SASOL FACTS

Understanding the breakeven oil price for Southern Africa

We determine at what Brent Crude oil price our external revenue matches our cost based on actuals.

External revenue = turnover generated from sales in Southern Africa (including export coal, gas sales in Mozambique and South Africa, fuels and chemicals). Primarily volume sold at a specific price. Prevailing correlation between oil price and various product prices determines price.

Cost = variable cost, cash fixed cost and sustenance capital (capex) excluding tax, financing cost and working capital.

Our breakeven is dependent on delivering targeted volume uplifts, margin improvements and prudent cost and capital management, but remains vulnerable to prevailing macro-economics

Southern Africa
$50/bbl (nominal) breakeven by financial year 2028

Increase production volumes
- Coal quality
- Equipment availability

Higher product margins
- Marketing and sales interventions

Reduce cash cost
- External spend
- Capital optimisation

The breakeven oil price is determined where:
primary volume x specific price = (variable cost + cash fixed cost + sustenance capital)