3 December 2009

Update from chief financial officer

Dear Sasol follower,

Overview

Macro-economic overview

On balance it appears that the world has emerged from the recession in the third quarter of the 2009 calendar year. The tentative signs of economic recovery continue notwithstanding recent events in Dubai, which for now appear to be contained to the City State. The third quarter GDP data showed better than expected growth in the US, Korea and China. In particular, the US recorded the first positive quarterly growth since mid-2008 (calendar). On the other hand, the UK reported weaker than expected numbers and the sixth consecutive quarter on quarter contraction.

However, questions remain over the sustainability of the recovery. The heavy fiscal stimulus programme and a positive contribution from inventories to GDP growth were evident in all the GDP reports, and it is likely that these questions will linger through the 2010 calendar year as policymakers around the world contemplate an exit strategy from the highly accommodative policy stance of today.

Oil market balances have started to tighten and the market outlook in the 2010 calendar year continues to look more bullish. Substantially higher OPEC output is not likely to occur without inventories declining and prices moving higher. A weaker US dollar has also been a significant positive tailwind for crude oil prices. We currently expect to be at the upper limit of our previously disclosed average oil price forecast of US$65 to US$70 per barrel for financial year 2010.

Impact of the macro environment and Sasol's response

Closer to home we have seen some stability in product prices. In US dollar terms, South African fuel prices year to date are approximately 12% lower than the average for the previous financial year. This is driven by an average dated Brent oil price of US$71 per barrel in the first five months of the financial year, and as expected, refining margins remain thin as a result of excess global refining capacity.

As part of its risk management approach, Sasol annually reviews the use of oil price hedges as a way to secure a portion of our cash flows in order to fund our ambitious growth program. Although we have hedged 30% of Sasol Synfuels' production consistently over the past five financial years, we have to date not renewed the oil hedge for financial year 2010. This is subject to ongoing review especially in the light of current market volatility and our low gearing levels.

In our Chemicals cluster, local polymer sales are slightly higher than the corresponding period last year. Demand remains relatively low, reflecting continued depressed local market conditions. In rand terms, polymer prices are approximately 18% below that achieved in the previous financial year. This is primarily due to the stronger rand/US$ exchange rate. International polymer prices have been fluctuating with the oil price but with a considerable time lag. Sales volumes in our Solvents business for the first quarter of financial year 2010 were at similar levels to those of the first quarter of the previous financial year. This suggests that the negative trend in demand seems to have abated and that the market is on its way towards a slow recovery. International solvent commodity prices have increased approximately 17% over the previous year closing levels, but remain between 5% to 10% below the prior year averages. In our Olefins and Surfactants business we have also experienced some positive market signs. First quarter 2010 sales volumes were similar to those of the last quarter of the previous year, which is a significant improvement compared to quarter 3 of financial year 2009. We have, however, not seen a return to the volumes experienced during pre-economic crisis period. Although these improvements are encouraging, this is partially due to a restocking of the supply chain, and we are therefore cautious in our outlook.

The strong rand remains the single biggest factor exerting pressure on our profitability. The longer term fundamentals for the rand remain negative. These include macro policy uncertainty, a sluggish economic recovery and a continued large current account deficit. However, positive external factors in the form of a weak US dollar and a gold price that achieves new highs every week seem to be more than compensating for the negating factors. At the mercy of these global factors, the rand has strengthened convincingly to below 7,5 to the US dollar, a rate which we currently forecast as an average for the present financial year.

We continue to exercise discipline in managing our cash resources. Our cash position remains strong as a result of our cash conservation approach instituted last October and this positions us well for our growth programme. While maintaining our discipline, we also remain flexible regarding the allocation of our cash resources, with the option of repurchasing shares available. At our recent annual general meeting held on 27 November 2009, shareholders authorised the board to repurchase a maximum of 4% of the Company's issued ordinary share capital.

Our expected capital expenditure guidance of R15 billion for financial year 2010 remains unchanged, however we forecast capital expenditure for financial year 2011 of R17 billion.

Trading statement comments

Sasol's financial results for the year ended 30 June 2009 were characterised by the dramatic decline and volatility in oil and commodity prices. Headline earnings per share for the first half of the 2009 financial year were at a record high of R21,92 while the second six months realised only R3,50. Oil prices and commodity prices experienced in the 2010 financial year to date are much lower than the peak prices achieved in the prior year comparable period and the earnings decline was further exacerbated by the negative impact of a significantly stronger rand.

Accordingly, our trading statement issued on 3 December 2009 highlights the expectation that Sasol's earnings per share and headline earnings per share for the six months ending 31 December 2009 are estimated to decrease by at least 45% compared to the prior year comparable reporting period.

In terms of the JSE Limited listings requirements, a trading statement is necessitated when there is reasonable certainty that earnings will differ by at least twenty percent from the prior comparable period. Due to continued volatility, Sasol is unable at this time to give a more precise indication of how much this decrease will be, but a more accurate estimate will be given once the half year has closed and we have greater certainty. The expected decrease in earnings is mainly due to the significant strengthening of the rand against the US dollar and a decrease in average crude oil and product prices compared to the corresponding six months of the previous reporting period.

In addition, our results may be impacted by further changes in the oil and product prices, volume variances, the impact of a stronger rand on closing financial assets and liabilities as well as any adjustments resulting from our half year-end process. This may result in a change in the estimated earnings.

It is emphasised that this trading update deals only with the first half of the 2009 financial year comparison. The very low earnings base of the second half of the 2009 financial year will strongly influence a comparison of the full 2010 financial year's results with 2009 and guidance in this regard will be given in due course.

Sasol Synfuels operations on track

Production performance at Sasol Synfuels was strong over the first quarter of financial year 2010. Synfuels successfully completed its planned quarter-factory shutdown in September 2009, involving more than 6000 additional people on site and more than 70 000 activities over 19 days. Production volumes for the first three months was 1,8 Mt, which includes the impact of the shutdown and is in line with expectations. The next update on actual production at Synfuels will coincide with the release of the Interim financial results on 8 March 2010, for the six months ending 31 December 2009.

The SCC (Selective Catalytic Cracker) refurbishment shutdown is underway in Secunda and completion is expected before the close of the 2009 calendar year. The aim is to improve plant reliability and availability to about 70%-75% of capacity in order to yield additional monomer to the downstream polyethylene and polypropylene units.

Remedial work on the gasification units continues and is now scheduled for completion towards the middle of the 2011 calendar year. A total of 61 of the 80 gasifier jackets have been replaced to date. The delay from the previously reported timeline, being the end of the 2010 calendar year, is due to optimising the scheduling of jacket replacements together with the general overhaul of gasifiers in order to maximise availability and throughput. As previously reported, gasification will be constrained until the refurbishment work is complete.

Stable and predictable gasification throughput is an integral part of ensuring optimum supply of synthesis gas for the conversion to fuel and chemical products at Synfuels. Sasol has initiated a project to design and order 4 additional gasifiers to be installed and be operational by the 2012 calendar year.

Sasol Synfuels and Sasol Mining have concluded a new coal pricing agreement which will result in a 20% increase from January 2010. Regular changes will be necessary to ensure that coal prices between the two businesses remain market related.

Sasol Synfuels' cash unit cost is forecast to be in line with management's expectations for financial year 2010 despite adjustments to the current coal price. It is expected that maintenance expenditure – currently and historically about 14% of cash costs – will typically remain at these levels in the near term.

Of the near-term capital to be spent at Sasol Synfuels including the Synfuels value chain, about 60% relates to growth. This includes elements of the first phase of growth, such as the open cycle gas turbines (R2,4 billion), new gas heated heat exchange reformers (about R3,5 billion), the 10th Sasol Advanced Synthol (SAS™) reactor (about R1,4 billion), the 16th Oxygen train (about R1,3 billion), the Mozambique Central Processing Facility (CPF) expansion and compressor station (about R2,1 billion) and others. This installed capacity exceeds that required for the first growth phase and will therefore also contribute towards further phases of growth.

The remaining 40% of the medium term capital expenditure relates to projects which will maintain and sustain the existing business.

The Synfuels plant is a key strategic asset and earnings contributor to Sasol. The plant is well maintained and the operating personnel are highly trained. Bottlenecks have been identified and are being addressed in order to sustain operations.

Project review

Oryx

Oryx GTL has been operating for over thirty months and at times exceeding its design capacity of 32 400 bpd (operating rates are typically 80-90% of nameplate capacity for a facility of this nature). The technical issues which impacted operating rates and stability in earlier times have been overcome. Expectations however are for lower production levels on an annualised basis compared to financial year 2009 taking into consideration some unplanned shutdowns and the statutory shutdown on equipment in the second half of the current financial year.

Sasol's 49% share of Oryx GTL contributed about R1,3 billion to Sasol's operating profit in financial year 2009 and the business's focus remains on maximising throughput in a sustainable manner.

Arya Sasol Polymers

The cracker has operated at an average rate of 55% of design over the past six months due to restrictions on feed gas availability caused by a fire at the facility of our upstream gas supplier. Contingency actions were taken to minimise the impact of the supply problems, however the cracker is expected to operate at about 75% of design until the repairs have been completed. Except for a 20 day planned shutdown in August 2009 to coincide with a shutdown at our upstream gas supplier, mechanical availability of the Arya Sasol Polymers cracker has been 100% during the last six months.

Ramp up of our Low Density Polyethylene and High Density Polyethylene plants are progressing well and production for the last six months was on average 68% and 55% of design capacity, respectively. All test runs have been completed on the polyethylene plants and both units are currently operating at satisfactory rates. We are busy with full ramp-up of the polymer plants and should achieve full loads at the end of quarter one of financial year 2011 as planned.

Sasol Petroleum's ventures offshore Mozambique

The Njika-1/2 offshore exploration drilling campaign in Block 16/19 was completed in January 2009 and a detailed integrated subsurface study was recently completed. Based on the extensive data we have acquired we can confirm that both wells discovered gas, but due to reservoir complexity we do not foresee an immediate follow-up appraisal or development activities at this time. However, we are encouraged by the results of these exploration wells, which have proven an effective hydrocarbon system in the under-explored basins offshore Mozambique.

Consequently we are pleased to announce that we have acquired exploration rights in the Sofala and M-10 blocks adjacent to Block 16/19. The Sofala block has an area of 11 458 km^2 with water depth ranging from 0 – 50 meters, and
M-10 has an area of 4 089 km^2 with water depth ranging from 30 – 100 meters; together providing Sasol with 15 547 km^2 of additional exploration acreage in Mozambique.

Potential success in either of these two new blocks would possibly allow for this entire area, including Block 16/19, to be developed further.

SPI entered into an agreement with PETRONAS as a strategic partner, in which SPI (as operator) and Petronas jointly acquired the M-10 block on 50%/50% basis while SPI acquired 100% of the Sofala Block.

Simultaneous to the abovementioned acquisitions, Sasol and PETRONAS offered to the Government of Mozambique (the State) 15% carried interest in M-10 Block which will result in an equity split of 42,5%/42,5%/15% to be held respectively by SPI, PETRONAS and the State. In the Sofala Block, SPI offered to the State 15% carried interest which will result in an equity split of 85%/15% to hold respectively by SPI and the State.

The acquisition of these blocks forms an integral part of our strategy to grow our “gas heartland” in Mozambique and further strengthens our relationship with the country and with the people of Mozambique.

The US$300 million expansion of our onshore gas production facilities in Pande and Temane, which will increase the current yearly production capacity from 120 million gigajoules (MGJ) to 183 MGJ, is well on track and scheduled for completion in the 2011 calendar year.

Project Mafutha

The pre-feasibility study into the establishment of a potential coal-to liquids (CTL) plant in north-west Limpopo (Project Mafutha) is progressing well. Our prospecting drilling, bulk coal sampling, gasification testing and product piloting are also proceeding to plan. The first coal blasting and extraction of the sample coal started at the end of November 2009 and it is envisaged that the gasification trials will commence in Secunda during the first quarter of the 2010 calendar year followed by the environmental impact assessment that is scheduled to commence during the first half of the 2010 calendar year. To date we have committed close to R1,0 billion in respect of the pre-feasibility study to carry out prospecting drilling, acquisition of land that would be required for the location of the coal mine, CTL plant and town, bulk sample mining and relevant gasification tests.

Sasol Wax expansion project

On 1 December 2009 Sasol announced the approval of an R 8,4 billion investment which will double the Sasol Wax production of hard wax in South Africa. The investment will be done in two phases.

Phase one will come into operation in the 2012 calendar year and will increase the hard wax capacity by close to 40%. The investment for phase one includes pre-investment to optimise the remaining investment for phase two. Sasol has already completed the basic engineering and ordered some of the long lead items for project’s first phase. The project will, on completion, have doubled the current hard wax production capacity. Phase two is currently expected to come into operation by the 2014 calendar year.

This large investment shows Sasol’s commitment to the wax business and enables us to grow with our customers in this market. This is a significant investment for the Sasolburg site and demonstrates our commitment to our South African asset base. It is in line with Sasol’s strategy to leverage our advanced proprietary technology.

In closing

We received encouraging news from a recent study by A.T. Kearney, prepared for the international magazine, Business Week, which lists the Top 40 World's Best Companies. Companies were rated according to various criteria, including a commitment to innovation, diversified portfolios, aggressive expansion, strong leadership and a clear vision for the future. Only three South African companies were included in the Top 40, and I’m very pleased that Sasol was ranked 24^{th} overall. I am also pleased to share the news that Sasol was announced as the Top 40 category winner in the Chartered Secretaries of South Africa (CSSA) and JSE annual report awards held recently in Johannesburg. Sasol also performed exceptionally well in the International Report Watch rankings, by being placed 7^{th} out of a possible 300 top global companies.

Thank you for your on-going support of Sasol, especially through these turbulent times. With positive actions we remain confident that we will deliver results and emerge stronger than before.

I would like to wish all our shareholders, and other Sasol followers well over the festive season.

Best regards,

Christine Ramon

***Forward-looking statements**:*

In this document we make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return and cost reductions. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors are discussed more fully in our most recent annual report under the Securities Exchange Act of 1934 on Form 20-F filed on 9 October 2009 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.