waste recycling facility is operating satisfactorily and has spare capacity to treat additional volumes of hazardous waste streams as required in the future.

Biodiversity issues at Sasol are addressed through environmental impact assessments for new projects and through environmental management programmes in the case of existing projects.



our sustainable development performance *continued*

Managing water use and effluent

Various technological advancements in effluent recycling, cooling, pre-treatment of water for steam generation and solids handling is paving the way for significantly improved zero liquid effluent discharge designs which are being developed irrespective of water availability or pricing.

The implementation of short-term management measures to reduce the risk of effluent release from balancing dams at the Sasol Synfuels complex has been effective. We are developing a water and salt strategy to identify the most suitable long-term sustainable water use, effluent management and residue disposal solutions for the Secunda complex.

Sasol Synfuels has been re-issued with a water use licence for which compliance to more stringent licence conditions will need to be met. The approach to water quality monitoring of the streams flowing through the Secunda complex has been revised. An improved monitoring system is now in place and is being used to quantify off-site impacts. A total of R33 million has been approved to implement the first phase of remedial

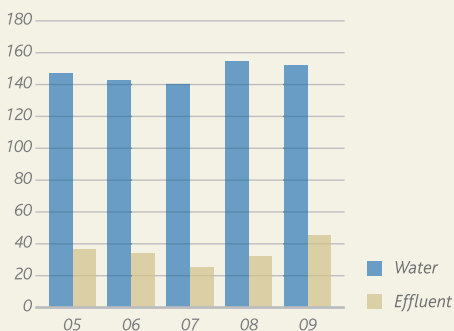
measures to address seepage impacts identified through studies that have been undertaken over the past few years.

One tool that is helping us to better manage our water risks is our alignment with the UN Global Compact CEO Water Mandate. See www.sasol.com for further information on Sasol's progress on this initiative.

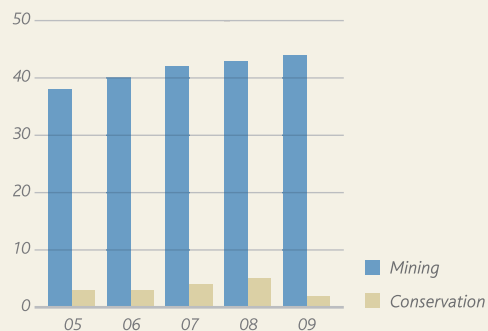
Managing land use and biodiversity, and ensuring remediation

Sasol has 4 370 hectares (ha) of land that it owns or leases for production activities or extractive purposes. In addition, Sasol Mining occupies 42 837 ha of underground mining area, 1 284 ha of land for surface mining and in total has rehabilitated 1 689 ha. The total area of land dedicated for conservation and biodiversity purposes at the end of the reporting period amounted to 4 553 ha. Biodiversity issues are addressed formally in new projects through environmental impact assessments (EIAs) and in existing projects through environmental management programmes (EMPs). We are also working to assess the biodiversity of the habitats in land currently owned, leased or managed throughout the group.

Water use and effluent



Land use and biodiversity



Rehabilitation of legacy coal gasification tar pits in Sasolburg.



summarised financial information

for the year ended 30 June 2009



Sasol's complete annual financial statements, consisting of two books, are available on request.

Note: The financial information presented from pages 96 to 99 is a summary of our annual financial statements as set out in a separate publication entitled annual financial statements 2009 which, together with this annual review, comprise our 2009 annual report. This summarised financial information does not provide sufficient information to allow a full understanding of the results or state of affairs of the Sasol group.



A complete annual report and a Form 20-F (produced in accordance with the US Securities and Exchange Commission) may be obtained from the Sasol group corporate affairs department.

Contact details are printed on page 100 of this report.

salient features

for the year ended 30 June

		2009	2008
Selected ratios			
Return on equity	%	17,0	32,5
Return on total assets	%	18,7	26,9
Operating margin	%	17,9	26,0
Finance expense cover	times	12,3	14,5
Dividend cover	times	2,8	2,8
Share statistics			
Total shares in issue	million	665,9	676,7
Treasury shares (share repurchase programme)	million	8,8	37,1
Weighted average number of shares	million	596,1	601,0
Diluted weighted average number of shares	million	614,0	609,5
Share price (closing)	Rand	269,98	461,00
Market capitalisation	Rm	179 780	311 959
Net asset value per share	Rand	141,14	128,44
Dividend per share	Rand	8,50	13,00
– interim	Rand	2,50	3,65
– final	Rand	6,00	9,35
Other financial information			
Total debt (including bank overdraft)			
– interest bearing	Rm	17 814	19 455
– non-interest bearing	Rm	643	637
Finance expense capitalised	Rm	34	1 586
Capital commitments	Rm	25 309	25 048
– authorised and contracted	Rm	22 492	24 457
– authorised, not yet contracted	Rm	17 038	17 722
– less expenditure to date	Rm	(14 221)	(17 131)
Guarantees and contingent liabilities			
– total amount	Rm	29 545	37 381
– liability included in the statement of financial position	Rm	12 795	10 730
Significant items in operating profit			
– employee costs	Rm	17 532	14 443
– depreciation and amortisation of non-current assets	Rm	6 245	5 212
– operating lease charges	Rm	1 111	887
– share-based payment expenses	Rm	3 325	1 782
Directors' remuneration	Rm	50	65
Share options granted to directors – cumulative	'000	946	1 011
Share appreciation rights granted to directors – cumulative	'000	215	72
Sasol Inzalo share rights granted to directors – cumulative	'000	75	75
Effective tax rate ¹	%	43,3	30,1
Number of employees	number	33 544	33 928
Average crude oil price – dated Brent	US\$/barrel	68,14	95,51
Average rand/US\$ exchange rate	1US\$ = Rand	9,04	7,30
Closing rand/US\$ exchange rate	1US\$ = Rand	7,73	7,83

1. Increase in effective tax rate as a result of competition related fines and share-based payment expenses which are not deductible for tax.

	2009	2008
	Rm	Rm
Reconciliation of headline earnings		
Profit for the year attributable to owners of Sasol Limited	13 648	22 417
Effect of remeasurement items	1 469	698
Impairment of assets	458	821
Reversal of impairment	–	(381)
Loss/(profit) on disposal of assets	761	(440)
Loss on repurchase of participation rights in GTL venture	–	34
Loss on realisation of foreign currency translation reserve	–	557
Scrapping of non-current assets	234	107
Write off of unsuccessful exploration wells	16	–
Tax effects and non-controlling interests	35	(225)
Headline earnings	15 152	22 890
Remeasurement items per above		
Mining	3	7
Gas	4	104
Synfuels	137	25
Oil	(3)	(20)
Synfuels International	777	396
Petroleum International	18	(27)
Polymers	(1)	(12)
Solvents	158	104
Olefins & Surfactants	106	(27)
Other chemical businesses	246	229
Nitro	219	(199)
Wax	27	426
Other	–	2
Other businesses	24	(81)
Remeasurement items	1 469	698
Headline earnings per share	Rand 25,42	38,09
Diluted headline earnings per share	Rand 25,25	37,56

The reader is referred to the definitions contained in the 2009 Sasol Limited annual financial statements.

statement of financial position

at 30 June

	2009 Rm	2008 Rm
Assets		
Property, plant and equipment	70 370	66 273
Assets under construction	14 496	11 693
Goodwill	805	874
Other intangible assets	1 068	964
Investments in associates	2 170	830
Post-retirement benefit assets	716	571
Deferred tax assets	1 184	1 453
Other long-term assets	2 045	2 631
Non-current assets	92 854	85 289
Assets held for sale	86	3 833
Inventories	14 589	20 088
Trade and other receivables	17 117	25 323
Short-term financial assets	520	330
Cash restricted for use	1 247	814
Cash	19 425	4 435
Current assets	52 984	54 823
Total assets	145 838	140 112
Equity and liabilities		
Shareholders' equity	83 835	76 474
Non-controlling interest	2 382	2 521
Total equity	86 217	78 995
Long-term debt	13 615	15 682
Long-term financial liabilities	143	37
Long-term provisions	5 729	4 491
Post-retirement benefit obligations	4 454	4 578
Long-term deferred income	297	376
Deferred tax liabilities	9 168	8 446
Non-current liabilities	33 406	33 610
Liabilities in disposal groups held for sale	65	142
Short-term debt	4 762	3 496
Short-term financial liabilities	354	67
Other current liabilities	20 954	22 888
Bank overdraft	80	914
Current liabilities	26 215	27 507
Total equity and liabilities	145 838	140 112

income statement

for the year ended 30 June

	2009 Rm	2008 Rm
Turnover	137 836	129 943
Cost of sales and services rendered	(88 508)	(74 634)
Gross profit	49 328	55 309
Other operating income	1 021	635
Marketing and distribution expenditure	(7 583)	(6 931)
Administrative expenditure	(9 050)	(6 697)
Other operating expenditure	(9 050)	(8 500)
Competition related fines	(3 947)	–
Effect of crude oil hedges	4 603	(2 201)
Share-based payment expenses	(3 325)	(1 782)
Effect of remeasurement items	(1 469)	(698)
Translation (losses)/gains	(166)	300
Other expenditure	(4 746)	(4 119)
Operating profit	24 666	33 816
Finance income	1 790	735
Share of profits of associates (net of tax)	270	254
Finance expenses	(2 531)	(1 148)
Profit before tax	24 195	33 657
Taxation	(10 480)	(10 129)
Profit for the year	13 715	23 528
Attributable to		
Owners of Sasol Limited	13 648	22 417
Non-controlling interest in subsidiaries	67	1 111
	13 715	23 528
Earnings per share	Rand	Rand
Basic earnings per share	22,90	37,30
Diluted earnings per share ¹	22,80	36,78

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

contact information

Shareholder helpline

Assistance with AGM queries and proxy forms:

Telephone: +27(0) 11 370 5511

Telefax: +27(0) 11 688 5238

Shareholder enquiries

Telephone: +27(0) 86 110 0950

Telefax: +27(0)11 688 5217

Depository bank

The Bank of New York Mellon

Depository Receipts Division

101 Barclay Street

New York 10286, New York

Direct purchase plan

The Bank of New York Mellon maintains a sponsored dividend reinvestment and direct purchase programme for Sasol's depository receipts. As a participant in Global BuyDIRECTsm, investors benefit from the direct ownership of their depository receipts, the efficiency of receiving corporate communications directly from the depository 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 BuyDIRECTsm should be addressed to:

The Bank of New York Mellon

Investor Relations, PO Box 11258

Church Street Station, New York

New York 10286-1258

Toll-free telephone for US Global BuyDIRECTsm participants: 1-888-BNY-ADRS

Telephone for international callers: 212-815-3700

E-mail: shrrelations@bnymellon.com

Website: www.bnymellon.com/shareowner

Company registration number

1979/003231/06

Addresses

Business address and registered office:

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Produced by Sasol group corporate affairs and financial reporting departments.

www.sasol.com

about this report

Annual review and summarised financial information 2009

Sasol's reporting aims to provide a balanced, understandable, complete and easily comparable view of our business.

Alongside the ongoing stakeholder interaction and communication expected of a responsible organisation committed to accountability, Sasol produces a suite of reporting publications.

This annual review includes summarised financial information for the year ended 30 June 2009. Stakeholders are advised to read this annual review in conjunction with:

Annual financial statements

Including a full analysis of the groups' results by the chief financial officer.

Form 20-F

Our annual report under the Securities Exchange Act of 1934 on Form 20-F to be filed with the United States Securities and Exchange Commission during October 2009. The Form 20-F is available on our website (www.sasol.com).

Sustainable development report

Produced in accordance with Global Reporting Initiative (GRI) guidelines.

These reports provide a complete view of the group's strategy, businesses, performance against objectives, and prospects.

Stakeholders are advised to refer to the important information about the forward-looking statements used in this report, below.

Forward-looking statements

In this document we 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 7 October 2008 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.

Note on measurement: Besides applying barrels (b) and cubic metres (Mm³) for reporting on oil and gas reserves and production, Sasol applies Système International (SI) metric measures for all global operations. A ton (also spelt as tonne) denotes one metric ton equivalent to 1 000 kilograms (kg) or about 2 200 imperial pounds. Sasol's reference to a metric ton should not be confused with an imperial ton equivalent to 2 240 pounds (or about 1 016 kg). In addition, in line with a particular South African distinction under the auspices of the South African Bureau of Standards (SABS), all Sasol global reporting emanating from South Africa uses the decimal comma (eg, 3,5) instead of the more familiar decimal point (eg, 3.5) used in the UK, USA and elsewhere. Similarly, a hard space is used to distinguish thousands in numeric figures (eg, 2 500) instead of a comma (eg, 2,500). **A billion is defined as 1 000 million.**

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