

sasol
reaching new frontiers



positive energy

annual review and summarised financial information 2008

positive energy (in a changing world)

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Cover: Sasol Oil operates 406 Sasol and Exel retail convenience centres in South Africa and exports fuels to the rest of Southern Africa.

As we continue to strengthen our competitive position as a provider of alternative energy solutions, significant growth opportunities are opening up for Sasol in a world grappling with volatile energy markets and supply concerns. Alongside our energy businesses, our chemical businesses are integral to the group's growth ambitions.

But it is the energy of our people, evidenced by their positive and progressive contributions across an extensive sphere of influence, that enables our group to pursue the opportunities of a world in the throes of change.

AR About this report

- 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 full suite of reporting publications.
- In addition to this annual review, which includes summarised financial information for the year ended 30 June 2008, stakeholders are advised to read:

FIN Annual financial statements

20F Form 20-F: produced in accordance with US Securities and Exchange Commission (SEC) regulations

SD 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 important information about the forward-looking statements used in this report, on the inside back cover.

always reaching new frontiers

In April 2008 we celebrated the fifth anniversary of Sasol's listing on the New York Stock Exchange (NYSE). To acknowledge this event, we present this view of the milestones that have marked our journey over this seminal period in the group's development.

exploiting upstream hydrocarbon opportunities

year ended 30 June **2003**
Sasol share price on JSE → **R83,55**

2004
R96,10

On 9 April 2003 Sasol lists on the NYSE. The share price opened at **US\$ 10,90.**

865 kilometre cross-border **gas pipeline** linking Mozambique to South Africa is 70% complete in June.



Work starts on Project Turbo to enable Sasol Synfuels to remove lead from petrol from 2006.

Sasol Infrachem commences natural gas reforming at Sasolburg to substantially **reduce emissions** to the atmosphere.

Successful integration with Exel Petroleum and launch of Sasol delight!™ retail convenience centres.

Commercial gas production commences in Mozambique's Temane field.

bringing innovative and viable energy solutions to the world

working towards world-class standards of safety and productivity

delivering superior returns to shareholders

2005
R180,80

Sasol **safety charter** and improvement plan launched.

Sasol Mining achieves record coal production of **169 081 tons** /day on 14 October.



2006
R275,00

Sasol Mining announces formation of **Igoda Coal**, a black economic empowerment venture, with Eyesizwe Coal.

Construction of Escravos gas-to-liquids (GTL) plant commences in Nigeria.

Inauguration of joint venture to build and operate **Oryx GTL** plant in Qatar.



2007
R266,00

Recordable case rate **reduced by 19%** to 0,72 from 0,93 in 2006.

Oryx GTL, the world's largest commercial gas-to-liquids plant, commences production.

Black empowerment deals including Ixia Coal, are progressed.

Tshwarisano LFB Investment acquires **25% interest** in Sasol Oil.





2008
R461,00

On 20 May 2008 Sasol's share price on the NYSE had appreciated almost six-fold to **US\$66,09** since 2003.

Sasol Inzalo – single largest broad-based BEE ownership transaction in South Africa to date, launched in June 2008.

Oryx GTL ramps up production to above **22 000 b/d** by June 2008.

Arya Sasol's ethane cracker produces first on-specification product in November 2007.

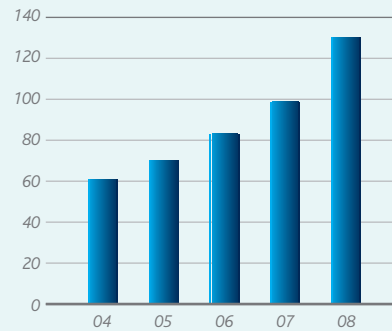
Third 1-octene plant commissioned.

Recordable case rate improves to **0,50** by financial year end.

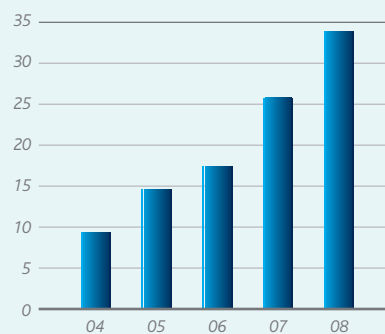
place the future in your hands. Collect your prospectus with application forms from any Post Office from the 2nd of June to the 5th of July. The future of our great land belongs to us. Let's help it take shape. Let's help it shine.



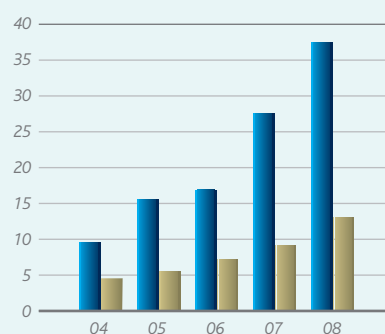
Turnover (R billion)



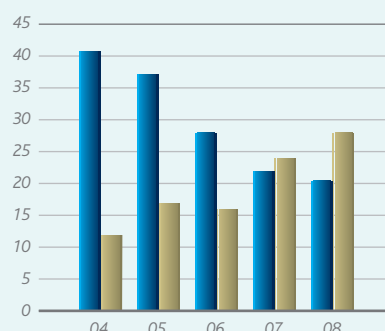
Operating profit (R billion)



Attributable earnings and dividend per share (Rand)



Gearing and return on invested capital (%)



financial and operating performance 2008



Operating profit up
32% to
R34 billion

Final
dividend up
58% to
R9,35 per share

Headline earnings
per share up
50% to
R38,09

R24 billion
Sasol Inzalo BEE
transaction implemented

Delivering
on growth
projects

Improved
safety
performance

Operational
efficiency
improvements at
existing businesses

Continued
production
volume growth

Oryx GTL
production
in Qatar
ramps up

Financial review

		% change 2008 vs 2007	2008 Rand	2007 Rand	2006 Rand	2008 US\$	2007 US\$	2006 US\$
Turnover	million	32	129 943	98 127	82 395	17 801	13 629	12 854
Operating profit	million	32	33 816	25 621	17 212	4 632	3 559	2 685
Profit	million	34	23 528	17 550	10 582	3 223	2 438	1 651
Earnings per share	rand	36	37,30	27,35	16,78	5,11	3,80	2,62
Headline earnings per share	rand	50	38,09	25,37	22,98	5,22	3,52	3,59
Dividends per share	rand	44	13,00	9,00	7,10	1,65	1,27	1,01
Net asset value per share	rand	22	122,65	100,55	84,45	15,66	14,28	11,78
Wealth created	million	28	54 460	42 568	31 514	7 460	5 912	4 916
Market capitalisation	million	87	311 959	166 968	187 825	25 985	23 564	26 391
Total assets	million	18	140 112	119 065	103 158	17 894	16 913	14 387

Our progress in 2008

- Oryx GTL ramps up production to above 22 000 barrels a day by June 2008.
- Arya Sasol brings one million tons per annum (tpa) ethane cracker into beneficial operation.
- Sasol Polymers starts up second polypropylene plant at Secunda with 300 000 tpa capacity.
- Sasol Solvents commissions third 1-octene plant at Secunda using first-of-a-kind technology.
- Sasol Olefins & Surfactants opens a 60 000 tpa oleochemical-based alcohol joint-venture plant in China.
- Sasol Gas and partners start work to increase capacity of Mozambique to South Africa supply pipeline.
- Sasol Synfuels is progressing well with first phase of expansion plan.
- Sasol Technology takes 43 projects worth R8,4 billion to ready-for-operation stage.

Our priorities for 2009

Safety

Reduce our RCR by 10% for the year, moving towards a target of less than 0,3 by June 2013.

Performance management

Embed new performance management system.

Operational excellence

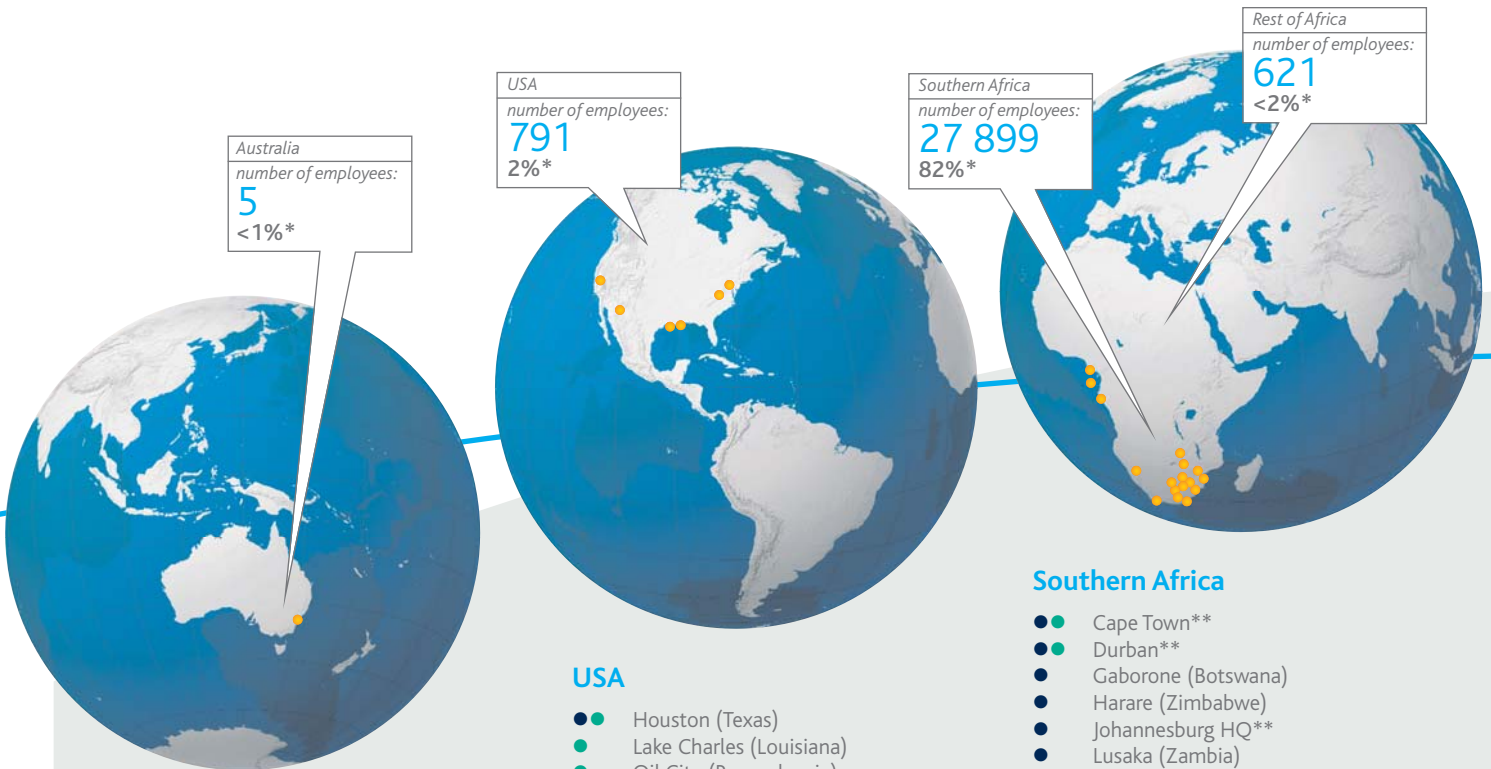
Complete first-phase rollout of operations excellence initiative.

Environment

Continue to reduce our environmental footprint to reach energy efficiency and emissions targets by 2015.

South African transformation

Complete Sasol Inzalo share rollout and implement the group transformation strategy (employment equity and diversity plans).



Australia
number of employees:
5
<1%*

USA
number of employees:
791
2%*

Southern Africa
number of employees:
27 899
82%*

Rest of Africa
number of employees:
621
<2%*

Australia

- Sydney

USA

- Houston (Texas)
- Lake Charles (Louisiana)
- Oil City (Pennsylvania)
- Richmond (California)
- San Francisco (California)
- Shelton (Connecticut)
- Tucson (Arizona)

Southern Africa

- Cape Town**
 - Durban**
 - Gaborone (Botswana)
 - Harare (Zimbabwe)
 - Johannesburg HQ**
 - Lusaka (Zambia)
 - Maputo (Mozambique)
 - Newcastle**
 - Phalaborwa**
 - Sasolburg**
 - Secunda**
 - Vilanculos (Mozambique)
 - Windhoek (Namibia)
 - Offshore exploration (Mozambique)
- ** South Africa.

Rest of Africa

- Escravos (Nigeria)
- Offshore exploration (Gabon)
- Offshore exploration (Nigeria)

* % of total employees.

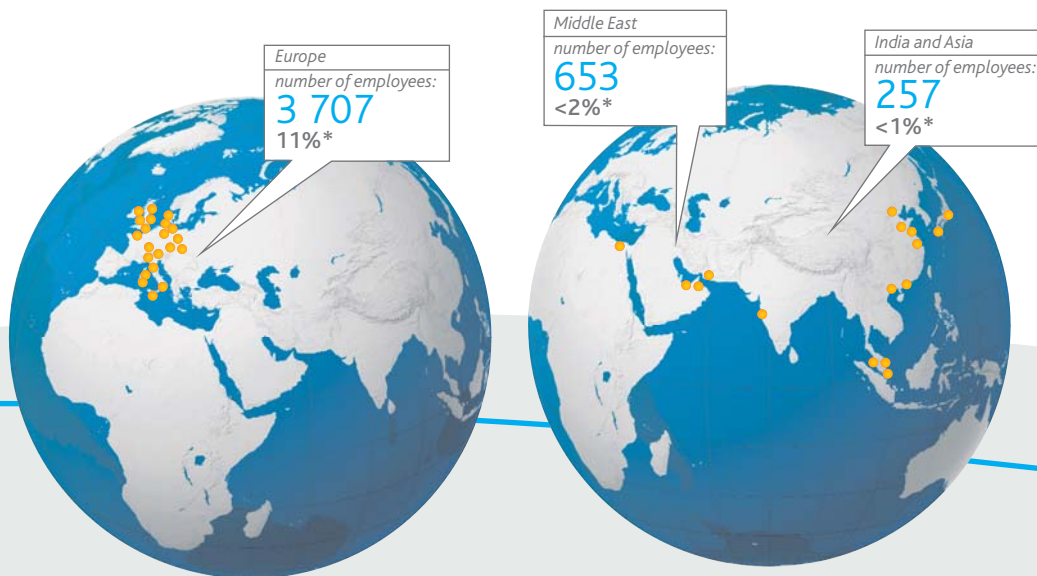
about sasol

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

Based in South Africa, Sasol is represented in some 30 countries and employs about 34 000 people. In response to the growing international interest in our coal-to-liquids (CTL) and gas-to-liquids (GTL) offerings, we continue to expand our international presence. In the last year, we increased capacity in our offices in Beijing, China, and Mumbai, India.

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

Key to map				
● Manufacturing/production	● Office	● Exploration	● Project	● Research



Europe

- Antwerp (Belgium)
- Augusta (Italy)
- Birkenhead (United Kingdom)
- Birmingham (United Kingdom)
- Bratislava (Slovak Republic)
- Brunsbüttel (Germany)
- Crotone (Italy)
- Castletown (Isle of Man)
- De Meern (The Netherlands)
- Farnham (United Kingdom)
- Hamburg (Germany)
- Herne (Germany)
- Linz (Austria)
- London (United Kingdom)
- Marl (Germany)
- Milan (Italy)
- Moers (Germany)
- Nováky (Slovak Republic)
- Paderno Dugnano (Italy)
- Paris (France)
- Porto Torres (Italy)
- Sarroch (Italy)
- St Andrews (United Kingdom)
- Terranova dei Passerini (Italy)
- Witten (Germany)
- Vordingborg (Denmark)

Middle East

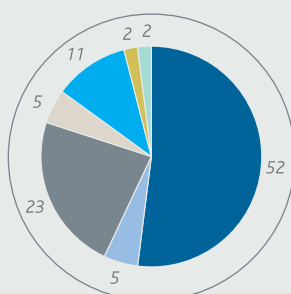
- Alexandria (Egypt)
- Bandar Assaluyeh (Iran)
- Dubai (United Arab Emirates)
- Ras Laffan (Qatar)

India and Asia

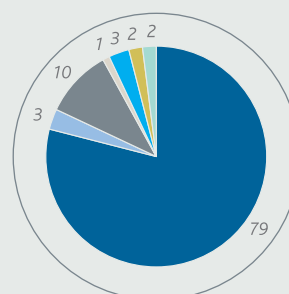
- Beijing (China)
- Dongguan (China)
- Hangzhou (China)
- Hong Kong (China)
- Kertih (Malaysia)
- Kuala Lumpur (Malaysia)
- Mumbai (India)
- Nanjing (China)
- Oita (Japan)
- Shanghai (China)
- Singapore
- Tokyo (Japan)

Geographic analysis

Turnover 2008



Operating profit 2008



- South Africa
- Rest of Africa
- Europe
- Middle East, India, Asia
- North America
- South America
- Southeast Asia

our integrated business model

Exploiting the benefits of our proprietary technology

Sasol Limited, located in Johannesburg, South Africa, is the holding company for the group's subsidiaries.

Sasol Group Services provides certain specialised services to group companies.

south african energy cluster

Sasol Mining p37

Sasol Synfuels p42

international energy cluster

Sasol Synfuels International (SSI) p50

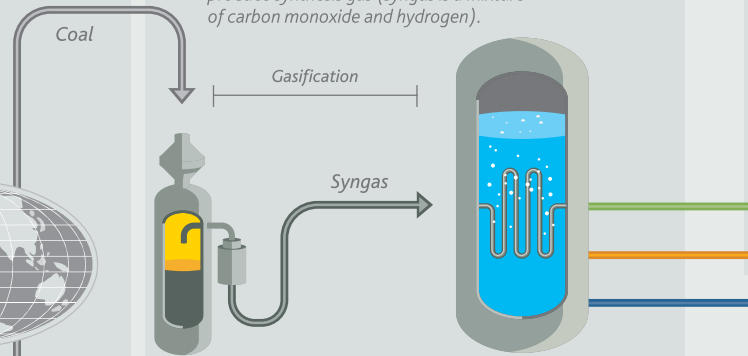
Sasol Petroleum International (SPI) p53

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.



Syngas production

Using steam and oxygen at high temperatures, coal is gasified and natural gas reformed to produce synthesis gas (syngas is a mixture of carbon monoxide and hydrogen).



Fischer-Tropsch process

Using a catalyst, the Fischer-Tropsch (FT) reaction converts syngas into a range of hydrocarbons such as fuel, chemical components and co-products. Low- and high-temperature FT conversions provide different product splits.

Sasol Gas p40

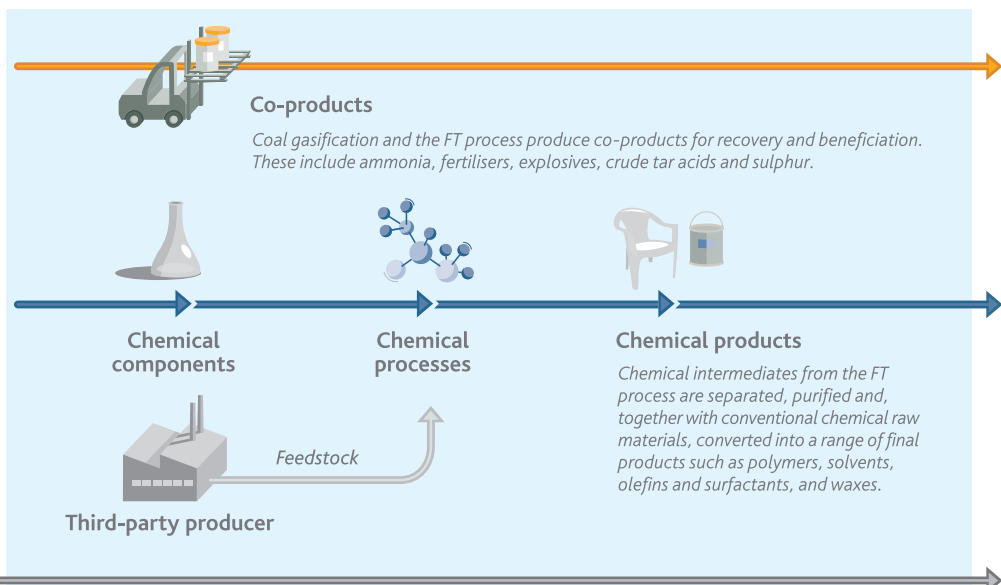
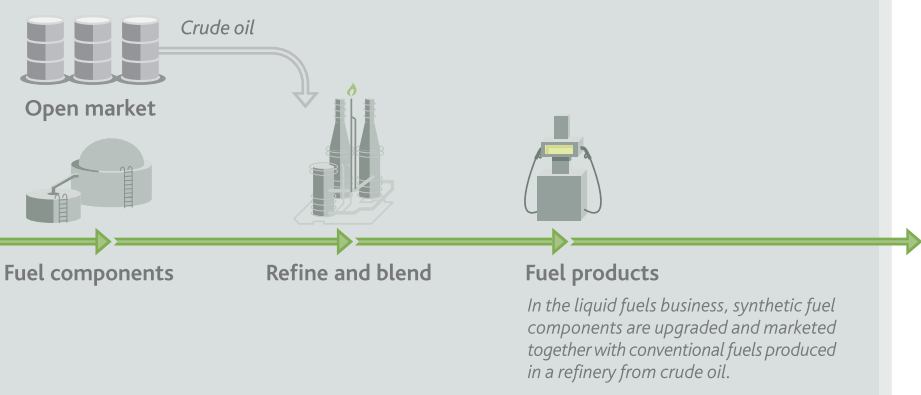
Coal, crude oil and natural gas are sold to open market.

other businesses

Sasol Technology p73

Sasol Financing p76

Sasol Oil p46



Markets

Sasol markets products directly to the consumer as well as to commercial and industrial customers, thereby integrating its upstream and downstream activities.

chemical cluster

Sasol Polymers	p58	Sasol Wax	p69	Sasol Infrachem	p70
Sasol Solvents	p61	Sasol Nitro	p68	Merisol	p71
Sasol Olefins & Surfactants (Sasol O&S)		p64			

our products and our customers

Sasol markets products directly to consumers as well as to commercial and industrial customers

South African and International energy clusters

Coal mining, synfuels and chemical feedstock production, liquid fuels production and marketing, gas marketing and distribution, oil and gas exploration and production, and development of international GTL and CTL ventures.

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*

Chemical cluster

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.

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.

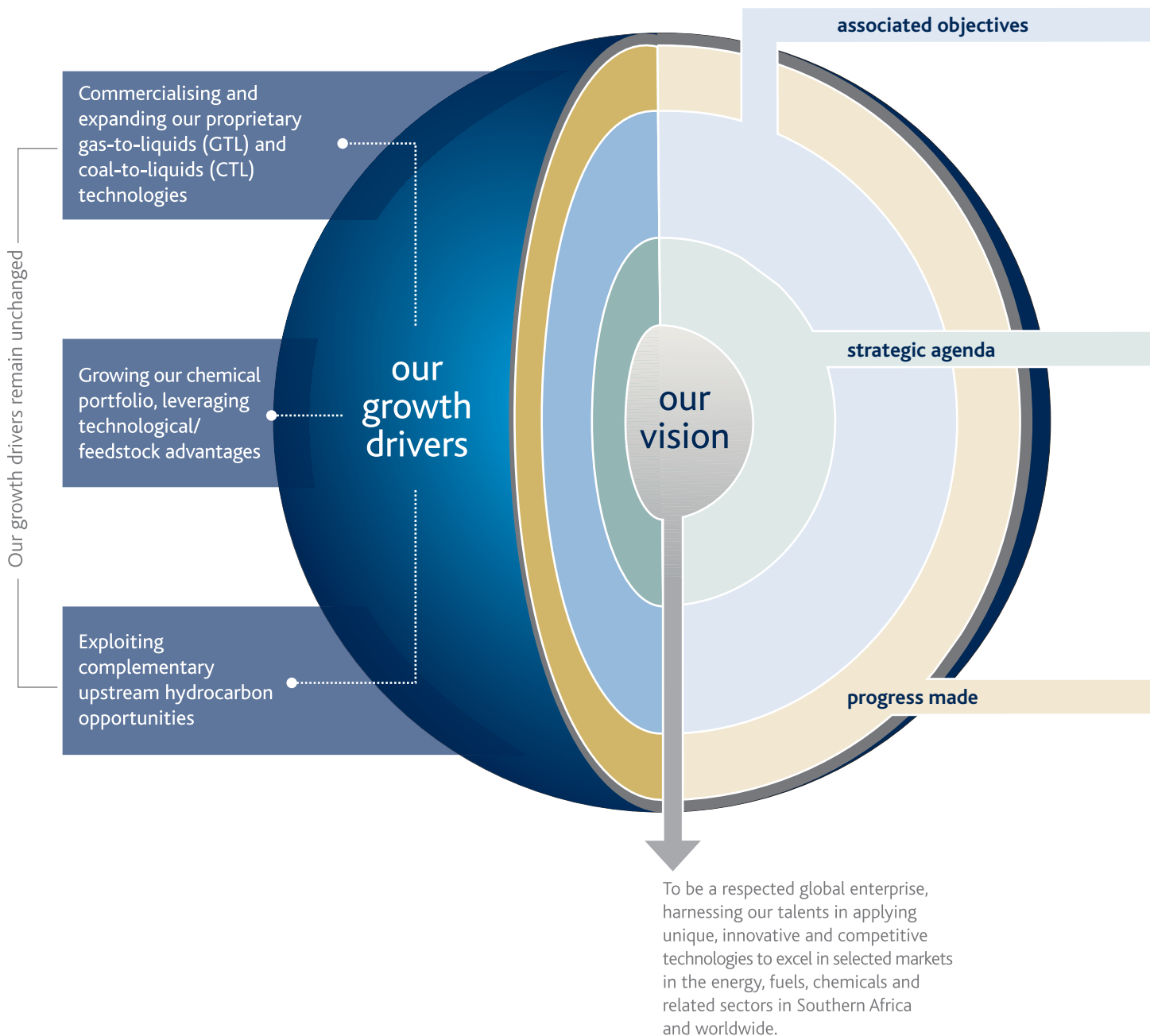
End products

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



sasol's strategy

Our strategy is reviewed annually to ensure Sasol remains robust and competitive. In the year under review, we amended our statement of purpose to recognise the integral role of our chemical businesses in the group's sustainable growth, alongside our energy businesses. Sasol is now described as an integrated energy and chemicals company.



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



* Defined by the Employment Equity Act as African, Coloured and Indian people and women and people with disabilities.



delivering south african transformation

While the strategic pillars and corporate initiatives that will enable us to deliver on our growth objectives and obligations to all our stakeholders are detailed on pages 10 and 11, this year we have given special focus to Sasol Inzalo, to mark this milestone in the group's history.

Reaching new frontiers in transformation

Sasol is committed to South Africa's transformation and to making broad-based black economic empowerment (BEE) a reality. Sasol's own transformation is underpinned by our ethos to reach new frontiers in all aspects of our business, as well as in our contributions to the communities in which we operate.

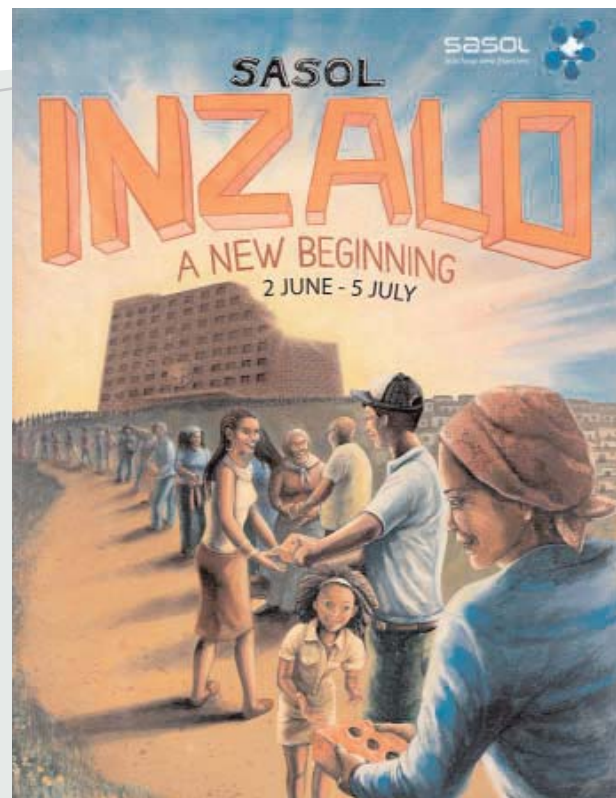
Sasol Inzalo's broad-based structure breaks new ground

	% of Sasol	Shares (millions)
Employee share ownership schemes	4,0	25,2
The Sasol Inzalo Foundation	1,5	9,5
Selected participants	1,5	9,5
Black public	3,0	18,9
Total	10	

Sasol Inzalo: South Africans share in a global opportunity

Sasol Inzalo ("a new beginning") is our ground-breaking R24 billion broad-based BEE transaction, the largest such transaction in South Africa. It has given millions of ordinary black South Africans the opportunity to own a part of Sasol and benefit from our success into the future.

For more than 300 000 new shareholders, ranging from Sasol employees to the black public to women's groups, Sasol Inzalo will create significant economic opportunity. Due to its innovative structure, the legacy of this transaction also extends to a major investment in skills development, critical for South Africa's future success.



"Inzalo is a powerful word representing birth, creation of life and new beginnings. For us, Sasol Inzalo symbolises a new era of broad-based share ownership, of contributing to skills development and of building our economic capacity."

Miaz Titus, senior clerk: Warehouse Syferfontein, Sasol Secunda Shared Services

Sasol Inzalo: building a legacy

The vision of The Sasol Inzalo Foundation is to contribute to the sustainable economic growth of South Africa by focusing on skills development, through:

alleviating schooling bottlenecks

- A Sasol Maths and Science Academy will provide access to high quality schooling for the historically disadvantaged.
- We will partner with other maths, science and technology initiatives and schools and drive broader social benefit through teacher training programmes and peer networks.

boosting the vocational skills pool

- We will support selected colleges and use retired artisans as coaches. In addition, we will fund a skills 'think tank' and specific research projects at industry level to create alignment between the needs of business and the education system.

creating tertiary opportunities

- We will collaborate with selected tertiary institutions to create 'centres of excellence' and provide funding, bursaries and bridging programmes for needy students.



Sasol Inzalo's invitation to the black public of South Africa to own a share of Sasol was designed to be inclusive and aimed to reach as broad a base as possible. In addition to fair national distribution, the offer gave priority to women.

Q&A

with Nolitha Fakude
executive director



Q. Sasol Inzalo was a journey that took more than two years. What was a highlight?

A. Truly broad-based empowerment was a cornerstone of the Sasol Inzalo transaction. We wanted to offer an opportunity to the many South Africans who may previously not have had access to an investment of this nature. When the invitations closed, more than 90% of the applicants had applied for fewer than 200 shares, giving us a clear indication of our broad-based success.

Q. What were some of your major challenges in bringing Sasol Inzalo to life?

A. The huge scale of this transaction created its own challenges, with little precedent for the many complexities a deal of this magnitude presents. I think the real challenge was creating a transaction to forge a new path for empowerment and then communicating the opportunity effectively. We shared the Sasol Inzalo message with people at places like taxi ranks and train stations, at stokvel meetings and on national roadshows and I believe we have succeeded in conveying our message directly into communities.

Q. Why was there such a groundswell of support?

A. I think it was a combination of factors. The options of a cash and a funded invitation made Sasol Inzalo accessible to people who had as little as R457,50 to invest and this opened the opportunity to so many more people. Our shareholder education programme and national roadshows were also most helpful in creating energy and interest around Sasol Inzalo and the opportunity it presented for a long-term investment.

Q. What will be the most important legacy of Sasol Inzalo?

A. The Sasol Inzalo Foundation, with a focus on science, maths and technology, has been allocated R3,5 billion worth of shares that will be used to make a tangible and sustainable impact on skills development. We need to be one of the catalysts in developing a new generation of mathematicians, scientists and innovators for South Africa. We are very proud that the Sasol Inzalo legacy will not just be about economically empowering individuals but also skills enhancement.

our board of directors*

non-executive chairman

executive directors

non-executive directors

The image displays a grid of 14 numbered portraits of board members. The portraits are arranged as follows: Portrait 1 (Non-executive chairman) is on the left, partially overlapping a light blue background. Portraits 2, 3, 4, and 5 (Executive directors) are in a 2x2 grid to the right of portrait 1. Portraits 6, 7, 8, 9, 10, 11, 12, 13, and 14 (Non-executive directors) are in a 3x3 grid below portraits 2-5. The text 'non-executive chairman' is to the left of portrait 1. The text 'executive directors' is above portraits 2-5. The text 'non-executive directors' is at the bottom right of the grid.

Non-executive director and chairman

1. Pieter Cox (65)

BSc Eng (Mining), BSc (Metal)
Non-executive chairman

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

Joined the group in 1971. In 1985 he was appointed group general manager. He was appointed chief executive officer of Polifin Limited in 1993; chief operating officer of Sasol Limited in May 1996; chief executive of Sasol Limited in 1997 and deputy chairman and chief executive in March 2001. He retired in 2005. Awarded honorary doctorates from the University of the Free State, South Africa and the University of St Andrews, Scotland.

Appointed to the Sasol board in 1996.

Sasol has announced that Mr Cox will retire after the annual general meeting on 28 November 2008.

Executive directors

2. Pat Davies (57)

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.

Appointed to the Sasol board in 1997.

3. Nolitha Fakude (43)

BA (Hons)
Executive director

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

Responsible for worldwide group human resources, corporate affairs, stakeholder relations and transformation. Before joining Sasol she was a member of the group executive committee at Nedbank Group Limited.

Appointed to the Sasol board in 2005.

4. Benny Mokaba (47)

BA (Hons), PhD
Executive director

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

Responsible for the SA energy cluster, comprising Sasol Mining, Sasol Gas,

Sasol Synfuels, Sasol Oil 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.

Appointed to the Sasol board in 2006.

5. Christine Ramon (41)

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 and serves on the Standing Advisory Committee of the International Accounting Standards Board.

Appointed to the Sasol board in 2006.

Non-executive directors

6. Elisabeth Bradley (69)

BSc, MSc
Independent non-executive director

Member of the audit committee, nomination and governance committee and the compensation committee.

Chairman of Toyota SA (Pty) Limited and Wesco Investments Limited. She is also a director of several other companies, including Standard Bank Group Limited and the Tongaat-Hulett Group Limited. She is deputy chairman of the South African Institute of International Affairs and chairman of the Centre for Development and Enterprise.

Appointed to the Sasol board in 1998.

7. Brian Connellan (68)

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 Africa Foundation, the Corporate Forum and the Institute of Directors and a contributor to both King Reports on corporate governance in South Africa.

Appointed to the Sasol board in 1997.

8. Henk Dijkgraaf (61)

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 and previously held various positions at the Royal Dutch Shell Group, including president of Shell Nederland BV, former chief executive, Gas Power and Coal as well as former director of Shell Exploration and Production. He is a member of the boards of Eneco Holding and of the Royal Tropical Institute KIT and deputy chairman of the Netherlands Institute for the Near East.

Appointed to the Sasol board in 2006.

9. Mandla Gantsho (46)

CA(SA), MSc, PhD
Independent non-executive director

Member of the audit committee.

He is the 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 also a director of Group Five Limited and AfroCentric Investment Corporation Limited.

Appointed to the Sasol board in 2003.

10. Anshu Jain (45)

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.

Appointed to the Sasol board in 2003.

11. Imogen Mkhize (45)

BSc, MBA
Independent non-executive director

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

Director of Murray and Roberts Holdings Limited, Illovo Sugar 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.

Appointed to the Sasol board in 2005.

12. Hixonia Nyasulu (54)

BA (Hons)
Non-executive director

Member of the nomination and governance committee.

Executive chairperson of Ayavuna Women's Investments (Pty) Limited. Director of Barloworld Limited, the Tongaat-Hulett Group (Pty) Limited and Unilever plc/NV. She is a member of the JP Morgan SA advisory board.

Appointed to the Sasol board in 2006.

Sasol has announced that Mrs Nyasulu will take over as chairman after the annual general meeting on 28 November 2008.

13. Jürgen Schrempp (64)

BSc Eng
Independent non-executive director

Member of the nomination and governance committee.

Former chairman of the board of management of DaimlerChrysler AG and director of Vodafone Group, Compagnie Financière Richemont SA, South African Airways and Mercedes-Benz South Africa (Pty) Limited. Founding chairman of the Southern Africa Initiative of German Business and a member of the South African President's International Investment Council. Chairman emeritus of the Global Business Coalition on HIV/Aids and Honorary Consul-General in Germany of the Republic of South Africa.

Appointed to the Sasol board in 1997.

Sasol has announced that Prof Schrempp has been appointed senior lead independent director with effect from 28 November 2008.

14. Tom Wixley (68)

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. Deputy chairman of Anglo Platinum, chairman of New Corpcapital Limited and a director of African Life Assurance Company Limited, Clover Industries Limited and Avusa Limited. Member of the Actuarial Governance Board of the Actuarial Society of SA and chairman of the ad hoc committee on corporate law reform of the South African Institute of Chartered Accountants.

Appointed to the Sasol board in 2007.

Chairman's statement

positive energy

We celebrated the fifth anniversary of Sasol's listing on the world's leading bourse, the New York Stock Exchange (NYSE), in April 2008. This milestone provided an opportunity to reflect on our development and performance since the listing.

Several challenges confronted Sasol in this period, notably relating to technology, project execution and transformation in South Africa. I am impressed by the deep introspection and substantial and sensible action undertaken by the Sasol group in response to each of these challenges.

In a world grappling with spiralling energy demand, specifically in emerging markets, and persistent supply concerns, Sasol's progress in the last five years has been gratifying. Advances in our technological lead, built up over more than five decades, and our strengthening competitive position as a provider of alternative energy solutions, also refined over many years, have provided a springboard for the significant opportunities available to the group at home and abroad.

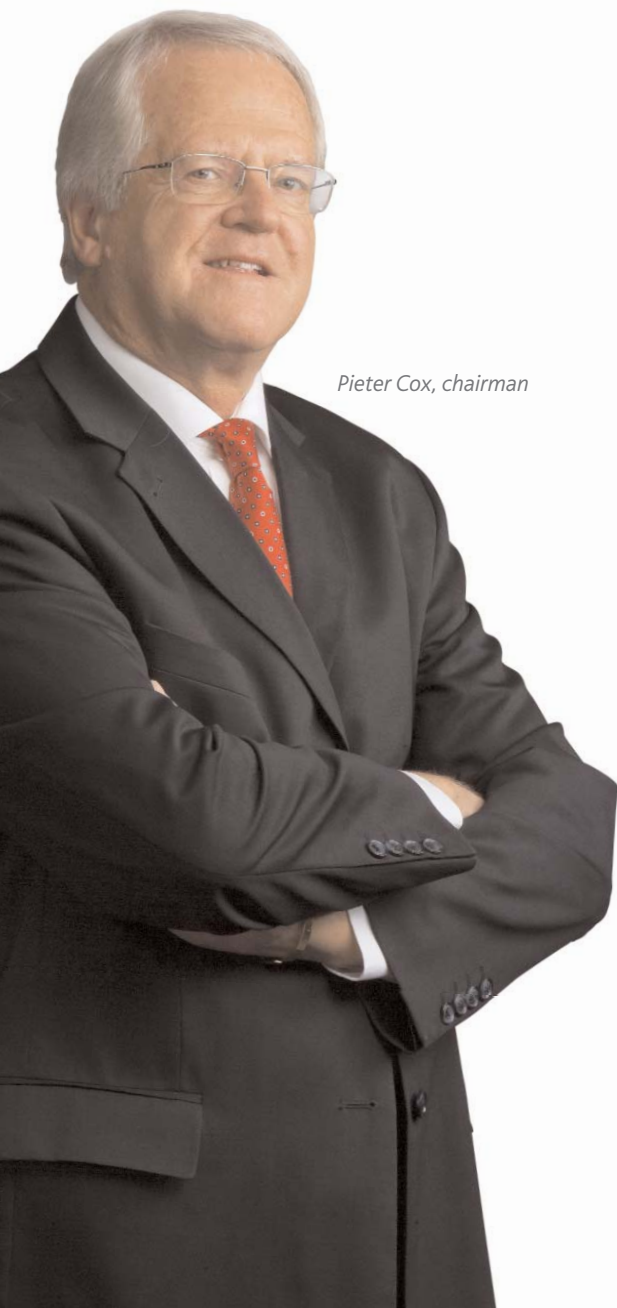
Sasol's energy businesses, however, are not the full extent of our growth story. Our chemical businesses have become integral to our strategy and sustainability, making a record 25% contribution to profit in the year ended 30 June 2008, with compound annual growth of 37% since the 2004 financial year.

Our safety performance has improved markedly in this time with 394 fewer people injured in our facilities in 2008, compared with 2004.

We continue to work towards world-class standards of safety, alongside the many other advances we have made in conducting our business as a responsible international organisation. Since the NYSE listing we have also made a clear commitment to reducing our environmental footprint and have pledged publicly to a greenhouse gas policy that sets out energy efficiency and emissions reduction targets.

In South Africa, we have contributed meaningfully to the country's transformation, both within Sasol and externally. This has included initiatives to advance employment equity, management diversity and preferential procurement from black suppliers. The establishment of black economic empowerment (BEE) partnerships in several of our businesses has been a feature of the last two years, notably in Sasol Mining, Sasol Gas and Sasol Oil.

Our commitment to reach new frontiers in transformation was exemplified in the year with the launch of our ground-breaking broad-based BEE transaction at group level, Sasol Inzalo – a word associated with birth, the creation of life and new beginnings. Unparalleled in size and reach, several hundred thousand of ordinary



Pieter Cox, chairman

South Africans were given the opportunity to access Sasol shares at preferential prices and to benefit in the longer term from Sasol's local and international growth, alongside some 24 500 of our South African employees.

In the past five years, we have made considerable advances in our endeavours to achieve operations excellence across the group. This ongoing initiative has resulted in notable improvements at many facilities. In the 2008 financial year, record production rates were reached at our natural gas and crude oil production sites, several of our chemical plants, as well as higher throughput at the Natref refinery.

I believe it is the energy of Sasol's people that drives the positive and progressive contribution that the group is making in many different areas. We have introduced a number of measures in recent years to offer a more rewarding and caring work environment and continue to do so to ensure we attract and retain a diverse base of motivated and talented people. Substantial resources are devoted to training and employee education with R345 million spent in 2008.

Delivering to all our stakeholders

The financial performance of the Sasol group has been particularly pleasing over the period since the NYSE listing, with operating profit growing 187% in this time, a compound annual growth of 24%. In the year ended 30 June 2008, attributable earnings per share grew 36% to R37,30 and headline earnings per share rose 50% to R38,09. Higher profits in 2008 were mainly the result of higher product prices, a weakening in the rand/dollar exchange rate and a strong contribution from our chemical businesses despite high feedstock costs. Other contributing factors included the ramp-up of production and profitability at our Oryx gas-to-liquids (GTL) joint venture and the benefits of the turnaround at Sasol Olefins & Surfactants beginning to materialise.

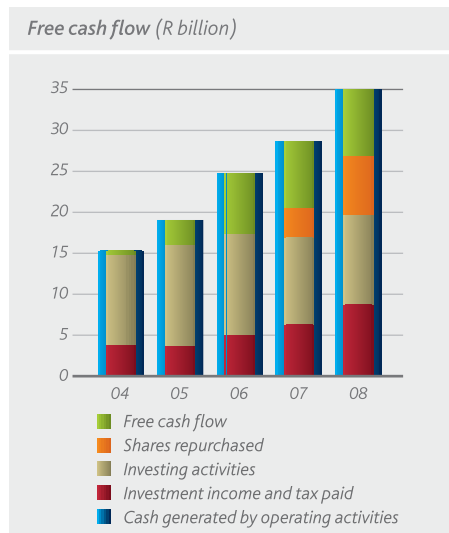
Cash flow remained robust, enabling the return of more cash to shareholders through our share buyback programme, approved by shareholders at the 2007 annual general meeting. The board declared a final dividend of R9,35 for the 2008 year, an increase of 58%. This brings the total cash payment to shareholders for each share held to R32,00 over the five years since our NYSE debut.

When Sasol listed in New York on 9 April 2003, its opening price was US\$10,90 per share. Five years later on 9 April 2008, the value of the company had increased nearly five-fold to US\$52,14 per share, equating to a market capitalisation of US\$33 billion. In this period Sasol's USA share ownership increased to 25% from 17% in line with the group's growing internationalisation.

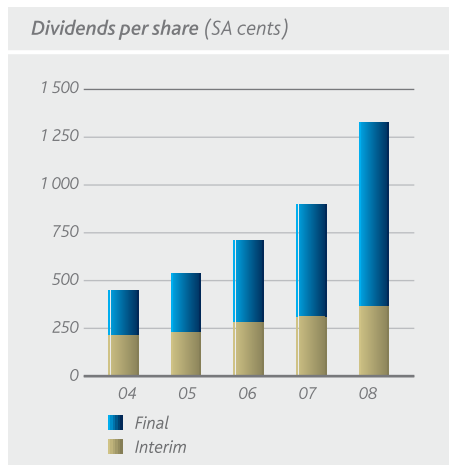
Just as the NYSE listing allowed a broader base of retail investors around the world to invest in Sasol, so Sasol Inzalo is giving a broader base of South Africans – including our employees, the black public and selected suppliers, retail franchisees and trade union investment companies – a chance to share in Sasol's international growth. The transaction, which involves the issue of 63,1 million shares valued at R24 billion, will result in effective black ownership of 10% of Sasol.

Sasol Inzalo has given ordinary black South Africans the opportunity to share in our future growth

Our strong cash flows support sustainable growth throughout the value chain



2008 dividend increased by 44% to 1 300 cents



Chairman's statement continued

Sasol Inzalo will result in an effective 10% black ownership in the group

Sasol Inzalo has been widely hailed as a model for broad-based BEE as it will deliver meaningful long-term benefits to black South Africans, primarily in the lower income groups and particularly among women, who took up 47% of the offer. It will also create a legacy of skills development and capacity building through its long-term focus on enhancing education in combination with existing initiatives.

European Commission fine

At the beginning of October 2008, the European Union found that members of the European paraffin wax industry, including Sasol Wax GmbH, had formed a cartel and violated anti-trust laws, and a fine of €318,2 million was imposed on Sasol Wax GmbH. An appeal against this finding is being considered. The European Commission found that an infringement of competition law began in 1992 or even earlier. In 1995, Sasol became a co-shareholder in an existing wax business located in Hamburg, Germany. In July 2002, Sasol acquired the remaining shares in the joint venture and became the sole shareholder of the business.

Sasol was totally unaware of these activities. When we became aware of them in 2005, they were immediately stopped.

We regret that this has occurred in one of Sasol's subsidiaries and that our due diligence and compliance programmes failed to identify this anti-competitive behaviour when we acquired the business 13 years ago and thereafter. We have rigorous compliance programmes relating to competition law.

Supporting South African development

South African businesses faced numerous domestic challenges during the past year. These included soaring raw material costs, interest rate increases and Eskom electric power cutbacks.

National demand for electricity outstripped available supply early in 2008, leading to rolling blackouts. That the country got into this position is unacceptable given that the looming shortfall had been widely predicted in the face of accelerating economic growth. Recent remedial action by government and the national power utility, Eskom, to rectify the imbalance by stabilising generating capacity and encouraging a culture of energy saving is bearing fruit and is commended. For its part, Sasol is contributing constructively by reducing energy consumption through energy efficiency improvements. In the longer term, natural gas supplies from Mozambique will be utilised to generate more power at our Secunda site, substantially reducing Sasol's offtake of Eskom power.

The change in leadership of the ruling ANC alliance in late 2007 has brought about an increase in political tension ahead of the country's next general elections, due in April 2009. We trust that statesmanship and disciplined leadership will prevail in the lead up to the new dispensation. This is essential if the country is to preserve and attract the levels of investment required from local and foreign institutions to drive growth as well as accelerate job creation and

Sasol continues to contribute significantly to South Africa's socioeconomic progress

poverty alleviation. In this regard, regional stability is also desirable. The political conflict and economic insecurity in Zimbabwe has long reached crisis proportions and must be resolved decisively.

As a truly South African company, we recognise the strength in diversity and the need to enhance it for the long-term sustainability of the group. It was with sadness that we witnessed the xenophobic violence towards foreigners in South Africa in May 2008. Amid the appalling hostility, I took comfort from the prompt and generous response by Sasol's people, in their individual capacities, donating clothing and food to those displaced by the unrest. Sasol also contributed R1 million towards alleviating the plight of those affected. It is imperative that the underlying socioeconomic ills which gave rise to the violence be identified and adequately addressed.

High levels of crime remain one of the main challenges confronting our country. We are anxious to see greater progress not only in policing but in bringing criminals to justice. Through our participation in Business Against Crime, we aim to consolidate the skills and resources business can offer to intensify the fight against crime. We are also working to strengthen community policing forums, particularly in Sasolburg and Secunda. Our corporate social investment team has put a number of programmes in place to support the most vulnerable in society, particularly women and children, in dealing with the effects of crime. A programme that assists victims of abuse in accessing the criminal justice system is being supported. We are also providing our support to government to ensure that the precepts of our constitution become meaningful to more South Africans. This is necessary as the respect for basic human rights continues to be flouted in many communities despite South Africa having one of the world's most respected constitutions.

Sasol has several national sponsorships in support of nation building. Our sponsorship of South Africa's national rugby team probably has the highest profile. It was with great pride therefore that we watched the Springboks lifting the William Webb Ellis Trophy to win the Rugby World Cup for the second time since our return to international competition. The victory in France in October 2007 was a major achievement for the team and the country, which united our people beyond culture and background, bridging divides and building national spirit. My congratulations go to the coaching staff, the national team and all those who played a part in this notable achievement.

Extending our record of innovation

Sasol has, over the years, made major advances in developing its technology and proving its ability to build and operate large-scale plants, not only in South Africa but also in remote international locations. As a matter of course, these projects have involved overcoming complex technological and engineering challenges. Prime examples include our cleaner fuels and polymers expansion initiative, Project Turbo, with its extensive scope of work; the development of the world's first commercial GTL plant outside South Africa, Oryx GTL in Qatar; and the Arya Sasol Polymers project in the Middle East. These projects will contribute materially to profit growth in the years ahead.

Achieving strength through diversity is a cornerstone of our success as a truly South African company

Our sponsorships aim to support nation building

Innovation remains Sasol's calling card

Chairman's statement continued

Sasol continues to record world firsts in its development of new technologies and in product innovation. The most recent being the international accreditation of fully synthetic jet fuel, secured in the past year. This is a major step in introducing a viable alternative transportation fuel into the global energy mix and demonstrating the potential of our synthetic fuels in a world seeking energy security.

In the past year Sasol advanced the commercialising of its technological advantage. The feasibility of constructing a coal-to-liquids (CTL) plant in China has progressed significantly while we explored opportunities for similar projects in India. Plans to expand our flagship synthetic fuels plant at Secunda are progressing, as is preparatory work with the South African government on the feasibility of developing another CTL facility, in the country's inland region. We also continue to scour the world for suitable natural gas reserves on which to base additional GTL facilities.

We have committed to ambitious targets to reduce our impact on the environment

Environmental considerations have become key to all our activities. We are committed to upholding international standards and are working to lower our emissions and improve energy efficiency. As efforts accelerate across the world for nations to agree a successor to the 1997 Kyoto treaty on climate change, so Sasol too is working to find tenable solutions to moderate our carbon footprint. We recognise that our success in developing technological energy innovations is dependent on substantive advances in our environmental performance. We will continue to focus on finding practical solutions to reduce the environmental impacts of our CTL and GTL facilities.

Acknowledgements

Sasol's ability to comply with the NYSE's stringent listing obligations has confirmed our reputation as a world-class company striving to maintain the highest standards in everything we do. This is particularly true with regard to corporate governance. In recent years there has been a concerted effort to improve our disclosure and transparency in reporting to our stakeholders. In recognition of this effort, Sasol has again been honoured with a number of awards. For the fourth year running, we were placed first in the 2008 Ernst & Young Excellence in Corporate Reporting Survey. The Investment Analysts' Society of Southern Africa also presented Sasol with the award for Best Chairman's Statement for the fourth time in the past five years, as well as for Best Annual Report in our sector. Recently, our annual report was rated ninth in the world among the top 500 global companies by respected international agency, ReportWatch. My thanks go to the teams involved in continually improving our reporting and consistently achieving excellence.

Many of the group's achievements have been the result of prudent management action

I commend Pat Davies and his executive management team for raising the bar once again in the past year. I appreciate the courage and consistency with which they continue to fulfil their mandate to harness opportunities and deliver on Sasol's strategy in a volatile world. Although favourable macroeconomic conditions have played a part in the group's success in recent years, many of the group's achievements have been the result of prudent management action.



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I extend my appreciation to the non-executive directors of the board for their depth of knowledge and wise counsel. Sam Montsi retired as an independent non-executive director in August 2008. On behalf of the board, I offer our thanks to Sam for his contribution to the board and many of our board committees over 11 years and wish him well.

I recognise that Sasol's accomplishments over the last five years could not have been attained without the dedication of our employees. I thank you for your focus, dedication and hard work. In increasingly difficult economic conditions, our customers worldwide remain supportive and for that we are grateful. I would also like to note my appreciation for the role played by our suppliers and business partners, as well as the trust shown in Sasol by the governments with whom we engage.

In closing my last statement, I wish to record the immense pride and humble appreciation I feel at having been given the opportunity to contribute to the development of the exceptional South African growth story that is Sasol. I congratulate Hixonia Nyasulu on her appointment as chairman and wish her well in providing leadership to the Sasol board in the years ahead. I shall watch Sasol's progress with keen interest and unwavering support.

Pieter Cox
Chairman

We continue to find inspiration for excellence in our relationships with all our stakeholders

a In June 2008, Sasol Limited held a board meeting in Beijing to show its support for and commitment to Sasol's CTL growth ambitions in China.

Chief executive's report

*harnessing opportunity, ensuring delivery,
creating value*



Pat Davies, chief executive

World energy consumption, including that of transportation fuels, is projected to grow by 50% between 2005 and 2030, according to the latest Energy Information Administration (EIA) international outlook. The EIA, the independent analytical agency within the US Department of Energy, predicts that this will be driven largely by developing countries, given their robust economic growth rates and expanding populations. In addition, it predicts that the share of conventional oil in the overall liquid fuels supply mix is set to decline, and the strong increase in coal use of recent times is likely to continue.

This research report, along with other highly regarded energy research, highlights the global opportunity for Sasol as the need to secure alternative energy supplies becomes more pressing. Without sacrificing environmental stewardship, the world needs affordable, sustainable and reliable energy.

Despite the effects of the global credit crisis, in the past year the world economy has recorded healthy growth with demand for commodities, including energy, remaining strong. Continued concern around oil supply has resulted in record energy prices.

In Sasol's 2008 financial year, Brent crude oil prices averaged US\$95,51 a barrel, up some 49% from the previous year. Prices have been highly volatile, with Brent crude hitting an all-time high above US\$145 a barrel in early July.

The South African economy has continued to grow, but at a slower rate than the 5%-plus seen in recent years. A combination of more subdued consumer demand, largely caused by higher interest rates and inflation, and the electricity shortages have resulted in a marked slowdown in the economy.

In this environment, Sasol is pleased to report a strong improvement in our financial results. Turnover rose to R129 943 million from R98 127 million and operating profit increased to R33 816 million from R25 621 million, bringing Sasol's compound annual growth rate in operating profit for the last five years to 39%. Return on equity was 32,5% from 29,8% the year before, notwithstanding capital expenditure of R11 billion.

Although our financial performance was favourably impacted by product prices, there are many other factors that contributed to our robust results for the year. The improvement in our overall production volumes played a part, and the restructuring of the Sasol Olefins & Surfactants business began to bear fruit. Management interventions over an extended period of time at Sasol Nitro and Sasol Wax have contributed to these businesses once again posting strong earnings growth this year. Finally, our Oryx gas-to-liquids (GTL) joint venture in Qatar returned a healthy profit.

Higher oil prices, while benefiting our energy businesses, impacted negatively upon feedstock costs for our chemical businesses. In this context, the record contribution made by the chemical businesses to group profitability is particularly noteworthy and reflects the success of the various management interventions mentioned above. Sasol will continue to grow both its energy and chemicals portfolio as complementary components of our sustainable competitive advantage.

Achieving a world-class safety record

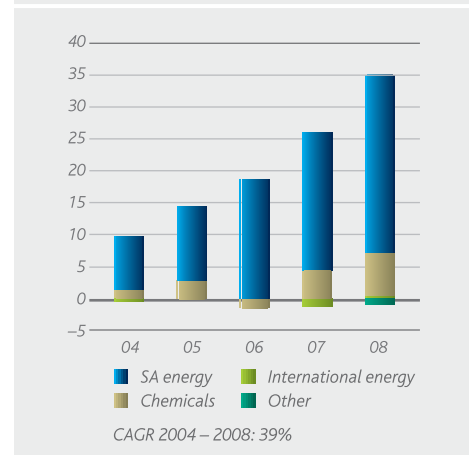
I am pleased to report that at year end, Sasol's key safety measure, the internationally applied recordable case rate (RCR)* was 0,50, a significant improvement on the previous year's 0,72. However, it is with great sorrow that we record three fatalities in the past financial year. I again extend my condolences to the families, friends and colleagues of April Tjobela, Fihlisi Jeremia Mpele and Bonginkosi Christiaan Khumalo who died in Sasol's service in the year.

Ensuring a safe workplace for all our employees, where zero harm is a reality, remains a foremost priority for management across the group. We are committed to eliminating all incidents and to working towards world-class standards of safety.

Managing our environmental impact

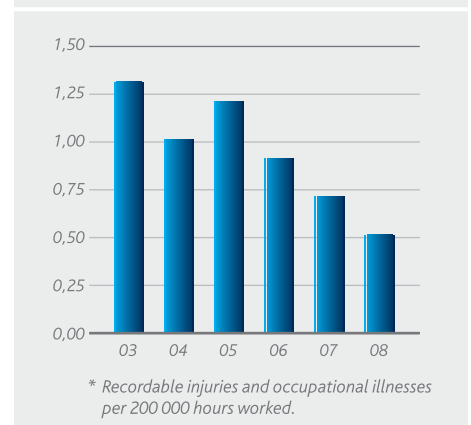
Increasingly, the world has to address the inseparable challenges of environmental sustainability and economic development. These challenges are particularly acute for the majority of the world's citizens who live in developing countries.

Operating profit (R billion)



Our foundation of excellent assets once again delivered strong earnings growth

Recordable case rate*



We continue to invest our best efforts in making zero harm an operational reality

Chief executive's report continued

It is Sasol's view that technological innovation has to lie at the heart of meeting these challenges. We will continue to innovate and adapt our technology to meet the combined need for energy security, development and environmental sustainability. An example of this is our GTL technology. Aside from the significant environmental benefits of its sulphur-free diesel, lifecycle analysis of the carbon dioxide impact of GTL technology shows that it is competitive with other sources of transportation fuel.

Sasol has publicly committed itself to targets for greenhouse gas (GHG) emissions which are supported by energy efficiency improvements as part of the South African Energy Efficiency Accord. Sasol has taken concrete steps to meet these targets. We have continued to move toward greater use of natural gas as a feedstock and have initiated projects to utilise previously flared gas productively. In a further development, Sasol recently received its first carbon credits for its nitrous oxide clean development mechanism project.

Sasol Technology has a dedicated team focused on carbon capture and storage

In addition to these projects, Sasol has embarked upon a number of initiatives to ensure that the company will continue reducing its environmental impact into the future. We have formed a new energy business unit that will seek and develop innovative low-impact energy technologies. Furthermore, Sasol Technology has a dedicated team focused on seeking carbon capture and storage solutions. It is Sasol's intention to be a leading player in this technology. Finally, we also continue to investigate non-carbon-based sources of energy, including renewable energy.

Notwithstanding the efforts to address the GHG and energy security challenges, Sasol remains committed to continuously improving the environmental performance of our existing operations. This includes the more efficient use of water in our processes and improving the management of air quality in the communities in which we operate. Multi-stakeholder engagement has become a key element of managing our environmental responsibility.

Sasol has been included in the Dow Jones World Sustainability Index

It is pleasing to note that Sasol was included in the Dow Jones World Sustainability Index, a welcome high-profile endorsement of our efforts to continually improve our triple bottom line performance.

Delivering on South Africa's development goals

A pillar of Sasol's strategic agenda is to deliver on the South African transformation agenda. It gives me great pleasure to report on the success of our country's biggest and, we believe, most accessible and far-reaching broad-based BEE transaction to date, Sasol Inzalo. The deal to transfer 10% of Sasol into the hands of historically disadvantaged South Africans was launched to the black public of South Africa in June 2008 and was taken up with great enthusiasm by more than 300 000 new shareholders.

* 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.

We structured the transaction to provide affordable ownership at an acceptable cost to existing shareholders. As testimony to the broad-based attraction of the invitation to the black public, 90% of all applications were for 200 or fewer shares, and applications by female individuals made up more than 47% of the total. This breadth of ownership was what we were targeting – the participation and empowerment of a truly broad base of South Africans.

The largest tranche of shares on offer – 4%, or just over 25 million shares – was set aside for about 24 500 Sasol employees based in South Africa, 60% of whom are black. Through employee share ownership schemes, black and white employees below managerial level, as well as black managers, are participating in Sasol Inzalo.

We believe that through this transaction our people will be offered an additional incentive to deliver and in turn to benefit from the group's ambitious growth plans at home and abroad. We welcome our new shareholders and look forward to a long and fruitful relationship.

Another important part of the transaction was the allocation of 1,5% of Sasol's shares to The Sasol Inzalo Foundation. This foundation was established to facilitate much-needed skills development and to build capacity among historically disadvantaged communities in the critical areas of mathematics, science and technology. The Foundation will partner with similar initiatives focusing on, for example, teacher training programmes aimed at deepening the vocational skills pool.

Our other recent BEE transactions at Sasol Mining, Sasol Gas and Sasol Oil have also contributed to broadening black ownership across our South African operations.

In addition, most business units exceeded their employment equity targets. At year end people from designated groups – defined by the Employment Equity Act to include African, Coloured and Indian people and women and people with disabilities – represented 51,2% of all employees in managerial, professional and supervisory posts. This is an encouraging, above-target improvement on the 47,3% we reported a year ago.

We increased our annual procurement spending from BEE suppliers by 7% to R4,5 billion in the year, providing further stimulus and support to entrepreneurial growth. Our incubator for small businesses, ChemCity, continued to facilitate the establishment of independent downstream enterprises in the chemicals sector by providing valuable resources and guidance. In the year ahead we plan to expand these enterprise development activities both upstream and downstream of Sasol.

Sasol's corporate social investment (CSI) projects aim to promote people-centred, needs-driven sustainable development of communities. We work in partnership with key stakeholders, not only in South Africa but in regions where we have a significant presence. We also encourage our employees to contribute in their individual capacity to making a difference to the lives of others. Our willingness to respond proactively as a responsible corporate partner was again demonstrated by our support, already detailed by the chairman, for the many people who were displaced during the spate of violence against foreign nationals in South Africa.

Sasol Inzalo has broadened our retail shareholder base by more than 300 000 South Africans

The Sasol Inzalo Foundation will facilitate skills development and capacity building

We continue to make strides in each of the pillars of the BEE scorecard

Chief executive's report continued

Besides investing in the skills we require, we are working to strengthen our employee value proposition

We continue to build partnerships that aim to deepen the national skills pool

The feasibility study into a possible CTL plant in China takes Sasol into the world's fastest growing energy market

Developing our people

Skills development is an important component of our efforts, not only to advance social and economic transformation in South Africa, but also to enable delivery on our strategic objectives. We have a strong base of existing talent and our focus is on retaining that expertise and building a sustainable and adaptive organisation of talented, diverse, competent and inspired people who can look forward to the future with confidence.

However, in South Africa we face the same skills shortage that prevails the world over, particularly in the engineering and construction industries. That shortage is made more acute by the heavy demands of the South African public infrastructure development programme. Sasol is embracing this challenge by expanding our existing skills development and retention initiatives. In the 2008 financial year, Sasol invested R345 million, or 4,2% of our payroll, on training and skills development. The bulk of this funding was allocated to train artisans, process controllers and miners. A considerable sum was also spent on employee and leadership development, as well as professional development and study assistance. As a further intervention, Sasol has established a specialist department dedicated to entrenching and developing best practices in skills acquisition and retention.

Through our membership of Business Leadership South Africa (BLSA), we have signed the CEO's skills charter. Our preliminary response to the recently published reporting guidelines can be found in the sustainable development review on page 88.

We are also involved in a number of projects with the South African government, universities and other industrial concerns to deepen the country's skills pool. As an example, we have recently established a business partnership with five other large organisations focused on developing technical skills. By way of this initiative Sasol has committed to train 900 artisans, operators and miners in the next four years at a cost of R116 million, over and above our own training needs. The first group of learners began their training in August 2008.

Commercialising our technological lead

As part of our strategic agenda, we continue to commercialise our technological lead to ensure the long-term growth and profitability of the group. With over 50 years' experience, Sasol remains a leading alternative energy player and the only company in the world operating a commercial CTL facility. However, interest in coal as a source of liquid fuels is growing, intensifying the need to ensure that we continue to extend our technological lead over our competitors.

In the past year we achieved significant progress towards commercialising our technology internationally. With our partners in China we launched a study into the feasibility of building a CTL plant with a potential capacity of around 80 000 barrels per day. Alignment with strict environmental standards constitutes a

fundamental part of this study, which is the first of its kind undertaken by Sasol outside South Africa.

At home, demand for liquid fuels remains robust despite a slowdown in economic growth. Sasol supplies around a third of the country's liquid fuel requirements and we are well positioned, both by our proximity to the industrial heartland and by virtue of our technological advantage and experience, to increase this contribution. During the year, the board approved the first phase of a 20% Sasol Synfuels expansion project, part of which will use gas supplied by Sasol Gas from Sasol Petroleum International's joint venture gasfields in Mozambique.

Our plans are also progressing on the pre-feasibility of developing another CTL facility called Project Mafutha, in partnership with the South African government. I am pleased to report that we have reached agreement in principle with the Industrial Development Corporation (IDC) to jointly develop this CTL facility once its feasibility has been proven.

Another milestone in our efforts to build sustainable, profitable businesses based on our technology has been the significant improvement in the performance, production ramp-up and profitability of Oryx GTL in the year. By optimising this pioneering facility we have created significantly more interest in our lower-temperature Fischer-Tropsch (FT) technology, the Sasol Slurry Phase Distillate™ process. We remain committed to securing additional natural gas reserves to feed the development of other GTL facilities, as well as to investigate opportunities to expand Oryx.

The chemical cluster is also investigating other opportunities to use additional feedstock from the planned expansion of the South African energy cluster to increase chemicals production and is looking to develop growth opportunities based on technologies other than FT, by using conventional petrochemical feed streams.

A major technological advance in the year was the commissioning of Sasol Solvents' third 1-octene plant at Secunda, which employs first-of-a-kind technology to create octene, a sought-after comonomer used to produce certain plastics. We are also pleased to report further success in developing international opportunities, with the start up in the Middle East of Arya Sasol's ethane cracker that will supply ethylene to this joint venture's two new polymers plants. Consolidation at Sasol Wax this past year affirmed Sasol's position as the world's leading supplier of wax.

Nurturing a foundation for excellence

While our technological innovations enable us to keep reaching new frontiers, important work is also being done to nurture our existing asset base and to ensure its sustainability into the future. While we continue to improve the efficiency and reliability of our operations as part of our drive for operations excellence, we recognise that we still need to deliver additional operational improvements. Our operations excellence management system is aimed at equipping Sasol businesses

We are making progress in the pre-feasibility of an inland CTL plant in South Africa

Our chemical cluster recorded a number of technological firsts in the year

Chief executive's report continued

Functional excellence receives new impetus to support business growth and effectiveness

with the tools to identify and close the gaps between current operating practices and performance, and those of the best in class.

Allied to this is a new effort to ensure functional excellence across the group. Our objective is to optimise and integrate the group's support functions in a well organised manner, with standardised processes and interfaces as appropriate. Following on from the success of establishing Sasol Secunda Shared Services, we incorporated several corporate office and group functions to form Sasol Group Shared Services, which was formally launched at the start of the 2009 financial year. This unit aims to improve the efficiency of transactional activities.

Our focus on cost management extends beyond streamlining services and operations to capital expenditure. In a global environment of rapidly escalating capital costs and extended schedules, we are pleased to report an improvement in our project execution capabilities. To secure greater influence over the schedules and budgets of our numerous capital projects, we have entered into strategic agreements with large engineering contractors to secure preferential access to their resources. This is in addition to our own internal capacity-boosting measures. Similarly, we have signed agreements with major manufacturers to secure equipment delivery times for our projects across the world.

Sasol Wax

As indicated in the chairman's statement, the European Commission (EC) has found that members of the European paraffin wax industry, including Sasol Wax GmbH, formed a cartel and infringed competition laws beginning in 1992 or even earlier. While a fine was expected, the magnitude of the €318,2 million fine imposed on Sasol Wax GmbH has surprised us and we will consider an appeal once all findings from the EC have been studied.

We regret that this has occurred and we view these events in a very serious light. Sasol is a successful business built on a foundation of over 30 000 committed and responsible employees. The past actions of a few former employees have resulted in serious damage to our company's reputation. The secretive nature of cartel-like activities makes them very difficult to detect. We have therefore intensified our efforts to continuously improve our competition law compliance programmes, particularly as our businesses become more complex and competition laws around the world become more stringent. The activities that led to this fine are completely counter to the values and ethics which define the way we choose to conduct our business.

The fine is payable within three months of the finding. While it is a substantial fine, it will not affect our ability to finance our new investments aimed at growing the company.

Prospects for the year ahead

In the year ahead, we expect an overall improvement in production volumes as a result of a continued ramp-up of our newly commissioned projects. We expect

a modest increase in the average crude oil price while exchange rates are forecast to weaken marginally. Refining and chemicals margins are forecast to soften. With these factors taken into consideration, we forecast robust growth for the 2009 financial year.

In recent years, significant work has been done to strengthen Sasol's position as a world leader in alternative transportation energy solutions. Through our unique technologies we have evolved into a substantial, multinational energy and chemicals organisation.

Sasol provides positive energy in a world of change. Not only do we offer much-needed alternatives in a fuel-hungry world, but we also contribute toward economic and social transformation, environmental stewardship, skills development and community upliftment as a proactive and caring corporate citizen. We also continue to create value for our shareholders through consistent earnings and dividend growth. We look forward to doing the same for our new Sasol Inzalo investors.

Sasol's six shared values – safety, customer focus, winning with people, excellence in all we do, continuous improvement, and integrity – underpin all our intentions and activities. I believe that our most important work is to truly entrench these values throughout our operations around the globe, thereby imbuing Sasol's culture with the strength and resilience to ensure the group excels and endures. It is our shared values that bind us. As we pursue our ambitious expansion plans at home and abroad, interdependence between different teams, nations and cultures will become increasingly critical to sustaining and enhancing our performance and the health of our organisation.

I believe Sasol Inzalo signals, as the name suggests, a new beginning for us, many of our employees and our new shareholders. For all of us it will be a new way of doing things as we continue to build a culture of broad-based ownership in South Africa.

The safety, financial, operational and environmental results for the 2008 financial year are a testament to the hard work put in by Sasol's people everywhere. My thanks go to all of you for your focus and contribution. As always, the challenges and opportunities ahead are numerous and they will require our best efforts. I look forward to taking them on with you.



Pat Davies
Chief executive

Sasol has grown into a truly integrated energy and chemicals multinational

Our shared values give us the strength and resilience to achieve our goals



The success of Oryx GTL in Qatar is creating growing interest globally for similar projects.

cluster reviews



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

South African energy cluster

Benny Mokaba, executive director, South African energy cluster

Transforming and expanding sustainably

The South African energy cluster achieved a solid all-round performance, increasing earnings, enhancing safety, progressing black economic empowerment (BEE) and advancing various growth opportunities.

The cluster contributed 81% of the group's profit, or R18 251 million, which is a 30% increase on the previous financial year. While record prices contributed to a strong performance by Sasol Synfuels, we also continued to focus on operational improvements. Plans are in place to ensure more stable operation of gasifiers and gas reformers and to renew and modify equipment where necessary.

We pursue our financial and operational objectives with due regard to sustainable development, and our responsibility and obligations to internal and external stakeholders are underpinned by various safety, health and environmental initiatives. Deploying and optimising the best technology is also a priority.

A particular area of focus for the cluster is the South African transformation agenda, a key strategic pillar for Sasol. In the year, Sasol Mining made good progress in securing a minimum 26% black ownership through the women's empowerment group, Ixia Coal, and BEE group, Igoda Coal. Sasol Gas' BEE venture, Spring Lights Gas, continued to prosper, allowing its investors to repay their loans ahead of schedule.

Performing safely and with care

The cluster's safety record improved markedly in the year, with our recordable case rate (RCR) reducing to 0,55 from 0,72 the year before. This is the direct result of escalating efforts to achieve zero harm throughout our businesses. Sadly, however, two of our colleagues died while working at Sasol Mining.

An important new project, in line with our focus on people, is to extend affordable accommodation in and around Secunda. Over five years we aim to develop some 2 000 housing units in the area for rent or purchase by employees.

Cluster reviews continued

South African energy cluster continued



Environmental considerations remain central to all our activities. Energy efficiency received renewed attention in the year, with efforts to cut back on power use without impacting production. Alongside the main environmental imperative of this energy saving initiative, is our effort to enhance long-term operational sustainability by reducing costs. We also continue to encourage employees to reduce their power consumption at home.

Progressing growth opportunities

We have identified a number of growth opportunities to ensure our strong contribution to the group in future, while meeting the growth forecast in South African liquid fuels demand. Besides working to enhance existing operations and adopting a number of efficiency initiatives, we are considering both greenfields and brownfields expansion projects. To ensure we meet our environmental commitments, we intend configuring any new plants to be developed to capture the carbon dioxide produced by our core processes.

At Sasol Synfuels, we have embarked on the first phase of our 20% growth plan – the 4% gas-driven capacity expansion at Secunda.

Sasol Gas and our partners in the Mozambique to South Africa gas supply pipeline have begun work to expand the pipeline's capacity.

Sasol Mining continues to phase in its new business strategy, focused on advancing its transformation programmes, continuous operational improvement and preparing for growth. We continue to apply for conversion to new-order mining rights, in line with regulations, ahead of the April 2009 deadline.

Sasol is working closely with the South African government and Industrial Development Corporation to advance a possible coal-to-liquids opportunity, known as Project Mafutha. In addition to the national importance of this project in terms of security of fuel supply, Mafutha will have regional economic spin offs and will strengthen Sasol's inland market position in South Africa.

Given expected strong demand growth for liquid fuels, Sasol Oil is working to put in place the necessary logistics and production infrastructure to assist in meeting this demand. We are also undertaking preparatory work ahead of the introduction of more stringent national fuel specifications. Expansion of our retail network continues, with sales growth exceeding South Africa's industry average.

International energy cluster

Lean Strauss, group general manager, international energy cluster

Offering alternative energy solutions

The international energy cluster is central to Sasol's global growth. The group's strategy is to leverage our core competitive advantages by replicating, internationally, the successful Sasol business model proven in South Africa. The cost of additional crude oil production is increasing rapidly. However, the world has abundant reserves of coal and unutilised natural gas resources, while the demand for alternative fuels creates a unique opportunity for Sasol.

Through our proven coal-to-liquids (CTL) technology we can help countries to optimise the utilisation of coal reserves as

well as provide energy security. We can also harness natural gas reserves, adding value to them through the Sasol Slurry Phase Distillate™ process to produce low-emission fuels.

In the 2008 financial year, the international energy cluster made good progress with current projects and advanced several growth opportunities. We are pleased to report an improvement in the performance and production ramp-up of Oryx GTL, Sasol Synfuels International's joint-venture gas-to-liquids (GTL) facility in Qatar. This improvement, coupled with good demand for Oryx's cleaner fuels, has led to a rise in profitability at Oryx.

Due to higher oil prices and the successes at Oryx, the cluster reported an operating profit of R383 million compared to an operating loss of R463 million in the previous financial year. We achieved this notwithstanding an impairment of R362 million in respect of our interest in the West African GTL project at Escravos in Nigeria (EGTL).

The success of Oryx is creating growing interest across the world for similar projects. We are also progressing plans to secure more of our own upstream hydrocarbon resources, through Sasol Petroleum International (SPI), to provide feedstock for potential future GTL facilities. In the year, SPI reached new production records at its gas operations in Mozambique and its crude oil facility in Gabon.

In this pursuit of opportunities to provide gas feedstock for GTL plants, SPI acquired onshore licences in Papua New Guinea, off the northwest shelf of Australia and also secured more gas acreage onshore in Mozambique.

Gaining momentum

Our plans are gaining momentum with the launch of a full CTL feasibility study in China and the application for access to coal blocks in India for the study of a similar CTL opportunity in



Cluster reviews continued

International energy cluster continued

that country. The Chinese joint venture will place Sasol at the heart of the world's fastest growing transport fuel market. The economics of such projects are to a large degree location specific. In particular, capital expenditure, feedstock and operating costs, including labour, are key considerations.

As a responsible corporate citizen, Sasol adheres to strict environmental standards in all it undertakes. In line with our commitments, carbon dioxide management forms an integral part of all feasibility studies, regardless of their location in the world. Safety is also a major priority and we are pleased to report a RCR for the cluster of 0,43 in the year from 0,71

previously. The cluster's staff numbers, both locally and internationally, have been increasing steadily to support higher levels of activity.

Sasol has extensive experience in designing, commissioning and integrating complex technologies. As we proceed with implementing projects, international acceptance of the benefits of our technology is growing. The investment case for adopting CTL and GTL technologies continues to improve. Sasol's experience in reshaping the energy industry in South Africa can be replicated in other parts of the world – Oryx is already demonstrating this.

Chemical cluster

Reiner Groh, group general manager, chemical cluster

Integrated, profitable, growing and sustainable

The chemical cluster continued its good performance of 2007 and again enjoyed a strong year of higher profits and improved safety, environmental and operational results. Robust worldwide demand for our products and increased prices allowed us to maintain healthy margins despite feedstock costs rising again. Production enhancements and currency translation gains also contributed to this performance.

A major technological advance in the 2008 financial year was the successful commissioning of Sasol Solvents' third 1-octene plant at Secunda. This plant employs first-of-a-kind technology to create octene, a comonomer used to produce certain plastics.

In the Middle East, Arya Sasol, a joint venture with the National Petrochemical Company of Iran, started up its ethane cracker which will supply the joint venture's two new polymers plants.

Strategy and growth

Sasol's chemical cluster supports the group's strategic agenda for sustainable growth by leveraging our existing asset base

(organic growth) and by developing additional opportunities (new growth). New growth is supported by two dedicated teams, including members from various chemical businesses and from Sasol Technology. One team is focusing on Fischer-Tropsch (FT)-related opportunities in close cooperation with the South African energy cluster and the international energy cluster. The other team is concentrating on non-FT-related opportunities where the chemical cluster businesses will continue to actively seek growth from competitive feedstock, market and technology positions.

Safety remains a key focus area and it is gratifying to report that four of the chemical businesses – Sasol Polymers, Sasol Olefins & Surfactants, Sasol Solvents and Sasol Nitro – have achieved recordable case rates well below the group's 2008 target of 0,5. The RCR* for the chemical cluster for the year was 0,53 compared to 0,75 a year earlier.

All businesses continued to work hard to ensure the sustainable management of the chemical cluster's environmental footprint. Specific achievements are the first full year of operation of Sasol Nitro's nitrous oxide greenhouse gas abatement project; our work towards complying with the European Union's



regulations on the Registration and Authorisation of Chemicals (REACH); work on the rehabilitation of the Midland site in Sasolburg; and gas flaring and dust particle emissions reductions at Sasol Infrachem. Sasol Infrachem received a merit award in the latest Mail & Guardian "Greening the Future" awards.

The chemical cluster achieved its 2008 goal of increasing the diversity of our workforce, with 50% of our people in managerial, professional and supervisory posts coming from designated groups. In support of South African government guidelines, our enterprise development initiative, ChemCity, continued to facilitate the establishment of independent downstream small- and medium-sized enterprises in the chemicals sector. Since June 2004, ChemCity has established 76 enterprises or projects, providing more than 1 350 jobs.

Managing our portfolio

Our chemical portfolio includes a range of businesses that manufacture polymers, solvents, surfactants, aluminas, waxes, fertilisers, explosives and phenolics. We actively managed this portfolio by making some important divestments and acquisitions during the year.

Sasol Olefins & Surfactants commissioned a new joint venture plant producing alcohols derived from vegetable oils in China. We closed unprofitable linear alkyl benzene and normal paraffin production capacity in the USA and Italy and are also in the process of reducing oxo-alcohol production in Italy.

Sasol Wax sold its interests in Paramelt RMC BV (Netherlands) and acquired the outstanding shareholding in Merkur Vaseline

GmbH & Co. KG (Germany) and in Lux International Corporation (USA). We also closed our Swiss and New Zealand offices.

Sasol Wax is expanding its production of wax in Sasolburg.

In South Africa, Sasol Nitro disposed of 50% of its investment in Sasol Dyno Nobel (Pty) Limited and Sasol Chemical Industries Limited disposed of its investment in African Amines (Pty) Limited and acquired the remaining shareholding of Peroxide Chemicals (Pty) Limited; Sasol Solvents acquired the outstanding shareholding of Sasol Dia Acrylates after Sasol Solvents and Mitsubishi Chemical Corporation decided to dissolve their acrylates joint venture; and ChemCity sold its interests in Cirebelle.

Outlook

In our chemical businesses we see additional capacity coming on stream during the current financial year. This, coupled with our continued efforts in terms of operations excellence at all our facilities, is expected to lead to further volume growth for the chemical cluster. On the margin side, however, we assume a softening due to a global slowdown in demand, coupled with increased supply from the Middle East and Asia. Taking both effects into account, we expect a similar financial performance for the chemical cluster in the current year compared to the reporting period.

In conclusion, chemicals are an integral part of the Sasol value proposition. The cluster has delivered a robust performance and offers further exciting growth opportunities to the group.

* 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.

Operating reviews

south african energy cluster

Financial highlights

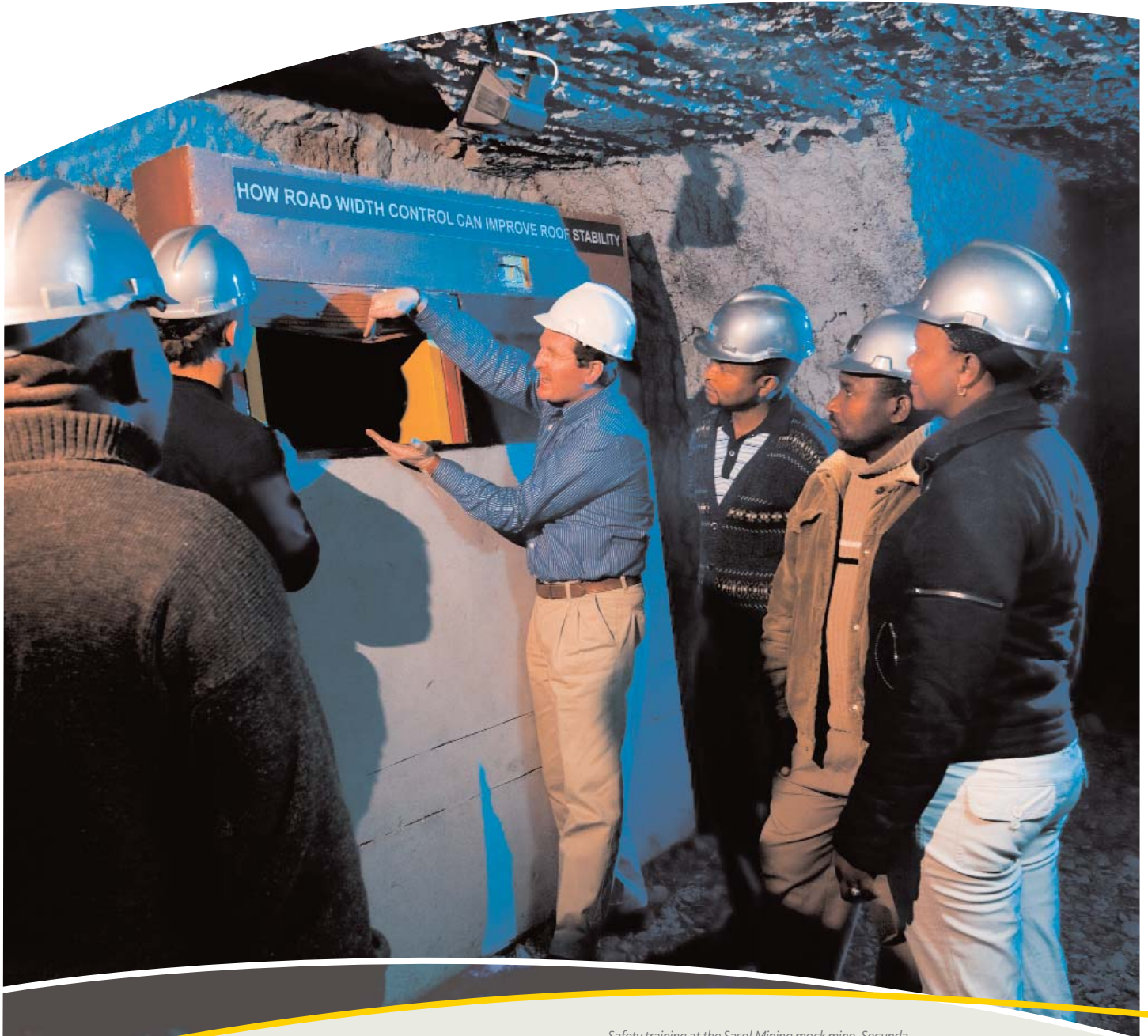
		2008	2007	% change
Turnover	Rm	104 790	77 019	36
Operating profit	Rm	28 048	21 775	29
Contribution to group profit	Rm	18 251	14 090	30

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

<h3>Sasol Mining</h3> <p>Total turnover (Rm) 7 479 (2008) 6 042 (2007) Operating profit (Rm) 1 393 (2008) 1 171 (2007)</p>	<p>Sasol Mining produces about 40 million tons (Mt) of saleable coal per year, mostly for gasification feedstock and utilities coal for our complexes in Secunda and Sasolburg. Its main operations are the Sigma: Mooikraal Colliery near Sasolburg and the Bosjesspruit, Brandspruit, Middelbult and Syferfontein collieries and the Twistdraai export operations at Secunda.</p>	<h2>4%</h2> <p>Contribution to total turnover</p>
<h3>Sasol Gas</h3> <p>Total turnover (Rm) 4 697 (2008) 3 702 (2007) Operating profit (Rm) 1 785 (2008) 1 936 (2007)</p>	<p>Sasol Gas markets and distributes natural gas from Mozambique and methane-rich gas produced by Sasol Synfuels at Secunda. It delivers gas through a 2 000 km pipeline network to about 540 industrial and commercial customers in Gauteng, the Free State and Mpumalanga, as well as KwaZulu-Natal through its Spring Lights Gas black economic empowerment venture.</p>	<h2>3%</h2> <p>Contribution to total turnover</p>
<h3>Sasol Synfuels</h3> <p>Total turnover (Rm) 39 616 (2008) 29 084 (2007) Operating profit (Rm) 19 416 (2008) 16 251 (2007)</p>	<p>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 production of solvents, polymers, comonomers and other chemicals.</p>	<h2>21%</h2> <p>Contribution to total turnover</p>
<h3>Sasol Oil</h3> <p>Total turnover (Rm) 52 998 (2008) 38 191 (2007) Operating profit (Rm) 5 507 (2008) 2 417 (2007)</p>	<p>Sasol Oil markets fuels manufactured at Secunda and refined through its 63,6% share in the 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 range and meet contractual commitments. Sasol Oil operates 406 Sasol and Exel retail convenience centres in South Africa and exports fuels to the rest of Southern Africa.</p>	<h2>28%</h2> <p>Contribution to total turnover</p>
<h3>Other</h3> <p>Operating loss (Rm) (53) (2008)</p>	<p>This segment currently includes costs related to the pre-feasibility study for the expansion of our synthetic fuels capacity in South Africa, known as Project Mafutha.</p>	

South African energy cluster

sasol mining



Safety training at the Sasol Mining mock mine, Secunda.

- BEE initiatives gain critical mass
- Record profitability while maintaining steady volumes
- Encouraging improvement in safety

South African energy cluster continued

sasol mining continued

Sasol Mining financial highlights

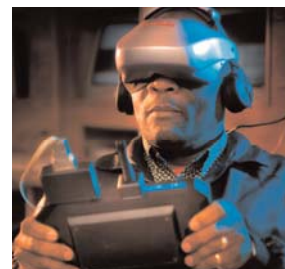
		2008	2007	% change
Turnover	Rm	7 479	6 042	24
Operating profit	Rm	1 393	1 171	19
Contribution to group profit	Rm	1 053	814	29

Sasol Mining operational highlights

		2008	2007	% change
Total sales	Mt	46,1	46,5	(1)
Total production	Mt	42,8	43,3	(1)
Recordable case rate	RCR	0,87	1,16	25



a



b

Building strong foundations

During the year, Sasol Mining posted a handsome operating profit, supported by better coal quality and largely stable operations. We also improved our safety performance and made progress in our transformation plans, while continuing to implement our strategy for sustainable growth.

Sasol Mining lifted operating profit 19% to R1 393 million. This increase was attributable largely to higher prices. On the back of stronger US dollar-based export prices and higher Sasol Synfuels sales prices, turnover increased 24% to R7 479 million.

We achieved a marked improvement in our safety record. Our recordable case rate* (RCR), including all health cases, improved to 0,87 from 1,16. We also received OHSAS 18001 certification for the occupational health and safety management system of all our operations. Sadly, these achievements were marred by two workplace fatalities. Our subsequent investigations yielded important findings

that have been integrated into our safety training and management systems. We remain focused on bringing our safety performance in line with the world's best mining operations, with the ultimate goal of achieving zero harm.

Over the past few years we have worked to develop and strengthen our business strategy and leadership approach. We recently appointed a leading business consultancy to help us implement our new strategy in the year ahead. Our strategy is focused on the achievement of our social and economic transformation objectives and better performances in managing safety, human resources and operations excellence, as well as building a new management team to support our renewed business structure.

Investing in empowerment initiatives

We continue to work towards complying with the Mining Charter through various programmes, including a substantially larger investment in recruiting, developing and retaining the

a Women working underground, Syferfontein Colliery.
b Continuous miner training simulator.

diverse and highly skilled employees we need to advance our new strategy. Once implemented, our Igoda Coal and Ixia Coal empowerment ventures will result in black ownership of at least 26% of our business, in line with the Mining Charter.

In terms of South Africa's Mineral and Petroleum Resources Development Act of 2002, we are progressing our applications for new-order mining rights conversions ahead of the April 2009 deadline. By year end, all the prospecting rights applied for had been granted and no applications are outstanding. We also received acceptance of our Secunda Collieries' local economic development plan from the local municipality ahead of submitting our application for new-order mining rights to the Department of Minerals and Energy.

Furthering our other Mining Charter programmes, historically disadvantaged individuals held 45% of our supervisory, professional and management posts at year end, up from 40% reported a year ago. In BEE procurement, our purchases of goods and services from BEE suppliers was R575 million, or 19,6%, of our discretionary procurement spending. We have initiated additional programmes to fast-track the development of high-potential black employees. We have also started restructuring our human resources department with the main focus on accelerating the development of employees in designated groups (African, Coloured, Indian people and women and people with disabilities) as well as to train our workforce to accelerate our drive for operations excellence.

Sasol Mining remains firmly committed to meeting its environmental responsibilities. In particular, we continue to target lower in-section dust and noise levels, while advancing post-mining rehabilitation commitments at the opencast sections of Syferfontein and Wonderwater. We are also working with Eskom and energy specialists in efforts to realise sustainable energy savings per ton of production.

Maintaining stability

Our Secunda export business continues to perform well. Transnet Freight Rail (TFR) forced us to cut back on our 3,6 Mt

Historically disadvantaged individuals held 45% of our supervisory, professional and management posts at year end

export sales target by 6% and we supplied 3,4 Mt of export-grade coal to Asian and European customers. TFR is contracted to transport coal from Secunda to the Richards Bay Coal Terminal (RBCT), but due to derailments on the RBCT line and TFR's lack of capacity at times, we had to declare force majeure twice to export customers.

Our Sasolburg and Secunda operations maintained comparatively steady production of 42,8 Mt, decreasing slightly from the previous year's 43,3 Mt. Our sales volumes decreased marginally to 46,1 Mt from 46,5 Mt. Increased internal sales volumes to Sasol Synfuels were offset by lower sales volumes to export customers, as well as to Eskom with whom we concluded a short-term supply contract in December 2007. As part of a 20-year external purchasing agreement, we bought 4,8 Mt of coal from Anglo Coal's Isibonelo Colliery. Following industrial action, concerted efforts were made during the second half of the year to normalise production levels.

Our Sigma: Mooikraal Colliery maintained a steady supply of 1,7 Mt of utility coal to Sasol Infrachem despite geological setbacks due mostly to severely jointed roof conditions. We continue to finalise the rehabilitation of the original Sigma mine.

* 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.

South African energy cluster continued

sasol gas



Isover, a Sasol Gas customer, uses gas to keep glass in a molten state during the manufacture of insulation fibreglass, at their plant in Springs.

- Major in-line inspection of main pipeline completed
- Sales lifted and profit increased*
- Work started on pipeline expansion

** Excluding R371 million gain on sale of 25% of Rompco in prior year.*

Sasol Gas financial highlights

		2008	2007	% change
Turnover	Rm	4 697	3 702	27
Operating profit	Rm	1 785	1 936	(8)
Contribution to group profit	Rm	904	1 163	(22)

Expanding our capacity

Sasol Gas, which distributes and markets natural gas from Mozambique and methane-rich gas produced by Sasol Synfuels in Secunda, performed well in the year, lifting sales.

We increased sales volumes to 122,3 million gigajoules (M GJ) from 112,9 M GJ a year earlier. This was as a result of growth in both external customer purchases and from Sasol group businesses. However, the increase was slightly below forecast due to a lower-than-planned offtake from Sasol Synfuels, which experienced operational problems at its gas reforming plant in the year. We nevertheless increased customer numbers as more commercial and industrial enterprises switched to gas for their energy needs.

Turnover rose by 27% to R4 697 million from R3 702 million the year before, supported by higher sales and an increase in prices. Operating profit decreased to R1 785 million from R1 936 million in the prior year. However, if the R371 million gain made on the sale of 25% of Rompco in the prior comparative period is excluded, operating profit increased in the year under review.

It is disappointing to report a deterioration in our safety performance over the year. We posted a RCR of 0,42 following two injuries on our sites, up from zero a year earlier. We remain committed to our maxim of "zero harm, while growing".

With our partners in the Republic of Mozambique Pipeline Investments Company (Pty) Limited (Rompco), we began the construction of a compressor station in Komatipoort and additional facilities at the pressure protection station in Secunda, a project valued at over R1 billion. This will allow

Sasol Gas operational highlights

		2008	2007	% change
Total sales	M GJ	122,3	112,9	8
Total production	M GJ	131,5	120,1	9
Recordable case rate	RCR	0,42	0	

for increased natural gas delivery from Mozambique to South Africa by around 20%, to about 147 M GJ. Rompco shareholders comprise the South African government, through South African Gas Development Company (Pty) Limited (iGas) (25%); the Mozambican government, through Companhia Moçambicana de Gasoduto SARL (25%); and Sasol Gas Holdings (Pty) Limited (50%). Commissioning of the compressor station is expected during 2010.

We completed a major in-line inspection of the main gas delivery pipeline from Mozambique to South Africa and started work to expand the capacity of this facility to support growth in the South African market. We also embarked on studies to investigate extending our supply network to customers and successfully completed additions in Gauteng.

We completed the first seven-year cycle inspection of the integrity of the 865 km delivery pipeline. This involved extensive efforts by a team of up to 30 people, setting up camp in often remote locations along the route and working at night to avoid supply interruptions to customers.

We also reviewed our supply network in the year. As a consequence, we are investigating the feasibility of a project to debottleneck the Gauteng network by building a 150 km gas pipeline from Secunda to Sasolburg to support the growth of group businesses and to secure supply to our customers in the country's industrial heartland.

South African energy cluster continued

sasol synfuels



The selective catalytic cracker at Sasol Synfuels, Secunda, started beneficial operation in January 2008.

- Implementation of first phase of expansion programme commences
- Solid improvement in safety performance
- Record profit contribution and enhanced cost control
- Advances in reducing atmospheric emissions

Sasol Synfuels financial highlights

		2008	2007	% change
Turnover	Rm	39 616	29 084	36
Operating profit	Rm	19 416	16 251	19
Contribution to group profit	Rm	13 582	11 076	23

Sasol Synfuels operational highlights

		2008	2007	% change
Total sales	Mt	7,50	7,38	2
Total production	Mt	7,40	7,33	1
Recordable case rate	RCR	0,36	0,51	29



a



b



c

Performing across the board

Sasol Synfuels – the heart of the group's South African operations – reported healthy profits, a pleasing improvement in safety, significant technological firsts and good progress in reducing emissions in a year of many challenges. We succeeded in controlling increases in unit costs despite subdued growth in volumes.

The first phase of Sasol Synfuels' three-stage plan to increase production by 20% has been approved. This phase, which represents an initial 4% volume increase, is an important step in the Secunda growth programme and supports the group's strategic objective of nurturing and growing our existing asset base. It also aims to further commercialise Sasol's technological lead, as well as develop and empower our people to deliver growth.

After a good start to the year, in which we achieved record oil and condensate production levels in October, volumes were impacted in the second half by operational constraints at our

primary converting sites. These included availability problems at the coal gasification plants and our gas reforming facilities. Remedial plans are in place and we have recently allocated some R1,2 billion to plant modifications and other upgrades over the next two years. Annual output, however, rose to 7,40 Mt from 7,33 Mt.

Sustaining margins

Higher global oil product prices, the weaker rand and the increase in volumes helped lift Sasol Synfuels' turnover 36% to R39 616 million and raise operating profit 19% to R19 416 million.

We are pleased to report that the selective catalytic cracker (SCC), which uses first-of-a-kind technology to crack gaseous feedstock into fuel and chemical components, entered beneficial operation in January 2008 and mostly operated with good stability. The plant – part of the group's wider fuel optimisation and polymers expansion project, Turbo – produced on-specification chemicals and gasoline, proving the value of

a Control room, Sasol Synfuels, Secunda.

b Selective catalytic cracker, Secunda.

c Project Turbo, Secunda.

South African energy cluster continued

sasol synfuels continued



Pule Letuba, process controller at the Secunda water recycling project, checks the ozone generator unit.

We are currently in the early stages of our growth programme

the technology. However, it also experienced two unplanned outages resulting in reduced capacity, specifically with regard to its ethylene yield, with downstream implications for Sasol Polymers.

Despite these challenges, we were able to implement contingency plans to meet the market need for octane. Sasol Synfuels plans a general overhaul of the SCC unit in 2009, when the plant will be inspected and modifications made to further improve its stability and sustainability.

Protecting our people

A highlight of the year was the 29% improvement in our safety record, as measured by the recordable case rate (RCR), which dropped to 0,36 from 0,51. This was primarily due to the engagement of all personnel and service providers, led by senior

staff, in behavioural-based observation of activities in the workplace. With the recent introduction of visible-felt leadership, we are instilling a sound safety culture throughout our operations and fully embedding a process safety system.

Sasol Synfuels made advances in the year reducing emissions of atmospheric pollutants, specifically of particulate matter and of hydrogen sulphide – the latter due to the upcoming commissioning of a new wet sulphuric acid plant, which uses technology not previously employed by Sasol. We enhanced the quality of water released from the plant and met the requirement to limit benzene content in fuel to 3%. We are now working towards the next round of specification changes, which are expected to require a 1% benzene content.

The region in which Sasol Synfuels operates has recently been declared an environmental priority area by the government, which will mean new permit requirements. We are working closely with the authorities to proactively meet the challenges presented by these changes.

Saving electricity

Sasol Synfuels' energy efficiency programme is well underway. As a strategic priority customer we are not obliged to save the



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10% that power utility Eskom requires of its customers. We do, however, have plans in force to achieve this saving. We have already saved some 40 megawatts (MW) and aim to double this by the end of June 2009. This saving will represent 10% of the 800 MW we buy from the national grid. In addition, we produce around 550 MW of our own electricity. We also plan to increase our own generating capacity, possibly making use of Eskom incentives to offset a portion of the capital cost of installing more energy-efficient systems.

In addition, we expect our new 280 MW gas-turbine generator – which will initially use natural gas before switching over to flared gas – to be on line in the 2010 financial year. This is part of the first phase of the planned Secunda expansion project.

Expanding production

We are currently in the early stages of our growth programme. Final decisions on the growth projects are expected during 2009. We expect to achieve completion only towards 2015/2016 given the worldwide shortages of skills and manufacturing capacity.

In the first phase of our growth programme, with targeted delivery in 2012, our Secunda facility will be modified to accommodate an additional 24 M GJ of natural gas from Mozambique. We will convert seven of our reformers to the more efficient gas-heated heat exchange reformers and install a tenth Sasol Advanced Synthol™ reactor, as well as a 132 kilovolt substation and a 16th oxygen train.

This investment will result in an approximate 4% increase in production capacity and additional power generation from gas turbines.

The further expansion of our Synfuels business, based on gas and coal, can be divided into two phases and is part of the 20% expansion programme. Feedstock will be based on natural gas from Mozambique and/or coal from Secunda. Initial indications from pre-feasibility studies show that we should be in a position to make a final investment decision by 2010.

Our initial analysis shows that the complexity and size of the growth programme makes it the most ambitious project Sasol has ever embarked on and will require extensive staff upskilling. The retention of skills and experience is one of our greatest challenges but we believe we are making progress with staff turnover down in the past year and accelerated skills development.

a Sasol Advanced Synthol™ reactor, Secunda.

South African energy cluster continued

sasol oil



Sasol Oil now has 183 Sasol delight!™ forecourt convenience stores. Their market share in this sector has increased to 12% in the past year.

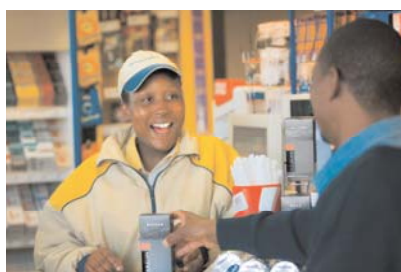
- Fuel retail market share growing
- Natref throughput increased
- Business optimisation programme begins to show results

Sasol Oil financial highlights

		2008	2007	% change
Turnover	Rm	52 998	38 191	39
Operating profit	Rm	5 507	2 417	128
Contribution to group profit	Rm	2 765	1 037	167

Sasol Oil operational highlights

		2008	2007	% change
Total sales	Mm ³	9,98	9,69	3
Total production	Mm ³	3,54	3,16	12
Recordable case rate	RCR	0,63	0,73	13



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Delivering a strong performance

In a challenging year of higher crude oil prices and slowing economic growth, Sasol Oil performed well. We increased sales and grew our retail market presence. We also improved our safety record, although there is room for further improvement. Sasol Oil remained a reliable supplier of high-quality products, meeting some 34% of South Africa's liquid fuels requirements.

Turnover increased 39% in the year to R52 998 million. Within South Africa's regulated fuel market, Sasol Oil lifted its operating profit to R5 507 million from R2 417 million in 2007. This is attributed mainly to higher prevailing product prices which further enhanced profits due to the realisation of consistently higher sales prices on our stockholding throughout the year. The weaker rand and the increase in liquid fuels sales volumes also contributed to profit growth. Total liquid fuels sales rose 3% to 9,98 million cubic metres (Mm³). We sold 29% more fuel oil in the year due to demand from new customers and growth in South African power consumption.

Imports of refined petroleum products were reduced due to the increase in throughput at our joint-venture refinery, Natref, during the first half of the financial year, as well as the slowdown in liquid fuels demand in the second half. We imported 77 000 m³ of petrol versus 317 000 m³ in the previous year, and 97 000 m³ of diesel versus 238 000 m³ a year earlier. Exports performed well with increased sales to the Democratic Republic of Congo and to Zambia.

We raised crude oil throughput at Natref by 12%, bringing Sasol Oil's 63,6% annual share to 3,54 Mm³. However, instabilities in some conversion units and hydrogen supply resulted in a slight reduction in white product yield to 89%, from 90% the year before. As part of our efforts to increase energy efficiency, Natref saved 10% in its electricity consumption during the year.

Overall, our safety record remains a challenge despite an improvement in our RCR to 0,63 from 0,73. We remain committed to ensuring that our employees and service providers work in a safe and healthy environment at all times.

a Sasol delight!TM stores, where a wide range of products can be found, form part of Sasol retail convenience centres.

South African energy cluster continued

sasol oil continued



We rolled out 15 new Sasol convenience centres and grew our market share to 8,8% from 8,6% in a slowing economy

During the year, we embarked on several initiatives to address this, including:

- A behaviour-based safety programme to assist in changing the attitudes and behaviours of our employees to further improve safety; and
- a learnership academy for drivers of large fuel-delivery vehicles to improve transport safety.

Optimising our business

Our new business optimisation programme is starting to bear fruit, with the organisation now restructured according to a value-chain approach. We also enhanced the efficiency of our logistics and distribution infrastructure through the adoption of an

integrated supply chain management philosophy. Furthermore, we devised a capital investment plan to improve our distribution channel network, focusing mainly on the inland areas of the country around the commercial and industrial hub of Gauteng.

Enhancing our retail footprint

Extending Sasol Oil's retail business remains a priority and in the year we rolled out 15 new Sasol retail convenience centres (SCCs) and grew our market share to 8,8% from 8,6% in a slowing economy.

Building on our black economic empowerment (BEE) achievements at shareholder level, we consider our SCCs a good way to further our BEE efforts in terms of enterprise development. Currently, 50% of all Sasol SCCs and Exel franchises are leased or owned by historically disadvantaged groups in South Africa.

international energy cluster

Financial highlights

		2008	2007	% change
Turnover	Rm	3 764	1 465	157
Operating profit/(loss)	Rm	383	(463)	183
Contribution to group profit	Rm	318	(726)	144

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

Sasol Synfuels International (SSI)

Total turnover (Rm)	1 793 (2008)	65 (2007)
Operating loss (Rm)	(621) (2008)	(763) (2007)

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 and Houston to promote our CTL interests in these regions.

1%

Contribution to total turnover

Sasol Petroleum International (SPI)

Total turnover (Rm)	1 971 (2008)	1 400 (2007)
Operating profit (Rm)	1 004 (2008)	300 (2007)

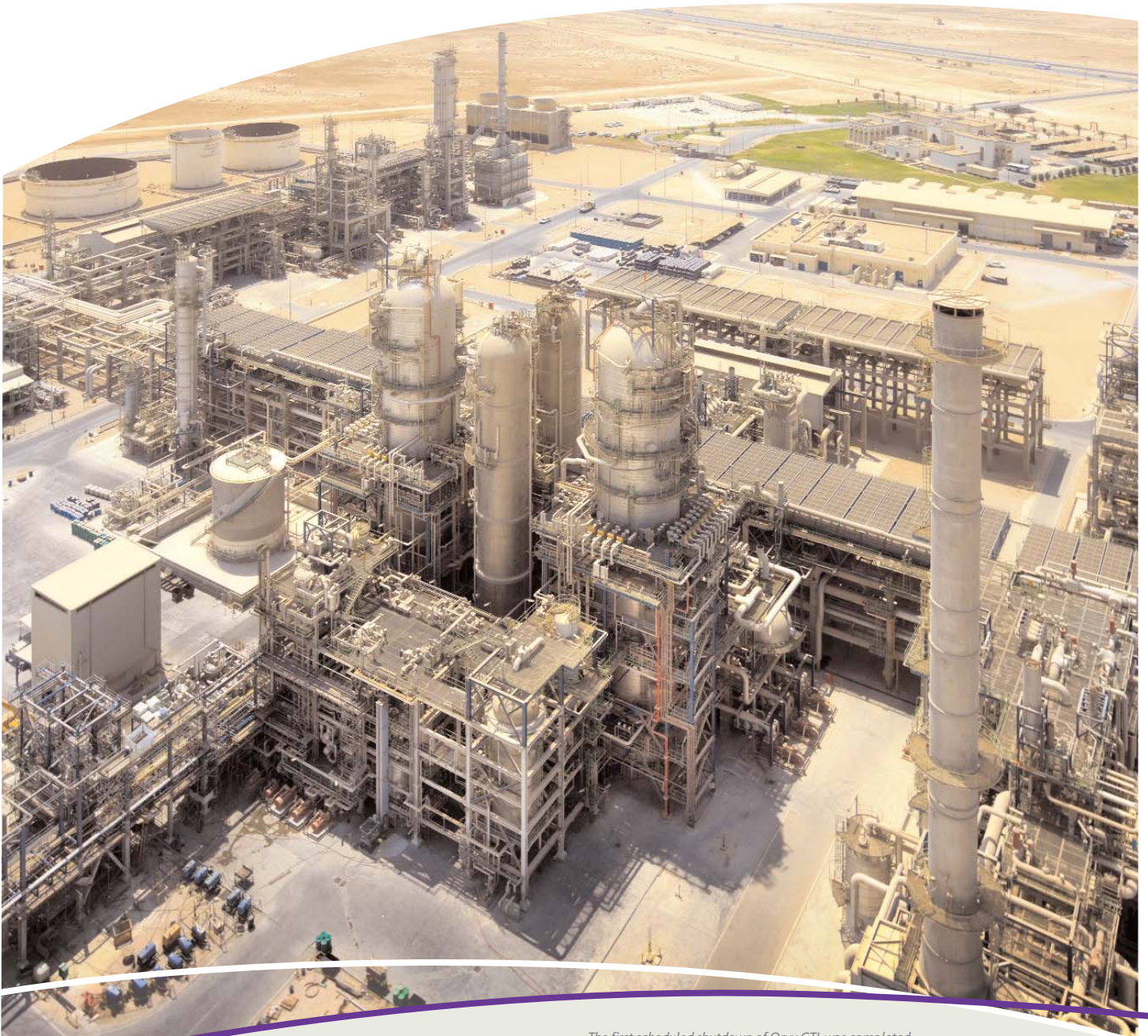
SPI develops and manages our upstream interests in oil and gas exploration and production in Mozambique, South Africa, Gabon, Nigeria and the joint development zone between Nigeria and São Tomé and Príncipe. It produces gas and condensate from Mozambique's onshore Temane field and oil from Gabon's offshore Etame and Avouma fields. Globally, SPI also pursues gas exploration opportunities to enable it to supply feedstock to potential Sasol GTL plants.

1%

Contribution to total turnover

International energy cluster continued

sasol synfuels international



The first scheduled shutdown of Oryx GTL was completed successfully without any safety incidents.

- Launch of CTL feasibility study in China
- Ramp-up of Oryx GTL progressing
- Application made for coal blocks in India

Sasol Synfuels International financial highlights

		2008	2007	% change
Turnover	Rm	1 793	65	2 658
Operating loss	Rm	(621)	(763)	19
Contribution to group profit	Rm	(189)	(653)	71



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Assessing opportunities

The launch of Sasol's first coal-to-liquids (CTL) full feasibility study outside South Africa was the highlight of a year of much progress for Sasol Synfuels International (SSI). Along with the study to determine the feasibility of building a CTL plant in China, other features were the production ramp-up of the Oryx gas-to-liquids (GTL) plant in Qatar and the establishment of a partnership with the Tata Group to evaluate CTL opportunities in India.

SSI is pleased to report an overall improvement in safety in the year. At Oryx GTL our recordable case rate (RCR) reduced to 0,42 from 0,84, with no recordable injuries reported during the first scheduled shutdown. At Escravos GTL (EGTL), where some 2 000 people work on site, the RCR was 0,31. SSI achieved a RCR of zero at its head office in South Africa and at its liaison offices across the globe.

SSI continues to assess various GTL and CTL opportunities in a number of countries. The focus remains on the potential to

roll out Sasol's proven CTL technology in China, India and the USA, which together hold the bulk of the world's coal reserves. The possible expansion of the GTL footprint in Qatar also remains an objective, in addition to prospects for other GTL opportunities currently being explored by SSI and our partner Sasol Chevron.

In June 2008, Sasol Limited held a board meeting in Beijing to show its support for and commitment to Sasol's CTL growth ambitions in China. Sasol and the Shenhua Ningxia Group agreed to focus their attention on a 80 000 barrels a day (b/d) plant in the Ningxia Hui Autonomous Region of China. The proposed site in the Ningdong Chemical and Energy base has excellent infrastructure. This decision will enable the project schedule to be accelerated. There are abundant coal reserves in the proximity of the large well-laid out site, providing the platform for future expansion. The results of the feasibility study are expected in 2010.

In India, in cooperation with the Tata Group, we have applied for long-term access to a number of coal blocks. If successful,

a Workers at Oryx GTL.

b and c: Construction proceeding at EGTL site, Nigeria.

International energy cluster continued

sasol synfuels international continued

we will conduct a pre-feasibility study to evaluate the prospects for a CTL facility.

Progressing our environmental understanding

Limiting the environmental footprint of potential CTL plants remains a major focus for SSI and in the year we made progress in expanding our knowledge of how best to reduce, capture and store the carbon dioxide (CO₂) produced by our processes. In particular, we continue our investigations into CO₂ sequestration opportunities in the countries where new CTL ventures are being considered.

Oryx achieved premiums over crude-derived diesel products on contract sales of its high-quality GTL diesel

Delivering on Oryx GTL

The performance and production ramp-up of Oryx, the world's largest commercial-scale GTL facility, are meeting our expectations. In June 2008, the plant achieved average production of more than 22 000 b/d of final product. Average output for the six months to June was about 30% higher

than the previous six months, resulting in a return for its shareholders, SSI and Qatar Petroleum.

Early in 2008, the first scheduled shutdown of Oryx was completed successfully without any safety incidents. The installation of additional downstream filtration equipment is planned for the second half of the 2008 calendar year. This will further enhance the sustainability of the plant. On contract sales of its high-quality GTL diesel, Oryx achieved premiums over crude-derived diesel products.

Together with Chevron and the Nigerian National Petroleum Corporation, Sasol continues the construction of the EGTL plant in Nigeria. However, the increased capital cost of the project to US\$6 billion and the expected project completion in 2011, along with other factors, have impacted the economics of the project. Sasol has agreed, in principle, with Chevron, to reduce its interest in EGTL to 10%.

In support of our growth ambitions, SSI is enhancing its capacity to produce Sasol's proprietary cobalt-based FT catalyst. During the year, in cooperation with BASF, we commissioned and brought into beneficial operation a second cobalt catalyst plant at De Meern in the Netherlands.

For the year, we reported an operating loss of R621 million, a 19% narrowing in our operating loss compared to the previous year. This was despite increased project study cost and the impairment of an amount of R362 million in respect of the EGTL assets to reflect their fair value.

sasol petroleum international



The Suzan-K, one of several cargo vessels chartered to ship drilling and testing equipment from the UK, Singapore and India for SPI's drilling project, offshore Mozambique.

- Increases in gas and crude oil production
- Progress in efforts to investigate underground storage of CO₂
- Good improvement in safety performance

International energy cluster continued

sasol petroleum international continued

Sasol Petroleum International financial highlights

		2008	2007	% change
Turnover	Rm	1 971	1 400	41
Operating profit	Rm	1 004	300	235
Contribution to group profit	Rm	507	(73)	795

Sasol Petroleum International operational highlights

		2008	2007	% change
Total gas sales (Mozambique)	M GJ	74,8	68,5	9
Total condensate sales	b	501 289	576 961	(13)
Total oil sales (Gabon)	M/b	1,8	1,6	12
Recordable case rate	RCR	0,46	0,71	35



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Growing our contribution

Sasol Petroleum International (SPI) is at the forefront of efforts to secure natural gas reserves to enable Sasol to achieve its global gas-to-liquids ambitions. We are also custodian of the group's co-owned crude oil resources. In the year we reached new production records at our gas operations in Mozambique and at our crude oil partnership offshore Gabon. We also increased profits and improved our safety performance.

Working closely with Sasol Synfuels International and Sasol Technology, we made progress in our ongoing efforts to investigate storing carbon dioxide (CO₂) underground, to enhance oil output using CO₂ and to use it in the production of coal-bed methane. These efforts all support the group's long-term coal-to-liquids and gas-to-liquids production objectives.

During the year, SPI increased supplies of natural gas to Sasol Gas in South Africa. We also achieved higher West African crude production. This brought our total production to around 45 000 barrels of oil equivalent a day.

Increased volumes, combined with higher crude oil and gas prices and lower exploration costs, lifted SPI operating profit to R1 004 million from R300 million.

Our commitment to improving safety, which involved increased supervision on site, contributed to lowering our RCR to 0,46 from 0,71 a year earlier. Safety remains a challenge as we work in typically difficult, remote environments.

In Mozambique, the central processing facility (CPF) on the Temane gas field achieved over two million safety-incident-free man-hours. Operationally, the CPF continues to perform well, confirmed by the high-rate trial runs conducted in February which successfully tested its throughput. Together with our partners, Companhia Moçambicana de Hidrocarbonetos SARL and the International Finance Corporation, we achieved a new monthly production record of more than 10 million gigajoules (M GJ) of natural gas from Temane, in May 2008. For the year, the partnership produced and sold over 106 M GJ of natural gas from the Temane field, up from 98 M GJ the year before.

a Well-head at Temane, Mozambique.

b Ship berthing in Beira, Mozambique, bringing SPI project equipment from Singapore and India.

Targeting expansion in Mozambique

We are making progress on the project to move production towards 183 M GJ per annum. This will be achieved through supplementary supply from the Pande gas wells, some 50 kilometres from Temane, where construction of the flow and trunk lines to link these new wells to the CPF is nearing completion. The first flow of Pande gas is set to reach this facility before the end of the new financial year. This expansion is key to supplying Sasol Synfuels with the gas needed for its first phase of planned capacity expansion at Secunda. Rompco, which owns the pipeline to Secunda, is currently increasing its capacity by adding a new compressor station at Komatipoort to enable SPI's additional gas delivery.

Exploration for additional gas in Mozambique shows promise and various expansion options are under consideration. Following the completion of the seismic study in offshore Blocks 16 & 19, we are scheduled to commence exploration drilling early in the new financial year. SPI has also recently secured additional exploration acreage onshore Mozambique where we plan to commence technical evaluation of the new licence area in due course.

In often very challenging conditions, we rigorously apply world standards for environmental protection in our global exploration, development and production activities. We commissioned a study on the dugongs, endangered sea mammals which live in shallow waters off Mozambique, close to our exploration licence areas. This research will help us to better understand them and assist in our approach to future business activities in this area.

We continue to invest in social development in the communities in which we operate and in the year launched a project, valued at over US\$2 million, to build a new technical school close to our facilities in Mozambique.

Optimising our West African portfolio

In West Africa, we continued to work towards optimising our strategic oil portfolio. In our drive to sustain output from the declining Etame field, off the Gabon coast, we increased output from the Avouma satellite field. This resulted in a new production record of around 22 500 barrels a day (b/d) of crude oil from 18 247 b/d a year earlier. Through SPI's 27,75% share



Central processing facility, Temane, Mozambique.

in these fields, this translates into total oil sales for SPI's account of 1,8 million barrels for the year. Another satellite field, Ebouri, is being developed to come on line in the new financial year. We are also carrying out further optimisation activities in the Etame licence area to increase oil reserves.

During the year, SPI sold its share in the Dussafu crude oil licence in Gabon. This field has declining reserves and is no longer in line with our strategic objectives. In Nigeria, as a minority shareholder, we continued exploration and appraisal work in our deep-water licences.

Expanding into Asia Pacific

In its quest to find additional natural resources, SPI has recently obtained a 51% working interest in four hydrocarbon prospecting licences covering a land area of 37 000 square kilometres, close to established gas fields in the "foreland" area of Papua New Guinea. Seismic surveying is scheduled to commence in October 2008. At the same time, SPI has acquired a 30% working interest in a licence in the northwest shelf, offshore Australia, for which final government approval is awaited.

Operating reviews

chemical cluster

Financial highlights

		2008	2007	% change
Turnover	Rm	73 696	58 880	25
Operating profit	Rm	6 605	4 292	54
Contribution to group profit	Rm	5 627	3 921	44

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

<p>Sasol Polymers</p> <p>Total turnover (Rm) 11 304 (2008) 9 410 (2007) Operating profit (Rm) 1 511 (2008) 1 089 (2007)</p>	<p>Sasol Polymers has plants at Sasolburg and Secunda in South Africa and supplies ethylene, propylene, polyethylene, polypropylene, polyvinyl chloride, chlor-alkali chemicals and mining reagents to domestic and international customers. It also has joint-venture monomer and polymer interests in Malaysia and Iran, and joint-venture marketing facilities in China.</p>	<p>6% Contribution to total turnover</p>
<p>Sasol Solvents</p> <p>Total turnover (Rm) 17 182 (2008) 13 766 (2007) Operating profit (Rm) 2 382 (2008) 1 104 (2007)</p>	<p>Sasol Solvents has plants in South Africa and Germany and supplies a diverse range of solvents (ketones and alcohols), comonomers (hexene and octene), acrylates and associated products. It also has a maleic anhydride joint venture in Germany with Huntsman Corporation.</p>	<p>9% Contribution to total turnover</p>
<p>Sasol Olefins & Surfactants (Sasol O&S)</p> <p>Total turnover (Rm) 28 780 (2008) 22 582 (2007) Operating profit (Rm) 1 512 (2008) 1 140 (2007)</p>	<p>Sasol O&S has plants in Germany, Italy, Slovakia, the USA, China, Dubai and South Africa and supplies surfactants, surfactant intermediates, n-paraffins, n-olefins, C₆-C₂₂ alcohols, aluminas, zeolites and oleochemicals to customers worldwide. It has a joint-venture alcohols plant with Wilmar China Investment (Yihai).</p>	<p>16% Contribution to total turnover</p>



Sasol Infrachem is responsible for governance and reputation management at the Sasolburg site.

Sasol Nitro, Sasol Wax, Sasol Infrachem and Merisol

Sasol Nitro has plants at Sasolburg, Secunda and Bronkhorstspuit in South Africa and supplies ammonia, nitric acid, explosives, fertilisers, sulphuric acid, phosphates and blasting accessories. It markets the ammonia, sulphur and specialty 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 operations in France, Denmark, Egypt, Malaysia and Australia. It is a world leader in the supply of waxes, petroleum jellies and liquid paraffins derived from Fischer-Tropsch and oil-refinery feedstock to customers worldwide.

Sasol Infrachem provides a services platform for reforming natural gas and providing utilities, infrastructure and site support at the Sasolburg complex. It is responsible for our Sasolburg site governance and our 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 in Japan. It supplies cresols, xylenols, alkylphenols and other phenolics and their derivatives to customers on all continents.

Total turnover (Rm)	16 430 (2008)	13 122 (2007)
Operating profit (Rm)	1 200 (2008)	959 (2007)

9%

Contribution to total turnover

Chemical cluster continued

sasol polymers



The new Sasol Polymers polypropylene plant, Secunda, started beneficial operation during the year.

- Substantial advances in safety record
- Progress in reducing environmental footprint
- Second polypropylene plant enters beneficial operation
- Arya Sasol ethane cracker started up

Sasol Polymers financial highlights

		2008	2007	% change
Turnover	Rm	11 304	9 410	20
Operating profit	Rm	1 511	1 089	39
Contribution to group profit	Rm	1 485	1 443	3

Sasol Polymers operational highlights

		2008	2007	% change
Total sales	Mt	1,21	1,19	2
Total production	Mt	1,98	1,73	14
Recordable case rate	RCR	0,36	0,59	38



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Delivering on our business plan

Sasol Polymers had a pleasing year in which we improved our safety and environmental performance, increased profits and reached important milestones in our plan to double polymers output. In South Africa, our new polypropylene plant achieved beneficial operation and in the Middle East our joint-venture ethane cracker came on stream.

Turnover rose 20% to R11 304 million on higher international product prices. Despite operational challenges at certain facilities, we lifted sales 1,5% to 1,2 million tons. The output gains we made, coupled with stronger margins, helped raise operating profit to R1 511 million from R1 089 million.

Against a backdrop of record crude oil prices, polymers producers worldwide were able to absorb only some of the escalating cost of feedstock. However, this possibility has diminished in recent months and we expect margin pressure in the new financial year as additional capacity, mainly in the Middle East, comes on stream.

In line with the group's shared values of safety and continuous improvement, we improved our safety performance in the year, and our RCR fell to 0,36 from 0,59. This achievement followed a focused effort to implement our process safety management system, backed by senior management's commitment to behaviour-based safety initiatives. Our international joint ventures also posted excellent safety performances in the period, with Petlin in Malaysia reporting a RCR of zero.

Safety performance is closely linked to experience levels among our employees. In an environment in which we continue to face serious competition for skills, we are revising our training programmes to quickly and effectively train new recruits so they can contribute to the business sooner and with due regard to safety procedures and behaviours.

Environmental footprint

We progressed into the basic engineering stage of our closed-lid reactor technology project to further reduce vinyl chloride emissions per ton of polyvinyl chloride (PVC) produced.

a and b: Our joint-venture Petlin plant in Malaysia.

Chemical cluster continued

sasol polymers continued



Arya Sasol ethane cracker in Iran begins beneficial operation.

The ethane cracker, which has capacity to produce one million tpa of ethylene, was successfully started up

We recently embarked on a project to transform an ethylene flare stack at Sasolburg to a ground-level flare, surrounded by a bunker, to reduce the associated noise and light. Also at Sasolburg, work on the rehabilitation of the Midland site is progressing well. Decommissioned facilities are being dismantled and parts sold to other operators or for scrap, and the land is being restored to its original state.

Pushing ahead with Project Turbo

Our manufacturing units performed well in the year. We continue to entrench operations excellence throughout our business, particularly at our PVC facilities at Sasolburg, where we have identified opportunities to extract greater value from our assets.

In Secunda, as part of Project Turbo, we successfully started up our second polypropylene plant in December 2007, which has a capacity of 300 000 tons per annum (tpa). Successive performance runs have clearly proven its efficacy. However, this facility and the recently ramped-up 220 000 tpa low-density polyethylene plant at Sasolburg are reliant on feedstock from the new selective catalytic cracker at Secunda, which has faced certain stability issues in the year. These are due to be addressed with further modifications scheduled for March 2009. For the time being, the two new polymers plants will continue to operate in campaign, rather than continuous mode.

Capitalising on strong international performance

Outside South Africa, our joint ventures also prospered. In Malaysia, Petlin delivered an excellent operating performance and higher profit margins. Our Optimal Olefins monomers business also performed well. Our Wesco China joint venture is commissioning a new warehouse and packaging line near Shanghai and is in a strong position to place new product flowing from South Africa and the Middle East into the fast-growing Chinese market.

We are also pleased to report significant progress at Arya Sasol, our joint venture with the National Petrochemical Company of Iran. The ethane cracker, which has capacity to produce one million tpa of ethylene, was successfully started up in November 2007. The cracker will supply two new polymers plants when they enter beneficial operation in due course. Most of the ethylene produced thus far has been exported.

sasol solvents



Sasol Solvents successfully commissioned its third 1-octene plant at Secunda.

- Third 1-octene plant successfully commissioned
- Strong progress in safety
- Daily production records achieved for various products

Chemical cluster continued

sasol solvents continued

Sasol Solvents financial highlights

		2008	2007	% change
Turnover	Rm	17 182	13 766	25
Operating profit	Rm	2 382	1 104	116
Contribution to group profit	Rm	2 015	742	172

Sasol Solvents operational highlights

		2008	2007	% change
Total sales	Mt	1,72	1,69	2
Total production	Mt	1,79	1,65	8
Recordable case rate	RCR	0,41	0,77	47



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Delivering all-round improvement

Production advances at a number of our facilities, commissioning our state-of-the-art 1-octene plant and significant improvements in our safety and financial performance were the highlights of the year for Sasol Solvents. We are pleased to report daily production records for hexene, octene and butanol at our South African operations, and for maleic anhydride, di-isopropyl ether and secondary butyl alcohol in Germany. We have also successfully renegotiated certain of our long-term sales contracts with key customers. We continued to pursue operations excellence at all our facilities.

Despite high feedstock prices, we were able to preserve the margins of our range of solvents and chemical intermediates given strong global demand. However, our German operations – which account for about 30% of our sales – faced challenging conditions. The lack of feedstock integration and inability to pass on rising costs to our customers, exacerbated by the

strength of the euro (which led to increased imports and lower exports), prompted us to reduce production of certain products.

Turnover rose to R17 182 million from R13 766 million as total sales volumes increased to 1,72 million tons (Mt) from 1,69 Mt the previous year. The higher production figures reflected an improvement in operating rates in South Africa – particularly in the second half of the year, although this was partially offset by cutting back our production in Germany. Sustaining our margins amid robust demand, notwithstanding higher input costs, lifted operating profit to R2 382 million from R1 104 million. Profit growth was also supported by a weakening rand over the period.

We are pleased to report good progress in our safety record, with our recordable case rate dropping to 0,41 from 0,77. This was particularly gratifying given the scheduled plant outages for maintenance that occurred during the year. These shutdowns were completed on time, in budget and most importantly, without any serious safety incidents.

a Workers at Sasol Solvents plant, Moers, Germany.

b Ethyl acetate plant, Secunda.

c 1-Octene plant, Secunda.



Sasol-Huntsman maleic anhydride plant, Moers, Germany.

We continue to work towards reducing emissions of certain volatile organic compounds. We also took steps to reduce our energy consumption per unit produced.

Positioning for projected demand

In June 2008, we successfully commissioned our third 1-octene plant at Secunda and are ramping up to full capacity of 100 000 tpa. This project involved many technological firsts, some developed by Sasol Technology, and resulted in bringing a scarce comonomer to market. We believe the potential for 1-octene, which is used mostly as a comonomer for producing certain plastics, remains strong.

China provides an increasingly important market for our products and we opened an office in Shanghai in the year. We believe this will enhance customer service through local currency sales and new business development.

Sasol Solvents acquired the remaining shareholding in Sasol Dia Acrylates from our joint-venture partner Mitsubishi Chemical Corporation. We have initiated certain restructuring activities in this business to optimise operations, reduce costs and integrate it fully into our operations.

We successfully commissioned our third 1-octene plant and have begun ramping it up to its full capacity

Our Sasol-Huntsman maleic anhydride joint venture in Moers, Germany, maintained its solid performance. In April we announced a project to expand its manufacturing capacity by 75% to 105 000 tpa from 60 000 tpa. The new plant, which will operate independently from the existing facility to ensure uninterrupted product flow, is expected to be complete in 2011. The plant aims to meet the significant projected increase in demand for maleic anhydride, a building block for unsaturated polyester resins which are used mainly in fibreglass-reinforced resins in construction, automotive and marine products.

Construction of our second methyl iso-butyl ketone (MiBK) plant, with capacity of 30 000 tpa, continues in Sasolburg. The project is progressing, with beneficial operation planned for the middle of the 2009 calendar year.

Chemical cluster continued

sasol olefins & surfactants



Recently commissioned high purity alumina plant, Brunsbüttel, Germany. The worker is using a special explosion-protected mobile phone to keep in contact.

- Decisive action taken to ensure turnaround
- Profit contribution lifted and costs reduced
- Joint-venture alcohols plant in China started up

Sasol O&S financial highlights

		2008	2007	% change
Turnover	Rm	28 780	22 582	27
Operating profit	Rm	1 512	1 140	33
Contribution to group profit	Rm	1 279	1 241	3

Sasol O&S operational highlights

		2008	2007	% change
Total sales	Mt	2,09	2,18	(4)
Total production	Mt	2,07	2,20	(6)
Recordable case rate	RCR	0,38	0,37	(3)



a



b



c

Turnaround progressing

It was a year of considerable change and progress at Sasol Olefins & Surfactants (Sasol O&S). Our people across our operations invested their full effort in our turnaround strategy to contain costs and restructure the business for sustainability. We are grateful for their positive and professional attitude.

We opened a new joint-venture alcohols plant in China, maintained our solid safety performance, improved profit margins and streamlined operations. We introduced a more efficient organisational structure and stepped up our technological drive to provide value-added, differentiated products to the market – an effort that will remain an important strategic theme in the years ahead. We also took important steps to prepare for the extensive requirements of the European Union's regulations on the Registration, Evaluation and Authorisation of Chemicals (REACH).

It was a challenging year for the business, which remains a leading global producer and supplier of surfactant

intermediates, surfactants and inorganic specialties. We closed unprofitable linear alkyl benzene (LAB) production lines in the USA and Italy, and reduced costs at other units. We also had to respond quickly and decisively to persistent hikes in the price of energy and raw materials. As we were unable to absorb all these increases, slightly lower sales volumes resulted.

Our inorganic business, which manufactures advanced alumina products for a wide range of applications, including catalyst carriers for the automotive, chemical and fuel industries, had a satisfactory year supported by increased demand for catalyst.

Turnover rose 27% to R28 780 million as a result of higher product prices and the depreciation of the rand against the euro. Sales fell 4% and production dropped 6% due to the capacity reductions at Porto Torres and Augusta in Italy and Baltimore in the United States. Operating profit (after capital items) increased by 33% to R1 512 billion, helped by the broad-based reduction in fixed costs.

a Safe handling of products, Lake Charles, USA.

b Ethylene substation, Brunsbüttel site, Germany.

c Control room at joint-venture plant, Lianyungang, China.

Chemical cluster continued

sasol olefins & surfactants continued



Impressions of the Sasol Olefins & Surfactants site, Brunsbüttel, Germany.

Operating profit (after capital items) increased by 33% to R1 512 million, helped by the broad-based reduction in fixed costs

Rationalising for balance

The rationalisation of our capacity was a major milestone in our turnaround and assisted us to improve the profitability of our business. In a further effort to increase our competitiveness in this highly contested market, we are reducing oxo-alcohol production in Italy to some 65 000 tpa. This has followed the restructuring of our upstream paraffin and olefin operations which provide the feedstock for alcohol production. In 2007, we announced the closure of normal paraffin production capacity of 220 000 tpa in Italy. Normal paraffin is used in the production of LAB, a feedstock for linear alkyl benzene sulfonate (LAS) which is an essential ingredient for the detergents industry.

In 2007, we brought into beneficial operation a new joint-venture plant in China with capacity of 60 000 tpa of alcohols derived from vegetable oils. The factory is running close to full production and delivering to the fast-growing Chinese alcohol market. In the year we also succeeded in significantly improving plant reliability and raising throughput at our South African alcohol operations at Secunda.

In Germany, we commissioned a new calciner for specialty inorganic products and will soon install another. Among other uses, this will allow us to make more carrier material for the catalyst used in Sasol Synfuels International's joint-venture Oryx gas-to-liquids (GTL) plant in Qatar, and the GTL plant under construction at Escravos in Nigeria.

A setback in the year was a fire at a major long-term customer in the United States. Our customer had to cut back ethylene consumption, which we partially offset by sales to other customers.

sasol nitro, sasol wax, sasol infrachem and merisol



Sasol Nitro's new ammonium sulphate plant in Secunda is expected to reach beneficial operation in the new financial year.

- Sasol Nitro completes first year of greenhouse gas abatement project
- Sasol Wax intends doubling hard wax production
- Sasol Infrachem increases reformed gas production and reduces flared gas
- Merisol records business and safety improvements

Chemical cluster continued

sasol nitro, sasol wax, sasol infrachem and merisol continued

Financial highlights

		2008	2007	% change
Turnover	Rm	16 430	13 122	25
Operating profit	Rm	1 200	959	25
Contribution to group profit	Rm	848	495	71



a



b



c

sasol nitro

Lifting performance

Strong international commodity markets buoyed demand for Sasol Nitro's ammonia, fertilisers and explosives in the year. Along with significant operational advances, this helped us report an improvement in our financial results. Equally gratifying were the gains in our safety performance and the launch of a new environmental initiative which is registered as a clean development mechanism under the Kyoto Protocol.

A strong agricultural season in Southern Africa, with good rains, underpinned robust demand for fertilisers in the region. High international prices for platinum, gold, copper and other minerals encouraged mining production, which supported our explosives business.

We also terminated, effective April 2008, the phosphoric acid toll-manufacturing agreement with Foskor in Phalaborwa and started production of this fertiliser raw material for our own use and for sales to the market.

A renewed effort to change employee and contractors' attitudes towards safety, through training and exemplary leadership, enabled us to reduce our RCR to 0,44 from 0,57. The four-yearly shutdown and refurbishment of the ammonia plant in Sasolburg was completed with no significant safety incidents and within schedule.

Reducing emissions

This was the first full year of operation for our nitrous oxide greenhouse gas abatement project to reduce emissions from our nitric acid plants at Sasolburg and Secunda by the equivalent of more than 500 000 tons of carbon dioxide a year.

Assisting safer mining

The explosives business had a good year, doubling sales of explosive accessories from our new facility at Ekandustria. This plant is part of the new Sasol Dyno Nobel joint venture which manufactures non-electric shock tube detonators for sale in Southern Africa. Driven by safety concerns, increasing

a Dust extraction unit at Sasol Nitro's fertiliser granulation plant, Secunda.

b Hardwax products produced by Sasol Wax.

c Product bagging at Sasol Nitro fertiliser plant, Secunda.

numbers of mining companies are switching to this type of initiation system.

In a highly competitive market, Sasol explosives are growing. Sasol Nitro and Sasol Dyno Nobel have built an enviable record for supplying the world's most reliable technology to mining customers throughout Southern Africa. We are setting up a new facility to supply the Ekandustria plant with some of the raw materials currently sourced outside South Africa. This should have a favourable impact on the long-term sustainability of this facility.

Investigating growth opportunities

To ensure a robust business for the long term, we are considering a number of growth opportunities. Among these is the replacement of the fertiliser granulation plant in Secunda, which has been in operation for 25 years, with a limestone ammonium nitrate plant and a NPK (nitrogen, phosphor and potassium) granulation plant. The new ammonium sulphate plant at Secunda is expected to reach beneficial operation in the new financial year, and its output will also substitute some imports.

sasol wax

Consolidating our business

In 2008, Sasol Wax simplified the structure of its business to make it more streamlined, focused and operationally efficient. We also completed a number of strategic acquisitions and divestments to deliver customised value-added solutions to clients and grow market share.

In January, we acquired the remaining 50% share in our Germany-based Merkur joint venture from Shell, Merkur, which markets petroleum jelly in the personal care market. This business has now been fully integrated into our German operations. In March, we acquired the remaining 50% share in our North American joint venture Luxco Wax. The business was merged with our existing business in that region on 1 July 2008.

These purchases followed the sale of our share in Paramelt, earlier in the year, and the disposal of our share in the Ceraven joint venture in 2007. During the year, we also closed our Swiss

and New Zealand offices. We believe we are now better positioned to grow our business efficiently and serve our customers more cost effectively.

The year presented considerable challenges for the company, which is one of the world's leading producers and marketers of synthetic and petroleum-derived waxes. Increases in sales prices lagged the rapid rise in the cost of raw materials, exerting pressure on margins, particularly in our German operations which account for around half of Sasol Wax's sales and output.

After an initial improvement, our safety record deteriorated, specifically in South Africa. We responded by launching an aggressive remedial process in March, halting production and only restarting operations once every section head was confident of operating without endangering personnel. This brought the seriousness with which we take safety sharply into focus. Our RCR improved to 0,82 from 0,85.

Expanding our output

Sasol Wax is pursuing growth opportunities offered by robust demand for waxes manufactured via Sasol's proprietary Fischer-Tropsch process. The Sasol Limited board has approved the completion of basic engineering for a project to double its production of hard wax at its operation in Sasolburg.

In the meantime, we are taking steps to increase production incrementally. We have improved yields of hard wax in South Africa and are also installing additional pastellizers. A project to upgrade the packing system at our solidification plant will be completed in the new financial year. These fully automated lines will improve consistency of both packaging and product quality.

We approved a project to increase our capacity to purify wax through the installation of a hydro-treater on our site at Hamburg in Germany.

We continue to devote resources to application research to create customised products for strategic markets. An example in the year involved our collaboration with a major paper manufacturer to develop environmentally benign barrier coatings to be used in packaging material for fresh produce.

Chemical cluster continued

sasol nitro, sasol wax, sasol infrachem and merisol continued



a



b



c

In May 2007, the European Commission found that members of the European paraffin wax industry infringed anti-trust laws, which pre-dated Sasol taking a shareholding in the European business in 1995. On 1 October 2008, the Commission imposed a fine of €318,2 million on Sasol Wax GmbH (of which Sasol Wax International AG, Sasol Holdings Germany and Sasol Limited would be jointly and severally liable for €250 million). No provision has been made in the current results for this fine. Sasol was unaware of these infringements before the European Commission commenced their investigation at the wax business in Hamburg in April 2005 and will be studying the reasons for the finding with a view to lodge an appeal against it.

sasol infrachem Supporting efficiency gains

Sasol Infrachem recorded a year of steady progress, remaining a reliable supplier of reformed natural gas for downstream use by Sasol's chemical businesses and a dependable provider of utilities and other services at Sasolburg. In the year, we implemented a project to enhance the services we supply to our numerous industrial clients, including non-Sasol businesses in Sasolburg.

We increased reformed gas production from Sasolburg's two autothermal reformers some 3,7% to 38 M GJ. The Sasol One site gas loop was further optimised by improving internal efficiencies in recycling flared tailgas. This has resulted in a reduction of our environmental footprint through the

redirection of around 1,5 M GJ, which was previously flared, to the methanol plant.

The introduction of a new service provider safety management initiative, which includes thorough safety training and plant induction, assisted us to improve our RCR to 0,70 from 1,27. However, advancing the safety of our contractors remains a challenge. At peak times we have up to 6 000 service providers on site at Sasolburg.

Sasol Infrachem upgraded another boiler precipitator in the year, ahead of the introduction of a new statutory air quality improvement plan. The flaring of natural gas was further reduced when we successfully restarted one reformer with nitrogen, which had previously used natural gas for restarting, following the first statutory maintenance shutdown. A 20,5% reduction in average dust particle emissions was achieved in the year. We also continue to work hard to detect fugitive volatile organic compound emissions from leaking valves and flanges. The rehabilitation of tar pits, a legacy of coal gasification, is progressing well. In recognition of our environmental rehabilitation efforts, Sasol Infrachem received a merit in the Mail & Guardian "Greening the Future" awards.

To assist state power utility Eskom during the national power shortages in January, Sasol Infrachem increased its own electricity generation to reduce purchases from Eskom. In the next two years we plan to recommission two generators which have been out of service for a number

a Sasol Wax operations, Hamburg, Germany.

b Autothermal plant for gas reforming, Sasolburg.

c Sasol Wax plant, Sasolburg.

of years. This will bring all eight power generators at Sasol Infrachem into service.

Sasol Infrachem is committed to improving the lives of people in our community at Sasolburg. In the year we helped establish the Metsimaholo Rejuvenation Trust, which is a socioeconomic partnership between industry, the local government and civil society. It is focused on improving education, the environment, social and economic development as well as sport and recreation in and around Sasolburg.

merisol

Ensuring sustainability

Merisol – Sasol’s phenolics joint venture with Merichem Company – recorded improvements in profitability, cash generation and safety, as well as building stronger relationships with customers.

Merisol advanced its safety performance in the year, with no recordable cases in South Africa. In the USA, implementing the recommendations of a DuPont safety assessment has begun to result in safety improvements. The joint venture’s combined RCR improved to 0,63 from 0,98.

Merisol continues to pursue a number of projects related to environmental waste water management. This is particularly important in the US operations which are situated in areas vulnerable to hurricanes, heavy rainfall and flooding. We will also make more efficient use of natural gas and other utilities as part of our drive for continuous improvement and operations excellence.



Sasol Infrachem provides feedstock to Sasol’s chemical businesses, as well as utilities and services to operations in Sasolburg.

Operating reviews

other businesses

Sasol Technology

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



Modular construction of EGTL plant components in Abu Dhabi.

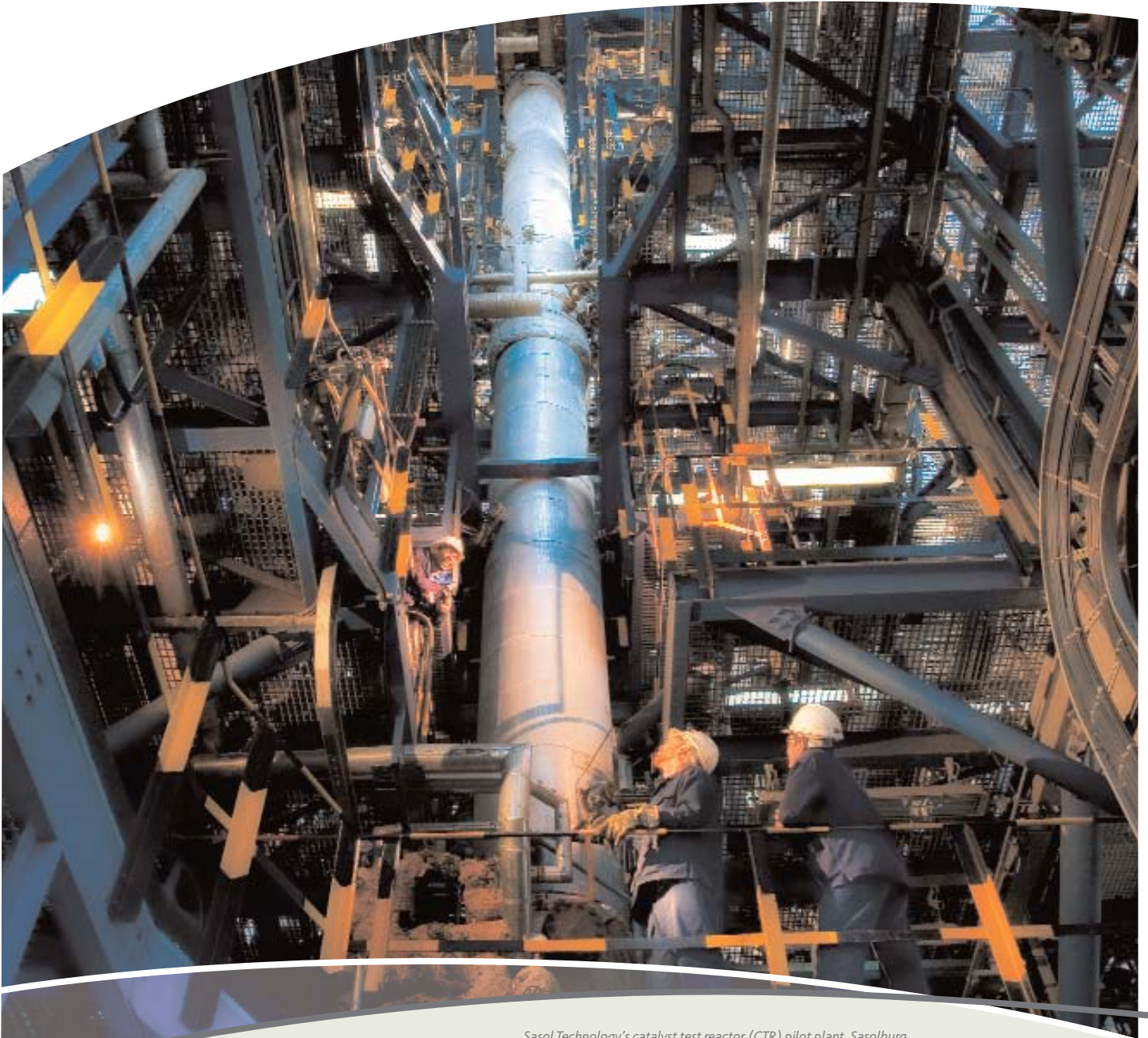
Sasol Financing

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



Oryx GTL in Qatar.

sasol technology

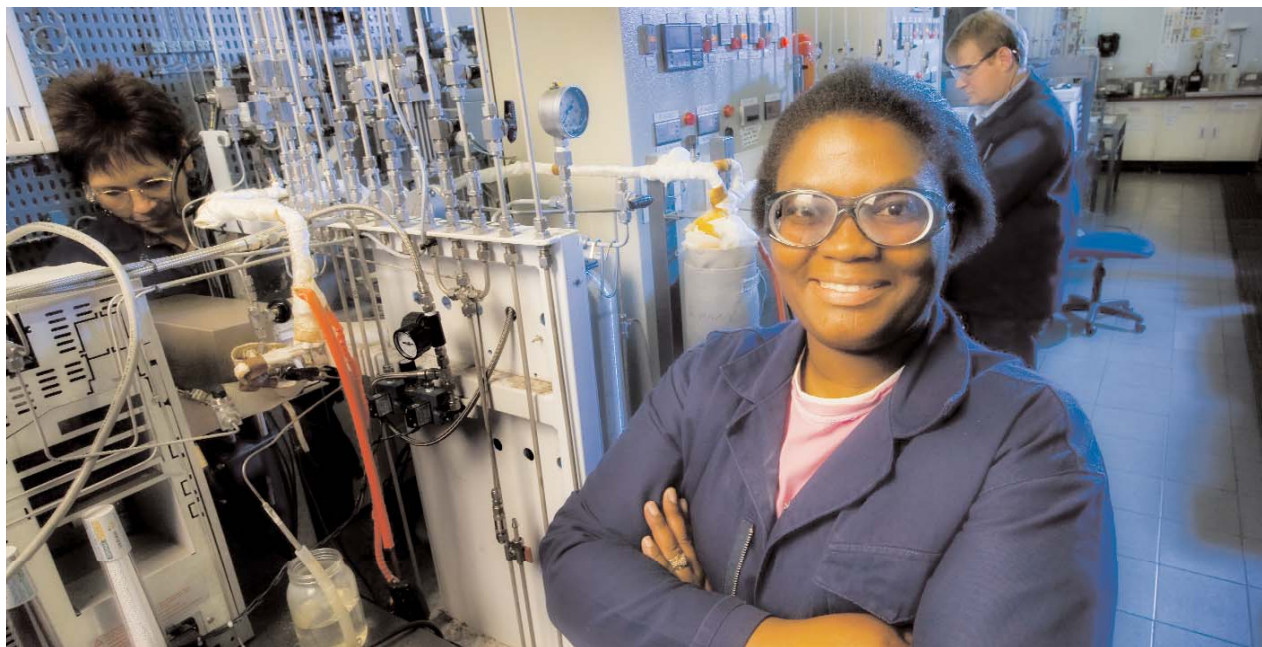


Sasol Technology's catalyst test reactor (CTR) pilot plant, Sasolburg.

- Initiatives taken to strengthen global human resources pool
- 43 projects worth R8,4 billion reach ready-for-operation stage
- Improvement in safety performance
- Accreditation received for Sasol Synfuels' synthetic jet fuel produced at Secunda

Other businesses continued

sasol technology



Dr Nobuntu Mngangeni, research and development scientist, Sasol Technology, Sasolburg.

Delivering value to Sasol from idea to commercial reality

Technology is at the core of Sasol, fundamental to the group's sustainability and competitiveness. As such, Sasol Technology plays a vital role as it directs, acquires, commercialises, installs and optimises technology for the group. In the year, we successfully repositioned our business to sustain this role and have also embarked on a journey to reach our new vision: "To be recognised for consistent excellence in innovation and delivery of cleaner technologies, enabling Sasol's growth and sustainability".

In the spirit of continuous improvement and still firmly focused on innovation, Sasol Technology progressed its already deep understanding of the best use of high- and low-temperature Fischer-Tropsch technology in coal-to-liquids (CTL), gas-to-liquids (GTL) and chemicals applications. By so doing we are creating new platforms on which to build businesses and, in particular, to position ourselves for the next generation of GTL projects. We also worked to establish a new baseline for CTL, with environmental considerations central to our research. These projects, together with syngas platforms, will be the springboard for some of our future growth in chemicals.

Harnessing the full talents of our people

Recognising that people are our main source of competitive advantage, Sasol Technology implemented a number of initiatives to deepen our global human resources pool. We also introduced what we call a dual-career path, which ensures that our technical specialists can pursue a meaningful career path within their field of competency, without necessarily having to take on management roles.

Sasol Technology continued to develop valuable strategic technology partnerships, which provide an important extension of our own capacity. Cooperating with South African universities is central to this objective.

We improved our safety performance, with our RCR down to 0,56 from 0,86 a year ago. We will continue to focus on improving the safety of both our own employees and our service providers, who are a critical part of our teams.

Reducing our environmental footprint

The challenge of minimising the environmental footprint of group operations continues. Our main focus is on the efficiency of processes as the best carbon dioxide molecule to manage is

the one which is not produced. We are also working hard to ensure that, from a process perspective, new projects are carbon-capture ready and that any carbon dioxide produced by our core processes is available for sequestration.

We are also investigating non-carbon-based sources of energy, including renewable energy. Some of our ideas involve evaluating the potential synergies of co-feeding biomass into our gasifiers, exploring algae as a carbon sink and investigating the more efficient use of water in our processes.

Commercialising technology

In 2008, Sasol Technology took 43 projects valued at R8,4 billion to the ready-for-operation stage. Many of these were first-of-a-kind technologies and Sasol Technology showed its commitment to making the technology work even under difficult circumstances. We finalised work on expanding the South African polymers facilities related to Project Turbo, which included contingency plans to achieve project finalisation while continuing to meet final product specifications. Significant progress was also made in resolving the technical challenges associated with demonstrating the selective catalytic cracker (SCC) at capacity. The remaining challenge is to ensure its long-term robustness through the installation of new hardware next year.

A major highlight in the year was the commissioning of the third 1-octene plant at Secunda for Sasol Solvents. This process involves a number of novel technology steps in converting 1-heptene to 1-octene. Although the project took longer to implement than initially thought, we were able to develop sound contingency plans which meant that when it was started up, it quickly moved into beneficial operation, producing a product that exceeds market expectations for quality.

A year ago, we reported on difficulties optimising newly installed technology at Oryx, our joint-venture GTL plant in Qatar. We are pleased to report notable achievements since then, with the plant now operating at increasing rates. We continue to test the long-term robustness of modifications made earlier in the year and are transferring all lessons learned at Oryx to the joint-venture GTL plant being built at Escravos in Nigeria.

On the CTL front, a milestone was reached with the agreement to continue with a full feasibility study for the 80 000 barrels a day plant in China. Sasol Technology is progressing with the technical feasibility of this plant in close collaboration with Sasol Synfuels International and the Chinese partners.

Another feature of the year was the accreditation, by global aviation fuel specification authorities, of fully synthetic jet fuel produced at our Secunda plant. This makes Sasol the first company worldwide to receive international approval for the use of CTL fuel in commercial aviation and marks a significant development in the adoption of clean-burning alternative fuels for the aviation industry.

Sasol Technology implemented a number of initiatives to strengthen its global human resources pool

Project management remains one of Sasol Technology's key responsibilities, and one which is facing the worldwide challenges of increasing costs, longer schedules and a shortage of engineering and artisan skills. We are addressing these issues by entering into long-term agreements with reputable engineering contractors as well as major equipment manufacturers in selected areas. We are also bolstering our internal capacity in engineering and project management resources through a focused effort to attract, develop and retain appropriately skilled staff.

Other businesses continued

sasol financing



As a specialist partner to Sasol business units, Sasol Financing provides customised funding solutions and financial risk mitigation advice.

- Implemented funding for Sasol Inzalo
- Facilitated Sasol Synfuels' strategic oil price hedge
- Advised on funding of Sasol Mining BEE transactions
- Facilitated funding for Mozambique-South Africa gas pipeline expansion

Spearheading transformation

The launch of Sasol Limited's broad-based black economic empowerment initiative, Sasol Inzalo, was two years in the making and this transaction has exceeded our expectations. Together with Rand Merchant Bank and Standard Bank, we established the appropriate funding structures and instruments to finance the participation of black investor groups and the black public.

While Sasol Inzalo was the focus of the year, we also devoted considerable energy to assisting the group's subsidiaries and joint ventures worldwide with their specialised funding requirements.

We also continue to manage the group's central treasury requirements and implement the group's share repurchase programme.

Raising competitive funding

In the next three years, Sasol plans to spend up to R70 billion on capital projects worldwide. Sasol Financing is responsible for ensuring that the group can timeously meet the funding of its expansion objectives in the most cost-effective way, while mitigating financial risks and assisting the group to continually assess the structure of the statement of financial position.

During the year, Sasol generated considerable amounts of cash, which resulted in significant reductions in central borrowings and the return of capital to shareholders through the share repurchase programme.

By the end of 2008, Sasol Investment Company (Pty) Limited had repurchased 37,1 million Sasol Limited ordinary shares at an average price of R295,73, equating to 5,86%, excluding the effects of the Sasol Inzalo share transaction, of the group's issued share capital. The share buy-back, along with the Sasol Inzalo transaction, moved Sasol's debt to equity ratio to 20% at year end from 22% a year earlier. We consider this prudent in an environment of volatile commodity prices, increasingly costly capital projects, generally higher interest rates and liquidity constraints in debt capital markets, reeling from massive international corporate failures.

Maintaining Sasol's credit profile

In a year of considerable financial market turmoil, sparked by the sub-prime credit crisis in the United States, Sasol was well positioned with sufficient liquidity and credit facilities in place. Consequently, we did not have to access the international debt capital markets for funding at the peak of market instability. We did, however, raise debt domestically for Sasol Inzalo and other requirements.

Although we do not currently require further funding, we continue to manage the group's credit profile to ensure that our credit rating is maintained. Moody's Investor Service and Standard & Poor's reaffirmed our long-term foreign currency ratings as investment grade, at Baa1 and BBB+, respectively. Both agencies are cognisant of the share repurchase activity and the Sasol Inzalo transaction.

Managing financial risk

As part of our work to manage group financial risks, Sasol Financing recently assisted Sasol Synfuels in implementing a strategic crude oil-price hedge for about 30% of its synfuels production for 2009. The crude oil hedge also covers nearly a third of Sasol Petroleum International's West African crude oil output.

Given the sharp rise in the oil price in the past year, we have chosen a wider floor-ceiling range on the zero-cost collar structure for the year ahead. The hedge provides downside protection to Sasol on its synfuels production should monthly average dated Brent crude oil prices fall below US\$90 per barrel on the hedged portion of production. Conversely, Sasol will incur opportunity losses on the hedged portion of production should monthly average oil prices exceed a volume weighted average of US\$228 a barrel.

The wider collar will limit the opportunity cost if crude oil prices continue their upward trend. However, as the increase in oil prices in the second half of 2008 was of the same magnitude as the increase we experienced in the five years before that, this kind of volatility makes forecasting cash flows increasingly difficult.

Facilitating expansion

As a specialist partner to Sasol business units and joint ventures, Sasol Financing continues to provide customised funding solutions and financial risk mitigation advice during the year. In South Africa, we assisted our crude oil refining joint venture, Natref, with funding arrangements through Absa Bank to refinance its existing loan portfolio, as well as to increase its aggregate loan facility. We are supporting Sasol Mining with two BEE transactions – the Igoda Coal transaction is internally funded, while Nedbank is arranging finance for Ixia Coal to acquire a stake in Sasol Mining. Sasol Financing also provided funding to Rompco for Sasol's portion of the project to pipe more natural gas to South Africa from Mozambique.

sustainable development review

At Sasol, our commitment to sustainable development is fundamental to our vision and an integral part of our goal of being a globally respected, world-class company characterised by values-driven leadership.



Sasol committed R345 million to training and development of its employees in 2007/2008.

“Social and environmental sustainability are critical to securing the future of Africa’s energy industry. At Sasol, we take sustainability seriously and sustainable development remains integral to our strategy. While I am confident of Sasol’s response to the challenges there is still much to be done and we cannot afford to be complacent.” Pat Davies, Sasol chief executive

We believe that, beyond our desire to be a responsible company, a strong business case exists for sustainable development. The lens of sustainable development ensures that we consider long-term business performance, that we use our resources prudently, that we adhere to all relevant legislation, that we treat our employees and service providers fairly, and that we manage our risks more effectively. Operating in this manner ensures that we make savings in the long term, benefit from the opportunities that sustainable development offers and become more appealing as a company to supply and work for.

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 performance is provided in our separate sustainable development report, available online at www.sasol.com. The separate report includes a specific focus on some of our most material sustainability concerns, including most notably climate change, safety, skills development, black economic empowerment and water.

2008 performance highlights

- Strong financial performance, which continues to provide the foundation for our sustainability performance.
- Improvements in our overall safety performance, with a 20% reduction in the recordable case rate.
- Reduction of 23% in the transport indicator of performance (number of incidents per 100 000 tons of product).
- The finalisation of our broad-based black economic empowerment (BEE) deal, Sasol Inzalo.
- Continuing improvement in our relationship with government.
- The approval of our first clean development mechanism project, with the first carbon credits delivered in August 2008.
- Endorsing the UN Global Compact’s CEO Water Mandate.
- Establishing a new energy business unit and progress in implementing and developing further energy efficiency initiatives.
- Listed on the Dow Jones World Sustainability Index.

2008 performance disappointments

- Three work-related fatalities.
- A 33% increase in the number of reportable fires, explosions and releases.
- The submission of broad-based BEE certificates from suppliers is slower than anticipated.

Ongoing challenges and key focus areas

- Further entrenching a shift in behaviour and attitude towards safety.
- Managing our greenhouse gas emissions.
- Managing atmospheric emissions in South Africa in the absence of finalised regulatory standards.
- Attracting, developing and retaining talent to meet our growth objectives.
- Promoting meaningful BEE throughout our operations and within our sphere of influence (South African operations).
- Ensuring access to water and electricity to meet long-term growth plans.

material safety, health and environmental (SH&E) risks at Sasol

This table identifies Sasol's most significant group risks and briefly describes the measures in place to address these risks. Each risk has been identified through formal internal risk assessment procedures. This involves the top-down identification of enterprise-wide risks that might prevent the company from achieving its strategic objectives along with the identification of risks from an operations or business unit level. The following list constitutes a subset of the group-wide risks that are described in the Form 20-F and related reporting requirements of the US Securities and Exchange Commission (SEC). We review the top risks from time to time to ensure they are aligned with changes in context and strategic direction, and improvements in business processes.

Risk	Summary of measures taken to address the risk
Major fire, explosion or release of hazardous gas or vapour.	All Sasol sites have identified and quantified their major risks and mitigation measures and contingency plans have been drawn up and, where required, agreed with relevant authorities. Site risks, as well as mitigation and contingency plans, are reviewed as part of SH&E corporate governance audits. We are implementing programmes to reduce the frequency and severity of these events by focusing on process safety management.
Major shipping or transport incident (fire, explosion, emission, spillage or pipeline rupture).	We developed and are in the process of rolling out a new strategy to improve our logistics management and reduce these incidents. The strategy was developed with some of our larger logistics service providers and comprises preventative controls – to improve safety performance during the transport, handling and storage of Sasol products, and corrective controls – to ensure readiness in case of an emergency.
Climate change poses a significant challenge to our business.	Our management interventions include setting short- and long-term targets for reducing greenhouse gas (GHG) emissions. To achieve these targets we are advancing our projects to improve 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 (including government) partnerships; and investigating carbon capture and storage opportunities for future coal-to-liquids plants.
Changes in environmental laws (especially air, water and waste), resulting in higher costs of compliance.	South African operations are being affected by the Atmospheric Pollution Prevention Act; ambient air quality standards and minimum activities are yet to be promulgated in terms of this Act. Changes are currently underway in the South African National Environmental Management Act and National Mineral and Petroleum Resources Development Act. Sasol is working closely with the government to understand, discuss and prepare for these changes, and we maintain working relationships with government departments in all the major regions in which we operate.



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b



c

Risk	Summary of measures taken to address the risk
The potential health impact of long-term exposure to harmful chemicals.	Emissions inventories are undertaken and tightly monitored in all our operations, with the aim to demonstrate improvement. All 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 clean production approach. Additional classification tools and checklists are being developed.
Implementation of tighter product regulations, such as chemicals legislation in Europe.	We will complete the first Registration, Evaluation and Authorisation of Chemicals (REACH) milestone – namely the pre-registration of the Sasol-produced or imported substances in compliance with EU legislation – by the end of November 2008. Regulations have been proposed in South Africa for the adoption of the Globally Harmonised System for the classification and labelling of chemical substances. We are working towards implementing these regulations in our operations.
Availability of skills and competence to design, construct, operate and maintain plants.	We have mapped out talent pipelines to identify priority areas for intervention to maximise skills attraction and retention. This will include a re-evaluation of our corporate development programmes, career development plans, bursary schemes, accelerated leadership programme and rotation schemes, to be completed in 2009. We also participate in government initiatives and engage other employers regarding skills development.
Natural disasters and epidemics or pandemics (eg SARS and avian influenza).	Business units review the probability and potential to disrupt business and have put plans in place to manage these threats.
Environmental liabilities due to past contamination (eg mine water, air emissions and contaminated groundwater).	Sasol Technology has developed a group-wide approach to identifying and quantifying environmental liabilities in South Africa. The EU and USA sites' environmental liabilities were well characterised during the due diligence process, with relatively low residual risk. Ongoing work is being taken to remediate contaminated land throughout our South African operations. Our goal is to prevent future contamination and address historical issues.

a Personal protective equipment.
 b Rehabilitation of tar pit.
 c Skills training at Skiltech, Sasolburg.

managing our economic, social and environmental performance

Our sustainability management framework

We strive to continuously improve our management framework to provide businesses with the policies, governance structures, targets and reporting systems needed to manage the risks and opportunities associated with sustainable development.

This management framework covers all the exploration, construction, production and marketing businesses that we own or over which we have operational control. We also ensure that appropriate measures are in place to manage the sustainability risks associated with the operations of our joint-venture partnerships over which we have some influence and where we may be open to reputational risks.

Our commitment to sustainable development is coordinated at corporate level and implemented at business level, with ultimate responsibility residing with our board of directors. Since taking office in July 2005, our chief executive Pat Davies has acted as the group's chief safety, health and environment (SH&E) officer, providing direction in promoting a culture of values-based leadership and driving our safety improvement efforts. He is assisted on the group executive committee (GEC) by Bram de Klerk – who has dedicated responsibility for SH&E and sustainable development issues, skills development and operational excellence – and by specialised board committees. One of these is the group risk and SH&E committee

(see corporate governance report on page 19 of the annual financial statements).

Our GEC receives strategic and operations-specific inputs from all businesses, as well as from specialised committees. One of these is the group executive SH&E committee, which reviews performance, and considers and approves recommendations on sustainable development and SH&E guidelines and policy.

The Sasol SH&E centre, based at our Johannesburg head office, oversees group sustainability and SH&E management. 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.

Promoting our SH&E strategy

In terms of our SH&E strategy, our vision is to be a world-class company that is respected globally for our performance, processes, products and culture. To achieve this vision, we have set the goals to be achieved by 2015 for each of our seven strategic focus areas. Each of these goals is supported by short-term goals. We have set ambitious group-wide SH&E performance targets aimed at achieving these strategic goals. Examples of our performance against each of these targets are to be found from pages 86 to 97.

Strategic focus areas	Our longer term goals
Safety and health	A recordable case rate (RCR) of less than 0,3 by 2013.
Process safety management (PSM)	PSM systems in place and practiced where applicable.
Climate change and greenhouse gases	Our existing greenhouse gas (GHG) target to reduce GHG emissions by 10% per ton of product by July 2015, is under review. Two GHG targets are to be finalised, one for the reduction of South African emissions by 2020, and a second for the reduction of emissions for future CTL plants to be built by 2020. The ambition remains to reduce absolute emissions below current levels by 2050.
Water management	To comply with the UN Global Compact CEO Water Mandate.
Proactive legal compliance	Full compliance with all applicable national and international legislation or Sasol SH&E minimum requirements, whichever are the more stringent.
Governance and assurance	Alignment of SH&E and sustainable development audits and management systems.
Stakeholder relations	To ensure communities value Sasol's presence, and investors are satisfied with Sasol's SH&E and sustainability performance.

Managing our global impacts

Sasol is investing in a number of countries, where we are involved – or are about to become involved – in exploration, extraction, processing and transportation activities relating to natural gas, petroleum and chemicals. Our operations in these jurisdictions 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 with our SH&E minimum requirements, based on World Bank International Finance Corporation standards. All business units have submitted plans to their boards on how they propose to meet these minimum requirements. In the last year, we developed an investment guideline document to assist our negotiation teams to ensure that joint ventures are in alignment with our values, standards and strategic aims.

Independently monitoring our performance

To ensure our performance is aligned with group policies and objectives, we undertake regular SH&E governance audits throughout our operations. The critical risks and liabilities identified during these audits are communicated at a senior level and reported to the risk and SH&E committee.

These internal audits are supplemented by the annual external verification audits associated with our sustainable development report, as well as by external audits undertaken as part of ISO 14001 and OHSAS 18001 (or equivalent) certification, or in fulfilment of regulatory requirements.

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 stand-alone environmental report. Sasol's 2008 sustainable development report has 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.

35% of our CSI spend is focused on community education



Carol Mtsweni is an ABET facilitator at Lesedi.

managing our economic, social and environmental performance continued

In developing our 2008 sustainable development report we:

- jointly hosted a dialogue on business and water sustainability in South Africa to which external stakeholders in industry, government and research were invited;
- held a high-level dialogue between representatives from Sasol and external thought leaders to discuss the sustainable development considerations of Sasol preparing for further coal-to-liquids and gas-to-liquids projects;
- conducted a series of interviews with selected external stakeholders on black economic empowerment in Sasol; and
- engaged our employees through an externally managed sustainability survey, a survey on awareness regarding global warming and climate change and a series of sustainability-related focus groups.

An analysis of the outcomes of these dialogues and interviews, as well as a comprehensive account of our economic, social and environmental performance, is included in our separate sustainable development report. These dialogues, together with our 2008 SH&E conference – to which we invited external thought leaders in climate change, safety and scenario planning – constituted our primary mechanism of engaging stakeholders for the sustainable development report.

In addition to the public participation initiatives implemented as part of new projects and our annual sustainability reporting process, we undertake ongoing community outreach initiatives at most of our operations. These initiatives include holding public meetings, hosting explanatory tours of our operations and implementing structured systems for responding effectively to community complaints.

Upholding our code of ethics

Our code of ethics has four fundamental ethics principles – responsibility, honesty, fairness and respect – and 15 ethics standards. These standards cover issues such as bribery and corruption, fraud, insider trading, human rights and discrimination. We have an ethics forum to monitor and report on ethics best practice and compliance requirements, and to recommend amendments to the code and guide. We also have trained ethics officers whose role is to institutionalise ethics within the business units.

We operate independent and well-supported ethics reporting telephone lines in six countries. These provide stakeholders with

a facility to safely report unethical behaviour. Our forensics team investigates all reported economic crimes, and conducts audits and follow-ups on these concerns.

A communication programme is underway to raise awareness of our ethics policies and to provide further support in reporting and acting on unethical conduct.

Respecting human rights

In addition to complying with the legal regimes of all the countries in which we operate, we are committed to the human rights principles of the UN Global Compact. As we extend our operations into countries considered to have human rights concerns, we recognise the importance of ensuring our activities comply with internationally accepted standards of behaviour, and not local legislation alone.

Sasol also recommitted itself to the values embodied in the Universal Declaration of Human Rights as part of the declaration's 60th anniversary in 2008. Sasol believes that these values bind us into a common humanity free from barriers of colour, gender, language, religion and creed. Given our experience with racism and other forms of exclusion within South Africa in the recent and more distant past, we are acutely aware of the need for such common values. We need to ensure that, wherever we are in the world, we uphold these universal values, embodied within our own Sasol values, by treating all our stakeholders with respect and dignity.

Human rights issues are being further integrated into compliance and ethics approaches across the company. We have assigned human rights champions who will provide a more focused approach to human rights issues and training. Our implementation of the UN Global Compact has this year been selected as one of our senior executive development programme projects. This will involve further examination of the UN Global Compact principles to assess where Sasol's approach requires refinement and to make adjustments accordingly.

Promoting product stewardship

Recognising the risk management, responsible care 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 continue to play a leading role in relevant working groups of the European Chemical Industries' Council and the American Chemistry Council.

Sustaining strong social investments

Through Sasol's corporate social investment (CSI) programme we have committed more than R600 million to social upliftment and human development over the last decade. These investments have been channelled into five main areas: education (35%); health and welfare (25%); job creation (25%); arts, culture and sport development (5%); and the natural environment (5%), with 5% made available for small, once-off grants.

We have invested more than R90 million in socioeconomic development projects during the year (2007: R70 million), mostly in South African communities and along the Mozambique-to-Secunda pipeline. This investment excludes the R54 million committed to bursaries.

Some of our CSI partners include the READ Trust; The Grahamstown Foundation; the Nelson Mandela Metropolitan University; the SA Red Cross Society and the Osizweni Development Trust.

While most of our social investments are undertaken in Southern Africa, important community-based initiatives are undertaken by our US and European operations. During the

year, these operations and their employees contributed R1,5 million to local community projects. Employees in the USA donated thousands of volunteer hours to help with community projects.

In South Africa, we also provide low-cost housing assistance to the value of R265 million, including an amount of R29 million towards mining hostel accommodation.

Sasol's sponsorship strategy is founded on four pillars: arts and culture, sport, science and technology and the environment. In addition to being a sponsor, Sasol also supports the arts, as well as science and technology. We pursue sponsorships that enhance our brand, inspire creativity and innovation and create unique opportunities to build relationships with our many stakeholders.

A substantial portion of our sponsorship budget is allocated to sport, with a strong focus on team sports, particularly football and rugby, including the World Cup winning Springbok team. Sasol also sponsors motor sport, the national wheelchair basketball team, as well as the SA Paralympics team which enjoyed great success at the Beijing 2008 Paralympics. Sasol also commits funding towards business networking initiatives such as the Black Business Executive Council and the Black Management Forum.

a We operate an independent and well-supported ethics line in six countries.

b We support schools in the communities close to our operations.

c Sasol sponsors the Springbok team that won the Rugby World Cup in France 2007.

our sustainable development performance

Sasol's SH&E performance targets

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 our global operations to meeting the following SH&E performance improvement targets:

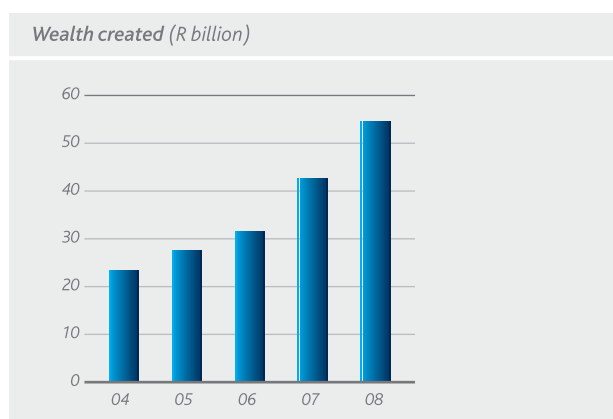
- To achieve a 10% per annum reduction in the recordable case rate (RCR) to reach less than 0,3 by June 2013. This statistic includes injuries and illnesses for employees, hired labour and service providers.
- To achieve not more than three reportable fires, explosions and releases per quarter by July 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. We are currently reviewing the definition of this indicator.
- To achieve a 50% reduction in significant logistics incidents per ton of product transported, on the 2004 baseline, by July 2009.
- Our existing greenhouse gas (GHG) target to reduce GHG emissions by 10% per ton of product, by July 2015, is under review. Revised and additional targets are being finalised.
- Our group-wide target of achieving a significant reduction in the emissions of specific volatile organic compounds (VOCs) is under review.
- To achieve at least a 90% practice in place overall average for Responsible Care, and 90% specifically for product stewardship, by July 2011, confirmed by external verification.
- To improve the energy efficiency of our South African utilities by 15% per unit of product by 2015.

Contributing to wealth creation in Southern Africa

We increased group wealth creation by 28% from R42,6 billion to R54,5 billion, distributed to stakeholders as per the graph below.

Sasol contributes, directly and indirectly, about 4,7%*, to South Africa's annual gross domestic product (GDP) and we supply about 34% of the country's liquid fuels needs. This – along with our production of chemicals – 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

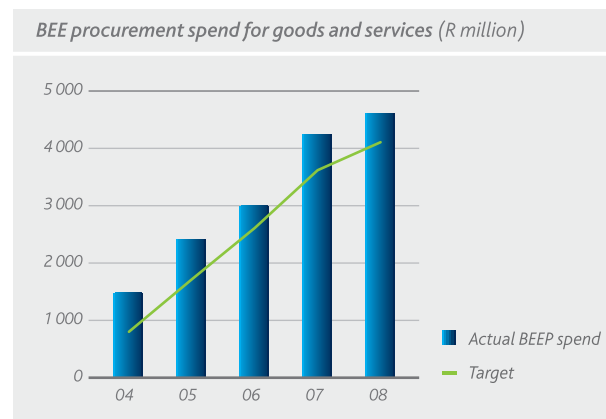
* Calculated according to 2005 figures.



research and development in the country, providing the bedrock for further growth and development in the region. We recently launched the biggest broad-based black economic empowerment deal to date in the country.

Promoting black economic empowerment in our South African operations

As a major role player in the South African economy, Sasol welcomes the role that it can play in helping to meet South Africa's socioeconomic objectives through empowering historically disadvantaged South Africans. With the gazetting of the broad-based black economic empowerment (BEE) Codes of





a



b



c

Good Practice (Codes) and the publication of the Interpretive Guidelines to the Codes by the South African Department of Trade and Industry (dti), we now intend to measure Sasol against this scorecard. We are in the process of preparing for our own scorecard assessment with a view to having this scorecard formally verified. This process will move us away from our own definitions and we will be applying the dti definitions and interpretative guidelines across the seven pillars of BEE.

In September 2007, Sasol announced South Africa's single largest BEE equity transaction, Sasol Inzalo. This transaction is at the heart of the ownership and socioeconomic development elements of our own scorecard. During October 2007, we also announced Phase 2 of our Sasol Mining BEE equity ownership programme, Ixia Coal. This will help us to fully meet the equity requirements contained in the Mining Charter and will add to our overall equity ownership progress.

Our South African operations have continued to increase their procurement from BEE suppliers (as defined in terms of criteria relating to management and ownership) with BEE spend increasing from R4,2 billion to R4,5 billion in 2008. Current BEE spend represents 25% of Sasol's controllable spend and 12% of all suppliers. Most of our BEE spend was with companies whose BEE shareholding exceeded 56%. An important focus this year has been on business units converting to the requirements of the new Codes (including gathering certificates from suppliers), and in identifying further areas for BEE spend.

The Siyakha Trust was initiated in May 2004 to serve as a vehicle to assist BEE suppliers, contractors and entrepreneurs with the creation, development and funding (mainly in the form of loans) and accelerated growth of their enterprises. These businesses supply goods and services to both Sasol and the local economy. In the last year, Siyakha provided R3 million in financial assistance and the programme currently supports seven businesses with a combined turnover of R70 million per year and a combined workforce of over 300 people.

We continue to work on all other elements of our scorecard, namely management control, employment equity, skills development, preferential procurement, enterprise development and corporate social investment. We have established baselines and targets, and we are monitoring our progress towards our aim of becoming a Level 4 contributor or 100% procurement recognition by 2012.

Sasol has compiled its information across all seven pillars of BEE and has provided evidence, as of 30 June 2008, to the Empowerdex verification agency. The generic scorecard verification places Sasol as a Level 6 contributor, as a group of companies, which equates to 60% procurement recognition for our customers. In addition, Sasol is a value adding enterprise which increases our procurement recognition by a further 1,25 times.

a The Phuthang Remade Recycling project in Sasolburg, supported by Sasol.

b Members of the Sasol Community Working Group, one of the company's community outreach initiatives.

c The Sasol Inzalo equity transaction was widely publicised.

our sustainable development performance continued

Investing in 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

Our human resources function is headed by Nolitha Fakude, executive director, and consists of: learning and development, sourcing and planning, transformation, remuneration and benefits, and employee relations. The group function is responsible for shaping and safeguarding all human resources strategies and policies groupwide, which are implemented by the human resources managers in each of the business units.

In the last year, we developed an integrated model to manage human resources and mapped out our talent pipeline to assist us to identify priority areas for intervention to maximise skills attraction and retention for all levels and functions within the group. This process will include a re-evaluation of our corporate development programmes and planned interventions will include career development plans, bursary schemes, our accelerated leadership programme and rotation schemes. We expect this process to be completed by the first half of 2009.

At year end, Sasol had a total of 33 928 employees in our global operations. This comprises 26 355 permanent employees and 2 855 non-permanent employees in our South African operations, and 4 609 permanent and 109 non-permanent employees in our international operations. In our joint ventures, we have 82 Sasol secondees, 144 local Sasol employees and three non-permanent employees. Net employment creation for the year was 2 316 (excluding joint ventures).

In Sasol, 28% of employees fall within the categories of graduates and diplomats; and 9% in the categories of artisans, technicians and technologists.



There are currently 899 artisans in training at Sasol to ensure technical capabilities for its operations.

Turnover (Permanent employees)

Nature of action	Total
Resignation	1 557
Dismissal	154
Retirement	350
Death	214
Retrenchment (medical)	43
Retrenchment (normal)	78
Sale of business unit	0

Our employee turnover rate for the year in our South African operations was 8,0%, comprising 5,6% voluntary turnover and 2,5% involuntary turnover. The employee turnover rate in our international operations was 7,0%, comprising 4,4% voluntary turnover and 2,6% involuntary turnover.

Investing in skills development

The level of skill required by business has changed significantly over time. Whereas 80% of jobs in 1950 required unskilled labour, today 85% of jobs require skilled labour. An ageing workforce,

the gap between the advancement of technology and human capability, increasing operational complexity, escalating costs and the global construction boom, continue to place huge pressure on the availability of skilled labour.

As one of the largest employers in South Africa and as an emerging global player, Sasol has various initiatives to counter these concerns and to address skills development gaps within Sasol as well as South Africa.

Sasol contributes significantly to the employment and development of the skills identified by the Joint Initiative for Priority Skills Acquisition forum (JIPSA) as important development areas for South Africa.

Sasol is committed to the development of its employees, spending R345 million in 2007/2008 on training and development (4,2% of total payroll cost), which includes the compulsory 1% skills levy of R70 million. This can be equated to an average of 2,5 days' formal classroom training per employee per year.

To ensure sustainable operations and sufficient experience in the critical phases of future projects, we created 600 additional positions in a separate unit called Group Venture Support. The positions were filled by experienced internal and external candidates, who are being trained to enhance their specialised skills. The unit is currently being tasked with shut downs, commissioning and start ups of mostly international projects. This skills pool will be increased to around 1 000 in the near future.

Addressing future talent needs

To secure the talent needed in the longer term to sustain and grow Sasol's operations, we will continue to invest in attracting young talent through our bursary and learnership schemes.

Sasol's bursary scheme focuses primarily on science and technology and is one of the largest in South Africa. Currently, Sasol has 720 bursars in various stages of study. The number of bursaries awarded in the last three years has increased by 60% from 195 to 330, affirming Sasol's commitment to developing young talent.

There are currently 899 artisans in training at Sasol to ensure technical capabilities for Sasol's own operations. In addition, there are 204 process operators and 23 miners being trained.

The number of black women in learnerships has increased from nil in 2004 to 248 in 2008. Our total spend on developing these artisans, process controllers and miners increased from R20 million in 2004 to R127 million in 2008.

Sasol has created a project team (Project TalentGro) to develop, design and implement a new training and development model to address learning and development challenges holistically. The Global Learning Network model will focus on the standardisation and acceleration of skills development at Sasol.

To further enhance the transfer of skills and experience, Sasol will use experienced retired employees to coach and mentor younger employees. As a first step, a database of retired employees that indicates their field of expertise and availability was developed. The next phase, which will commence during the latter part of 2008, will involve providing coaching skills to the retired employees.

A comprehensive internal skills development approach

Sasol's people development philosophy encompasses three development approaches, namely relationship training (eg mentorship, coaching, peer training and networking); experiential development (eg short-term assignments, job rotation, projects) and classroom training (classroom-based learning opportunities).

As part of Sasol investment in people, 15 890 employees received formal classroom training at a cost of R70 million, 4 359 bursaries were awarded to employees at a cost of R24 million, and 446 learnerships were allocated to permanent employees to obtain a formal qualification at a cost of R49 million.

To facilitate skills training, we have established formal structures. These include, amongst others, Skiltech, the learning and development centre, Natref's learning centre, and the bursary office. These structures (excluding facility costs) have cost R53 million in the past year.

Two notable programmes enhance the development of specialised skills in Sasol. The first is the Graduates Development Programme. (GDP) which was established to provide young graduates with comprehensive practical exposure in the fields of their initial studies. Sasol had 134 graduates in the GDP during the period under review at a cost of R4,34 million for the year.

our sustainable development performance continued

Investing in our human resources continued

The second is a specialised financial training programme called the TOPP programme (Sasol "Training Outside Public Practice" programme). The main objectives of the programme are to: encourage entry into accountancy and upward mobility within the field; to increase the supply of scarce skills by creating more professional training opportunities for potential chartered accountants in commerce and industry; and to promote education, training and retention of key accounting professionals. There were 25 Sasol employees on the TOPP programme at a cost of R9 million for the year. Eleven of the candidates passed their exams during the period under review while eight will complete their training in the coming year. Since its inception in 1998, Sasol's TOPP programme has remained one of the biggest programmes in the country, with a total of 97 trainees to date and producing 34 Chartered Accountants.

Sasol adopted a talent pipeline as part of our integrated human resources framework during 2004. Leadership development was aligned with the pipeline principle to ensure our leaders are suitably competent in their roles. Strategic alliances were formed with selected universities (notably GIBS, University of the Orange Free State and the University of Stellenbosch) to deliver these leadership programmes. All leadership development was centralised and the Sasol Learning and Development Centre tasked with coordinating and facilitating all leadership development in Sasol. In total, 9 785 leaders have attended different forms of leadership development at an associated cost of R61 million.

Contribution to skills development as a corporate citizen

It is imperative that Sasol develops skills not only for its own purposes but also to enhance the depth of skills in the countries in which it operates.

In January 2007, Sasol and three other South African petrochemical companies launched phase two of the Oil, Gas and Chemical Manufacturing Project to add 500 artisans to the labour market each year for the next three years. Currently, there are 385 learners in the system at Engen, Sapref and PetroSA and a further 1 015 within the Sasol system. The overall number

of learners in the project is set to peak at 1 700 by the last quarter of 2008. R200 million has been allocated to the project up to 2010, of which Sasol has made R140 million available.

Sasol also plays a major role in coordinating the Technical Skills Business Partnership (TSBP) with five other companies (ArcelorMittal, Transnet, Eskom, Gold Fields, and Anglo Platinum), which is facilitated by the National Business Initiative. The TSBP aims to train 5 400 people for the national pool, over and above their own needs. The focus will be on scarce skills, mostly artisans, operators and miners. As part of this initiative, Sasol will train 900 people over the next four years at a cost of R116 million. The first group of learners started their training in August 2008.

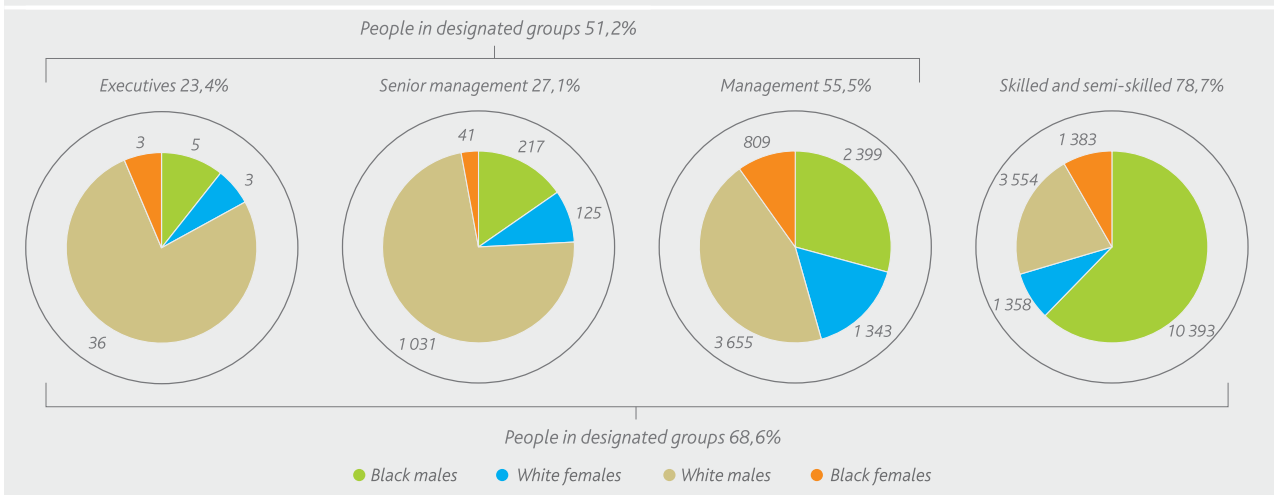
In view of the global scarcity of project managers, we decided to offer the Sasol Applied Fundamentals of Project Management course (AFPM) to other companies. The AFPM course has been identified as the flagship course for engineers, project and task team members in the industry.

We provide extensive support to universities, FET colleges, SETAs and schools. The financial cost and employee days contributed over the past year is R80 million with R25 million being spent on upgrading ten universities, R20 million on school-based interventions as well as two large science expos (Scifest and Techno X), R5 million on school projects and R30 million on grants to universities for research. There are five full-time employees that support this initiative.

Sasol became a sponsor of Thuthuka Bursary Fund during 2007 and a total of R1 million was allocated to the fund in various forms. The Fund is a key element in the SAICA transformation strategy. It is aimed at increasing the entry numbers and improving the pass rates of black learners at tertiary level by not only providing financial support but addressing the needs of students holistically.

The Thuthuka Bursary Fund aims to place African and Coloured students at selected accredited universities on special undergraduate BCom Accounting programmes, which include the development of life skills and workplace readiness.

Employment equity statistics as at 30 June 2008



Promoting employee diversity

In 2008, we developed a transformation policy for our group operations in South Africa, which covers employment equity, diversity management, affirmative action and BEE. This policy includes long-term targets for transformation at all levels and assigns responsibility to senior management for the implementation of the South African Employment Equity Act. The policy further outlines the communication, awareness raising, training and stakeholder engagement programmes required for its implementation. In line with our transformation agenda and the requirements of South Africa’s Employment Equity Act, we continued to increase the proportion of our South African employees from historically disadvantaged groups.

An additional 32 candidates from the employment equity talent pool joined the Accelerated Leadership Development Programme (ALDP). To date, 104 managers have been trained as potential for senior management positions. Seventy-one candidates have been registered for our first group-wide Accelerated Management Development Programme, which focuses on middle management. The Women in Leadership Programme aimed at junior to middle management positions progressed well this year, with 73 women participants.

During the last year, we developed a group diversity vision and management strategy framework, rolled out diversity management workshops, developed a policy to help us focus

on disability management and began the development of a policy focusing on gender.

Meeting the HIV/Aids challenge

Our integrated Sasol HIV/Aids Response Programme (SHARP), launched in September 2004, focuses on reducing the rate of HIV infection throughout our South African operations and extending the quality of life of infected employees by providing managed healthcare. Businesses, trade unions, community representatives and independent experts all contributed to the design of SHARP.

The majority of Sasol employees are members of medical aid schemes through which they access healthcare and, in particular, anti-retroviral therapy. Sasol provides support to local clinics and community care organisations to improve access to education, counselling, testing and treatment for community members.

We are continuing our efforts to extend the provision of our HIV/Aids services to include on-site service providers, as well as Sasol franchisees. For those service providers that only provide limited benefits to their employees, we offer training and awareness programmes, as well as VCT services. In addition, we have created a franchisee policy statement and conducted an exhaustive training and awareness programme at Sasol and Excel service stations. Ongoing HIV/Aids education is provided for about 5 000 service station employees,

our sustainable development performance continued

Our recordable case rate (RCR) for employees and service providers, including occupational illnesses, has improved from 0,72 in 2007, to 0,50 in 2008



Safety check on product tanker at Sasol Solvents, Moers, Germany.

and each service station has been provided with information on their nearest available public health resources.

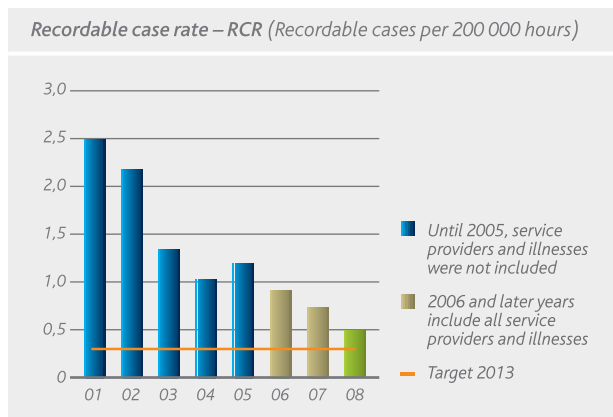
We provide an employee assistance programme which provides counselling and support for households. The SHARP programme is currently being adapted to look at employee wellness as a whole.

Improving our safety performance

Safety remains a foremost priority at Sasol.

The focus during the 2008 financial year has been the extension of behaviour-based safety and development of the Process Safety Management system in our South African operations. The impact of this approach is demonstrated by the continuing improvement in our safety record. Our combined RCR for employees and service providers, including occupational illnesses, has improved from 0,72 in 2007, to 0,50 in 2008. Although this equates to a 20% annual improvement since 2001, we are sad to report that there were three fatalities in workplace incidents, compared with four in each of 2007 and 2006.

Progress to date and future targets have been reviewed by way of a safety roadmap that will guide us towards meeting our longer term RCR target, which has been advanced. The RCR of 0,3 which was to be achieved by June 2015, is now the target for June 2013. This will require a 10% per annum reduction from the 0,50 achieved in June 2008.



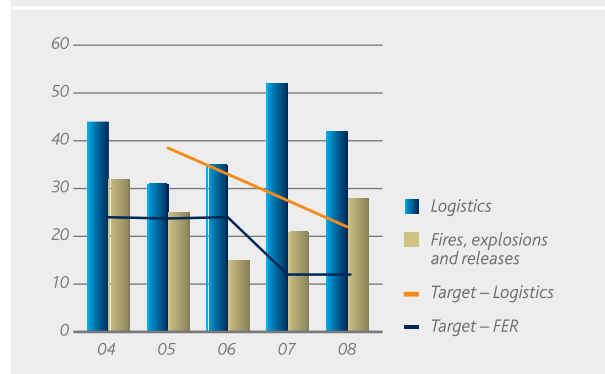
The RCR is the number of fatalities, lost workdays and medical treatments, injuries and illnesses beyond first-aid cases for every 200 000 hours worked.

Through our focus on world-class systems, we are working to reduce our exposure to risk through Process Safety Management (PSM) and Behaviour Based Safety (BBS). We have developed our internal PSM skills and set up a standardised permit to work system for the whole of Sasol, and are developing a common approach to root cause analysis. We have embarked on a phased programme of BBS that focuses on capacitating employees of all levels to undertake hazard identification and response action, and which emphasises the role of all in safety. This programme has been developed in cooperation with unions. We have developed and commenced the roll out of an extensive safety communications campaign. An element of this was the encouragement of safety timeouts where, in cases of increasing numbers of incidents, production was stopped and employees worked together to find the causes and develop solutions to improve safety performance.

Targeting fewer incidents

We reported 28 significant fires, explosions and releases, compared with 21 in 2007, and 15 in 2006. (For the purposes of reporting, a fire, explosion or release is registered "significant" when it involves a fatality or lost workday case; results in damage to property or equipment of more than US\$25 000; or causes a release of chemicals in excess of

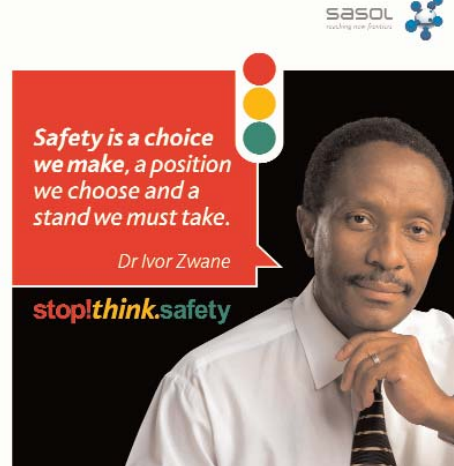
Process and logistics incidents (number)



a defined threshold for relevant listed substances. This increase in the number of incidents is a source of concern, and our PSM drive is aimed at reducing these incidents.

In logistics incidents, we began to see positive results in the third quarter, with a 23% reduction in the transport indicator of performance for 2008, compared to 2007. During the year, there were 42 significant incidents, compared with 52 in 2007. The predominant cause of incidents was driver error, a challenge that is common throughout the South African transport industry and a key focus in our revised approach.

Sasol's 2007/2008 safety campaign at Infrachem



our sustainable development performance continued

Sasol has a multi-pronged approach to manage the risks of logistics incidents comprising preventative as well as corrective controls. Preventative controls aim to improve the safety performance during the transport, handling and storage of Sasol products, while corrective controls aim to ensure readiness in case of an emergency. To manage responses to incidents involving the transportation of our products internationally, we have established a global call centre that provides access to expertise on all our products in relevant languages.

Cleaner production research and development and cleaner technologies

While our research capabilities have most commonly been showcased through our research into catalyst and process-development breakthroughs to support our growing gas-to-liquids (GTL) and coal-to-liquids (CTL) ambitions, we are also realising significant benefits from our research to develop cleaner, more efficient production processes, and to retrofit existing facilities. To this end, we allocate a significant part of our R&D investment – 10% of our annual R600 million research budget – to find solutions to environmental problems, define impacts and risks, and support future growth ambitions. This includes running in-house research laboratories at our main South African operating hubs in Sasolburg and Secunda. Here, our research efforts focus on saving water and managing effluent, reducing greenhouse gas emissions and improving energy efficiencies, air chemistry and emission abatement, minimising waste, recycling, and ecosystem functioning. We leverage our resources to greater effect by collaborating with local and international university research groups and other research institutions. We have entered into a cooperation agreement with Eskom to jointly fund research into environmental issues of common interest.

By incorporating clean production principles into our business development and implementation model, we have created a platform for greater environmental sustainability.

Reducing greenhouse gas (GHG) emissions

Sasol considers global climate change to be one of our principal strategic challenges, both for existing operations as well as

future global growth opportunities. Our existing target to reduce GHG emissions by 10% per ton of product, by July 2015, is under review.

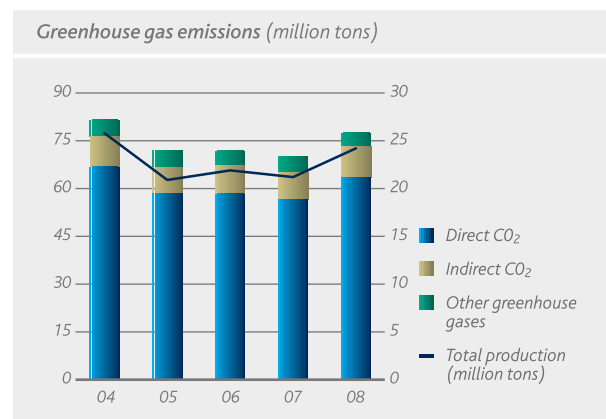
To advance the development of our GHG roadmap, at our GEC meeting of May 2008 each business unit outlined their plan to achieve our GHG emissions targets. This is being achieved through a coordinated effort driven by the recently established new energy unit and includes:

- Continuing energy-efficiency drives at all facilities.
- Further exploring and introducing 'clean energy' options – renewable energy and raw material sources such as biomass to supplement existing energy sources.
- Measuring and publicly reporting on our GHG emissions.
- Assessing and minimising the future implications of GHGs in new and existing ventures, including the exploration of further opportunities for CO₂ capture and storage (CCS).
- Developing and preserving stakeholder partnerships to collectively engage in GHG reduction opportunities.

A GHG management committee provides guidance and direction to the group on these issues.

Our global GHE emissions (CO₂ equivalent) have increased from 70 million tons (Mt) in 2007 to 73 Mt in 2008. This increase is primarily due to increased production from 21 200 kilotons (kt) to 24 218 kt.

Sasol is currently investigating the potential for geological storage of CO₂ in many of the areas where new CTL ventures are being considered, such as the USA, India and China. These pre-feasibility studies aim to determine the geological storage



potential as well as estimated capital and operating costs of these CCS options. A pilot project to further test this technology will be commissioned during 2009/2010. Sasol is participating in developing a South African CO₂ Storage Atlas, which will publish its assessment by the end of 2009.

Our first registered Clean Development Mechanism (CDM) project for the reduction of nitrous oxide (N₂O) emissions from our Sasol Nitro operations in South Africa is due to bring in carbon credits this year. It is anticipated that the project will reduce N₂O emissions by about 500 000 tons of CO₂ equivalent a year. Several new CDM projects are in the pipeline. Our Italian and German chemical operations participated in the European Emission Trading Scheme to ensure that we meet our allocation requirements in terms of EU legislation. The National Allocation Plan for the 2008 – 2012 trading phase has been finalised. An internal Sasol carbon credit management committee was constituted to facilitate and trade carbon credits for Sasol.

We have developed carbon calculators for new projects, existing plants, as well as for personal carbon footprint calculations. In addition, significant effort has been put into climate change communication to our stakeholders.

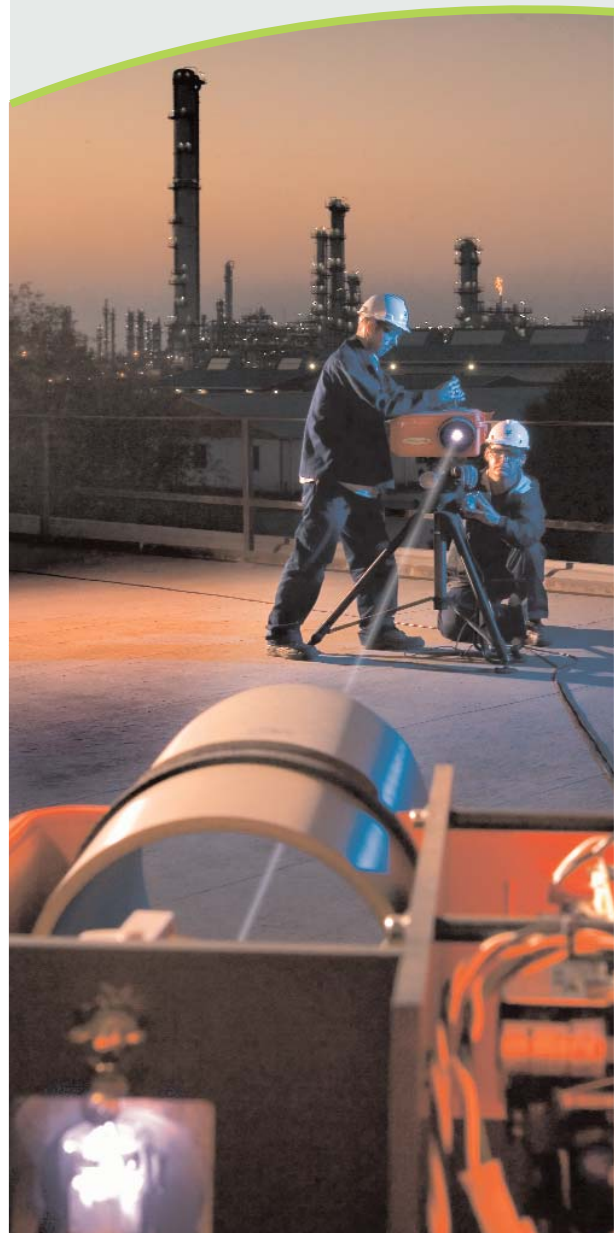
We have again participated in the global Carbon Disclosure Project (CDP6) and are committed to continued transparency on our performance. Internationally, we continue to play a role on the international stage via the UN's Global Compact and the Intergovernmental Panel on Climate Change. In support of CCS solutions, we are on the South African committee of the multinational Carbon Sequestration Leadership Forum. In South Africa we are active in the Long Term Mitigation Scenario work being driven by the Department of Environmental Affairs and Tourism.

At the 2008 World Economic Forum, chief executive Pat Davies endorsed the CEO Recommendations to the G8 Leaders on Post-2012 Climate Policy.

Targeting other atmospheric pollutants

While progress has been made in reducing atmospheric emissions throughout the group, South African operations are being affected by the Atmospheric Pollution Prevention Act. Ambient air quality standards and minimum activities are yet

We recently established a new energy unit to coordinate all greenhouse gas, clean energy and energy efficiency efforts across the group



Air monitoring at Secunda.

our sustainable development performance continued

to be promulgated. To expedite the setting of these standards, Sasol, representing the Chemical and Allied Industries Association (CAIA), is assisting in developing the standards.

In South Africa, the Vaal Triangle and Mpumalanga Highveld regions, where the majority of Sasol's operations are located, have been identified as priority areas with respect to air pollution. Air pollution reduction plans have been developed at all our South African operations outlining planned actions to achieve the Sasol SH&E minimum requirements. The current air pollution improvement plans are based on internationally accepted environmental and health standards, and will result in the phasing out of continuous flaring at Sasol. We have earmarked substantial investments at Sasolburg and Secunda for projects aimed at improving air quality over the next ten years. Leak detection and repair programmes are being implemented at Sasolburg and Secunda and will result in significant reductions in volatile organic compounds (VOCs) emissions. Significant investments are being made to reduce hydrogen sulphide emissions from Secunda, and major capital projects are being investigated to further reduce emissions of oxides of sulphur and nitrogen from the boilers at Secunda and Sasolburg.

In Lake Charles in the United States, we are again part of an authority-led initiative to monitor ambient air concentrations, in order to identify and address proactively major risks for community health in a timely manner. In addition, our operations in the United States have reduced reported emissions under the Toxic Release Inventory by over 80% since reporting began in 1987.

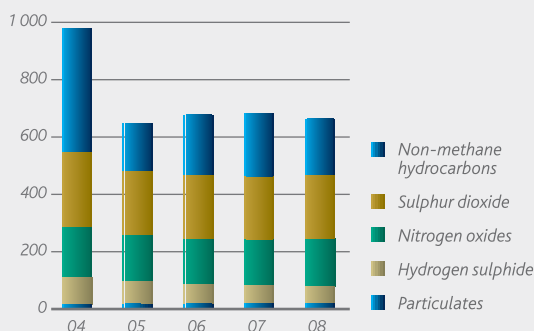
Identifying opportunities for energy efficiency and renewables

Given the increasing concerns around energy security in South Africa and the role that Sasol could play in helping to alleviate the pressures on energy supplies, the need for energy efficiency and renewables has become more pressing. In South Africa, we are signatories to the Energy Efficiency Accord which commits us to reducing energy consumption per unit produced in our utilities by 15% by 2015, with 2000 as the base year.

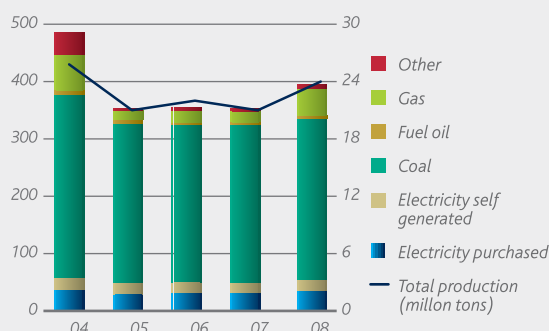
In 2008, our energy efficiency improved relative to our continuing increase in production. Our total energy usage this year was 395 M Gj, compared with 353 M Gj in 2007, which is partially attributable to the increase in production from 21 200 ktpa to 24 218 ktpa. Identifying and implementing additional energy-efficiency initiatives remains a priority and is part of our commitment to reduce greenhouse gas emissions. Notable energy-efficiency projects identified at Secunda have advanced from ideas to approval phase, with large capital investment anticipated. We have already realised 40 MW of energy savings and a further 356 MW of potential energy saving projects are in an advanced project development phase.

We continue to investigate the potential contribution of renewable energy to our energy mix, assessing the available technologies, financial viability and implications for reducing greenhouse gas emissions associated with solar, wind, fuel cells, biodiesel and bioethanol, as well as the potential for biomass-to-liquids plants.

Atmospheric emissions (kilotons)



Energy use (million gigajoules)





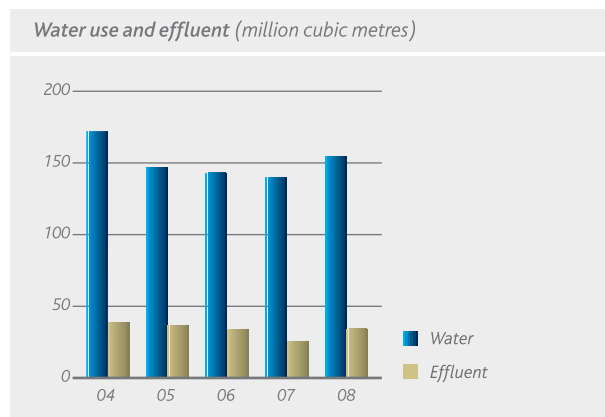
Managing water usage and effluent

Water security is a concern in many of our operations, particularly in the Middle East, China and South Africa. To ensure effective effluent and water demand management at our operations, minimum requirements for water and effluent handling have been approved. Sasol endorsed the UN Global Compact CEO Water Mandate on 27 March 2008, which will help to guide initiatives related to water supply and water demand management. We continue to review the water demand impacts associated with a typical CTL facility, and to assess the implications of current and projected water supplies for our growth plans. In a noteworthy achievement, we designed, piloted and implemented an integrated water treatment system for the Oryx GTL facility, recently commissioned in Qatar. Effluent generated in this process is upgraded for re-use as a process cooling medium. Future designs are building on the Oryx experience, and we envisage being able to beneficially re-use and recycle water generated at new facilities. This will improve efficiency of water use significantly, compared with existing operations.

We are also undertaking initiatives in South Africa to improve water efficiency in existing and new plants. We are developing an integrated water system model for the Secunda complex,

while at Sasolburg we are implementing a strategic plan for the abstraction and discharge of water. A key element of this is our vision of operating a zero waste-water discharge facility.

We hosted a stakeholder dialogue on water in June 2008 in partnership with the German Development Agency (GTZ). This was attended by industry representatives, the Department of Water Affairs and Forestry (DWAF), the Council for Scientific Industrial Research and the National Business Initiative. Together with Eskom and DWAF, we continue to participate in the Vaal Pipeline Project aimed at ensuring a sustainable supply of water to certain of our operations. Construction has been



a Biological works, Secunda.
b Water recycling project, Secunda.
c Water sampling, Lake Charles, USA.

our sustainable development performance continued

The integrated waste management programme at Sasolburg received a Mail & Guardian "Greening the Environment" merit award in 2007



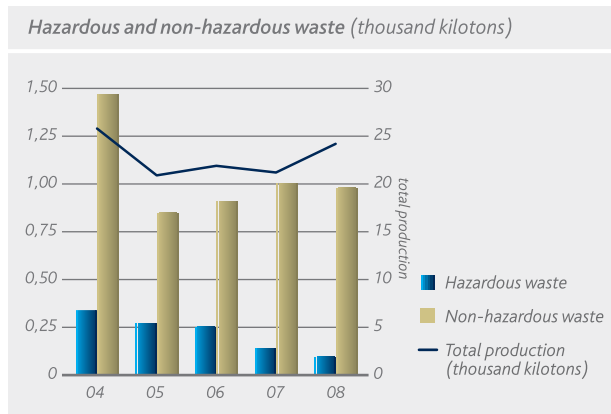
We undertake regular monitoring of contaminated land.

proceeding on a R3,3 billion pipeline to pipe water from the upper Vaal system to Secunda, which is an important investment in water security for Secunda.

Working to minimise waste

Cleaner production and pollution prevention principles are key elements of the SH&E minimum requirements. For those business units where waste is a material issue, integrated waste management plans have been developed and executed for each business unit. Sasol stays abreast of the imminent National Waste Management legislation that will impact on our incineration practices.

Taking into account the principles of cleaner production, the waste recycling facility at Secunda is focused on waste minimisation, waste separation to enhance recycling, and the commissioning of a robust biological effluent treatment process. The rehabilitation plan at the tar pits in Sasolburg is well underway with Sasol Infrachem receiving a "Greening the Environment" merit award in the category "Companies and organisations with the most improved environmental strategies" for the reduction in waste disposal volumes from 21 372 tons in 2004 to 6 468 tons in 2007. An improved waste generation inventory is being developed which will enable Sasol to set more definitive waste reduction targets. A comprehensive programme is in place to manage legacy waste in accordance with relevant legal requirements.





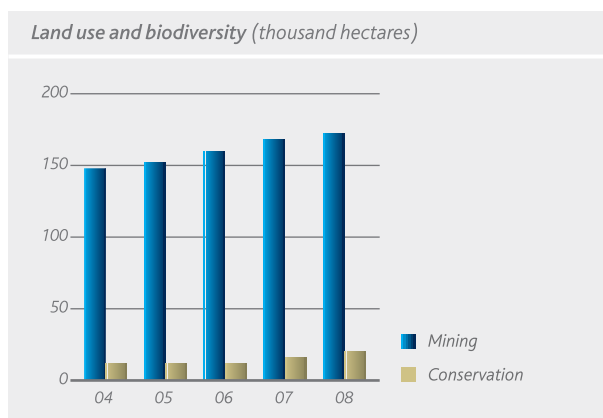
Supporting land remediation

As a result of our past chemicals and fuels processes, we have several areas where soil or groundwater has been contaminated. We have made good progress towards remediating contaminated land throughout the group.

At 30 June 2008, we had a provision of R1 522 million at Sasol Synfuels for site remediation. At Sasol Mining, R386 million was provided for mine decommissioning and closure, R347 million of which has been invested in a trust fund for mine closure and rehabilitation. This figure is audited annually to ensure adequate provision is made.

There is ongoing interaction with the DWAF on the technical aspects of our remediation activities. DWAF regional representatives attend monthly meetings and are also provided with information from consultants and progress reports on remediation activities.

Remediation projects are ongoing in our US operations at Lake Charles and Baltimore, as well as the non-operating sites of Aberdeen, Jeffersontown, Oklahoma City and Mansfield.



a, b, c Remediation initiatives are ongoing at various sites.

sasol limited group summarised financial information

for the year ended 30 June 2008



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

Note: The financial information presented from pages 101 to 104 is a summary of our annual financial statements as set out in a separate publication entitled annual financial statements 2008 which, together with this annual review, comprise our 2008 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 the inside back cover of this report.

salient features

for the year ended 30 June

		2008	2007
Selected ratios			
Return on equity	%	32,5	29,8
Return on total assets	%	26,9	24,2
Operating margin	%	26,0	26,1
Finance expense cover	times	14,5	14,8
Dividend cover	times	2,8	3,0
Share statistics			
Total shares in issue	million	676,7	627,7
Treasury shares (share repurchase programme)	million	37,1	14,9
Weighted average number of shares	million	601,0	622,6
Diluted weighted average number of shares	million	609,5	630,3
Share price (closing)	Rand	461,00	266,00
Market capitalisation	Rm	311 959	166 968
Net asset value per share	Rand	128,44	100,55
Dividend per share	Rand	13,00	9,00
– interim	Rand	3,65	3,10
– final	Rand	9,35	5,90
Other financial information			
Total debt (including bank overdraft)			
– interest bearing	Rm	19 455	18 925
– non-interest bearing	Rm	637	600
Finance expense capitalised	Rm	1 586	989
Capital commitments	Rm	25 048	18 575
– authorised and contracted	Rm	24 457	28 416
– authorised, not yet contracted	Rm	17 722	11 720
– less expenditure to date	Rm	(17 131)	(21 561)
Guarantees and contingent liabilities			
– total amount	Rm	37 381	35 147
– liability included on the statement of financial position	Rm	10 730	13 888
Significant items in operating profit			
– employee costs	Rm	14 443	11 695
– depreciation and amortisation of non-current assets	Rm	5 212	4 022
– operating lease charges	Rm	887	707
– share-based payment expenses	Rm	1 782	190
Directors' remuneration	Rm	65	45
Share options granted to directors – cumulative	'000	1 011	1 124
Share appreciation rights granted to directors – cumulative	'000	72	–
Sasol Inzalo share rights granted to directors – cumulative	'000	75	–
Effective tax rate	%	30,1	31,7
Number of employees	number	33 928	31 860
Average crude oil price – dated Brent	US\$/barrel	95,51	63,95
Average rand/US\$ exchange rate	1US\$ = Rand	7,30	7,20
Closing rand/US\$ exchange rate	1US\$ = Rand	7,83	7,04

salient features (continued)

for the year ended 30 June

	2008 <i>Rm</i>	2007 <i>Rm</i>
Reconciliation of headline earnings		
Profit for the year	23 528	17 550
Less minority interest	(1 111)	(520)
Effect of remeasurement items	698	(1 140)
Impairment of assets	821	208
Reversal of fair value write-down of disposal group held for sale	–	(803)
Reversal of impairment	(381)	–
Profit on disposal of assets	(440)	(749)
Loss on repurchase of participation rights in GTL venture	34	–
Loss on realisation of foreign currency translation reserve	557	–
Scrapping of non-current assets	107	204
Tax effects and minority interest	(225)	(93)
Headline earnings	22 890	15 797
Remeasurement items per above		
Mining	7	13
Gas	104	(370)
Synfuels	25	64
Oil	(20)	2
Synfuels International	396	–
Petroleum International	(27)	–
Polymers	(12)	9
Solvents	104	146
Olefins & Surfactants	(27)	(707)
Other chemical businesses	229	14
Nitro	(199)	–
Wax	426	(4)
Other	2	18
Other businesses	(81)	(311)
Remeasurement items	698	(1 140)
Headline earnings per share	38,09	25,37
	<i>Rand</i>	
Diluted headline earnings per share	37,56	25,06
	<i>Rand</i>	

statement of financial position

at 30 June

	2008 <i>Rm</i>	2007 <i>Rm</i>
Assets		
Property, plant and equipment	66 273	50 611
Assets under construction	11 693	24 611
Goodwill	874	586
Other intangible assets	964	629
Post-retirement benefit assets	571	363
Deferred tax assets	1 453	845
Other long-term assets	3 461	3 045
Non-current assets	85 289	80 690
Assets held for sale	3 833	334
Inventories	20 088	14 399
Trade and other receivables	25 323	16 987
Short-term financial assets	330	22
Cash restricted for use	814	646
Cash	4 435	5 987
Current assets	54 823	38 375
Total assets	140 112	119 065
Equity and liabilities		
Shareholders' equity	76 474	61 617
Minority interest	2 521	1 652
Total equity	78 995	63 269
Long-term debt	15 682	13 359
Long-term financial liability	37	53
Long-term provisions	4 491	3 668
Post-retirement benefit obligations	4 578	3 781
Long-term deferred income	376	2 765
Deferred tax liabilities	8 446	8 304
Non-current liabilities	33 610	31 930
Liabilities in disposal group held for sale	142	35
Short-term debt	3 496	5 621
Short-term financial liabilities	67	383
Other current liabilities	22 888	17 282
Bank overdraft	914	545
Current liabilities	27 507	23 866
Total equity and liabilities	140 112	119 065

income statement

for the year ended 30 June

	2008 Rm	2007 Rm
Turnover	129 943	98 127
Cost of sales and services rendered	(74 634)	(59 997)
Gross profit	55 309	38 130
Non-trading income	635	639
Marketing and distribution expenditure	(6 931)	(5 818)
Administrative expenditure	(6 697)	(6 094)
Other operating expenditure ¹	(8 500)	(1 236)
Other expenditure	(8 800)	(1 004)
Translation gains/(losses)	300	(232)
Operating profit	33 816	25 621
Finance income	735	825
Finance expenses	(1 148)	(1 148)
Share of profits of associates (net of tax)	254	405
Profit before tax	33 657	25 703
Taxation	(10 129)	(8 153)
Profit for the year	23 528	17 550
Attributable to		
Owners of Sasol Limited	22 417	17 030
Minority interests in subsidiaries	1 111	520
	23 528	17 550
Earnings per share	Rand	Rand
Basic earnings per share	37,30	27,35
Diluted earnings per share ²	36,78	27,02

¹ Included in other operating expenditure is a realised loss of R2 428 million (2007 – unrealised fair value loss of R197 million) that relates to the crude oil hedge, share-based expenditure of R1 782 million (2007 – R190 million), and remeasurement items of R698 million (2007 – R1 140 million positive).

² Diluted earnings per share is calculated taking the Sasol Share Incentive Scheme and Sasol Inzalo Employee Trusts 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

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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 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: shrelations@bnymellon.com

Website: www.bnymellon.com/shareowner

Company registration number

1979/003231/06

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Republic of South Africa

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Sasol group corporate affairs department

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Produced by Sasol group corporate affairs and financial reporting departments.

Forward-looking statements: In this report we make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results not yet determinable, relating, amongst other things, to exchange rate fluctuations, volume growth, increases in market share, total shareholder return and cost reductions. These are forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "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. Forward-looking statements involve inherent risks and uncertainties and, if one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from such forward-looking statements are discussed more fully in our most recent annual report under the Securities Exchange Act of 1934 on Form 20-F filed on 21 November 2007 and in other filings with the United States Securities and Exchange Commission. Forward-looking statements apply only as of the date on which they are made, and Sasol does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Please note: A billion is defined as one thousand million.

This annual review must be read in conjunction with 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 2008. The Form 20-F is available on our website at www.sasol.com.

Note on measurement: Besides applying barrels (b) and cubic feet (cf) 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.**

SASOL
reaching new frontiers



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