

SASOL LTD
Form 20-F
October 09, 2013

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As filed with the Securities and Exchange Commission on 9 October 2013

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 20-F

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934**

OR

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 for the year ended 30 June 2013**

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

OR

o **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-31615

Sasol Limited

(Exact name of registrant as Specified in its Charter)

Republic of South Africa

(Jurisdiction of Incorporation or Organisation)

**1 Sturdee Avenue, Rosebank 2196
South Africa**

(Address of Principal Executive Offices)

**Paul Victor, Acting Chief Financial Officer, Tel. No. +27 11 441 3435, Email paul.victor@sasol.com
1 Sturdee Avenue, Rosebank 2196, South Africa**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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Securities registered or to be registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Name of Each Exchange on Which Registered |
|--|---|
| American Depositary Shares | New York Stock Exchange |
| Ordinary Shares of no par value* | New York Stock Exchange |
| 4,50% Notes due 2022 issued by Sasol Financing International Plc | New York Stock Exchange |

*

Listed on the New York Stock Exchange not for trading or quotation purposes, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

648 800 716 Sasol ordinary shares of no par value
25 547 081 Sasol preferred ordinary shares of no par value
2 838 565 Sasol BEE ordinary shares of no par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes ☐ No ☒**

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. **Yes ☐ No ☒**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes ☒ No ☐**

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes ☐ No ☒**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes ☐ No ☒**

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PRESENTATION OF INFORMATION

We are incorporated in the Republic of South Africa as a public company under South African Company law. Our consolidated financial statements for the financial years ended 30 June 2009, 2010, 2011, 2012 and 2013 included in our corporate filings in South Africa were prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

For purposes of this annual report on Form 20-F, we have prepared our consolidated financial statements in accordance with IFRS. Our consolidated financial statements for each of the financial years ended 30 June 2009, 2010, 2011, 2012 and 2013 have been audited.

As used in this Form 20-F:

"rand" or "R" means the currency of the Republic of South Africa;

"US dollars", "dollars", "US\$" or "\$" means the currency of the United States (US);

"euro", "EUR" or "€" means the common currency of the member states of the European Monetary Union;

"AED" means United Arab Emirates Dirham, the currency of the United Arab Emirates;

"GBP" means British Pound Sterling, the currency of the United Kingdom (UK); and

"CAD" means Canadian dollar, the currency of Canada.

We present our financial information in rand, which is our reporting currency. Solely for your convenience, this Form 20-F contains translations of certain rand amounts into US dollars at specified rates. These rand amounts do not represent actual US dollar amounts, nor could they necessarily have been converted into US dollars at the rates indicated. Unless otherwise indicated, rand amounts have been translated into US dollars at the rate of R10,03 per US dollar, which was the closing rate for customs purposes of the rand as reported by Thomson Reuters on 30 September 2013.

All references in this Form 20-F to "years" refer to the financial years ended on 30 June. Any reference to a calendar year is prefaced by the word "calendar".

Besides applying barrels (b or bbl) and standard cubic feet (scf) for reporting oil and gas reserves and production, Sasol applies the Système International (SI) metric measures for all global operations. A ton, or tonne, denotes one metric ton equivalent to 1 000 kilograms (kg). Sasol's reference to metric tons should not be confused with an imperial ton equivalent to 2 240 pounds (or about 1 016 kg). Barrels per day, or bpd, or bbl/d, is used to refer to our oil and gas production.

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 (e.g., 3,5) instead of the more familiar decimal point (e.g., 3.5) used in the UK, US and elsewhere. Similarly, a hard space is used to distinguish thousands in numeric figures (e.g., 2 500) instead of a comma (e.g., 2,500).

All references to billions in this Form 20-F are to thousands of millions.

All references to the "group", "us", "we", "our", "the company", or "Sasol" in this Form 20-F are to Sasol Limited, its group of subsidiaries and its interests in associates, joint ventures and special purpose entities. All references in this Form 20-F are to Sasol Limited or the companies comprising the group, as the context may require. All references to "(Pty) Ltd" refers to Proprietary Limited, a form of corporation in South Africa which restricts the right of transfer of its shares and prohibits the public offering of its shares.

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All references in this Form 20-F to "South Africa" and "the government" are to the Republic of South Africa and its government. All references to the "JSE" are to the JSE Limited or Johannesburg Stock Exchange, the securities exchange of our primary listing. All references to "SARB" refer to the South African Reserve Bank. All references to "PPI" and "CPI" refer to the South African Producer Price Index and Consumer Price Index, respectively, which are measures of inflation in South Africa. All references to "GTL" and "CTL" refer to our gas-to-liquids and coal-to-liquids processes, respectively.

Certain industry terms used in this Form 20-F are defined in the Glossary of Terms.

Unless otherwise stated, presentation of financial information in this annual report on Form 20-F will be in terms of IFRS. Our discussion of business segment results follows the basis used by the group executive committee (GEC) (the company's chief operating decision maker) for segmental financial decisions, resource allocation and performance assessment, which forms the accounting basis for segmental reporting, that is disclosed to the investing and reporting public.

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FORWARD-LOOKING STATEMENTS

We may from time to time make written or oral forward-looking statements, including in this Form 20-F, in other filings with the United States Securities and Exchange Commission, in reports to shareholders and in other communications. These statements may 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 our future results of operations and financial condition and regarding future economic performance;

statements regarding recent and proposed accounting pronouncements and their impact on our future results of operations and financial condition;

statements of our business strategy, plans, objectives or goals, including those related to products or services;

statements regarding future competition, volume growth and changes in market share in the South African and international industries and markets for our products;

statements regarding our existing or anticipated investments (including the gas-to-liquids (GTL) projects in North America, Uzbekistan and Nigeria, the GTL joint venture in Qatar, the potential development of a coal-to-liquid (CTL) projects in India and other investments), acquisitions of new businesses or the disposition of existing businesses;

statements regarding our estimated oil, gas and coal reserves;

statements regarding the probable future outcome of litigation and the future development in legal and regulatory matters;

statements regarding future fluctuations in refining margins and crude oil, natural gas and petroleum product prices;

statements regarding the demand and cyclicity of petrochemical product prices;

statements regarding changes in the manufacturers' fuel pricing mechanism in South Africa and their effects on fuel prices, our operating results and profitability;

statements regarding future fluctuations in exchange and interest rates;

statements regarding total shareholder return;

statements regarding cost reduction targets and initiatives;

statements regarding our plans to expand the South African retail and commercial markets for liquid fuels;

statements regarding our current or future products and anticipated customer demand for these products;

statements regarding acts of war, terrorism or other events that may adversely affect the group's operations or that of key stakeholders to the group; and

statements of assumptions underlying such statements.

Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

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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 in such forward-looking statements. 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 include among others, and without limitation:

the outcomes in developing regulatory matters and the effect of changes in regulation and government policy;

the political, social and fiscal regime and economic conditions and developments in the world, especially in those countries in which we operate;

the outcomes of legal proceedings;

our ability to maintain key customer relations in important markets;

our ability to improve results despite increased levels of competition;

the continuation of substantial growth in significant developing markets;

the ability to benefit from our capital investment programme;

the capital cost of projects (including material, engineering and construction cost) and the timing of project milestones;

growth in significant developing areas of our business;

changes in the demand for and international prices of crude oil, gas, petroleum and chemical products and changes in foreign currency exchange rates;

the ability to gain access to sufficient competitively priced gas, oil and coal reserves and other commodities;

environmental legislation and the impact of environmental legislation and regulation on our operations and our access to natural resources;

our success in continuing technological innovation;

our ability to maintain sustainable earnings despite fluctuations in foreign currency exchange rates and interest rates;

our ability to attract and retain sufficient skilled employees; and

our success at managing the foregoing risks.

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The foregoing list of important factors is not exhaustive; when making investment decisions, you should carefully consider the foregoing factors and other uncertainties and events, and you should not place undue reliance on forward-looking statements. 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.

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ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

We are a public company incorporated under the company law of South Africa. Most of our directors and officers reside outside the United States, principally in South Africa. You may not be able, therefore, to effect service of process within the United States upon those directors and officers with respect to matters arising under the federal securities laws of the United States.

In addition, most of our assets and the assets of most of our directors and officers are located outside the United States. As a result, you may not be able to enforce against us or our directors and officers judgements obtained in United States courts predicated on the civil liability provisions of the federal securities laws of the United States.

There are additional factors to be considered under South African law in respect of the enforceability, in South Africa (in original actions or in actions for enforcement of judgments of US courts) of liabilities predicated on the US federal securities laws. These additional factors include, but are not necessarily limited to:

South African public policy considerations;

South African legislation regulating the applicability and extent of damages and/or penalties that may be payable by a party;

the applicable rules under the relevant South African legislation which regulate the recognition and enforcement of foreign judgments in South Africa; and

the South African courts' inherent jurisdiction to intervene in any matter which such courts may determine warrants the courts' intervention (despite any agreement amongst the parties to (i) have any certificate or document being conclusive proof of any factor, or (ii) oust the courts' jurisdiction).

Based on the foregoing, there is no certainty as to the enforceability in South Africa (in original actions or in actions for enforcement of judgments of US courts) of liabilities predicated on the US federal securities laws.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

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ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

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The following information should be read in conjunction with "Item 5 Operating and Financial Review and Prospects" and the consolidated financial statements, the accompanying notes and other financial information included elsewhere in this annual report on Form 20-F.

The financial data set forth below for the years ended as at 30 June 2013, 2012 and 2011 and for each of the years in the three-year period ended 30 June 2013 have been derived from our audited consolidated financial statements included in Item 18 of this annual report on Form 20-F.

Financial data at 30 June 2010 and 2009 has been derived from the group's previously published audited consolidated financial statements, adjusted for the amendments to IAS 19, Employee Benefits, which are not included in this document.

The financial data at 30 June 2013, 2012 and 2011 and for each of the years in the three-year period ended 30 June 2013 should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements.

The audited consolidated financial statements from which the selected consolidated financial data set forth below have been derived were prepared in accordance with IFRS.

| | Year ended | | | | | |
|---|---|-----------------|-----------------|-----------------|-----------------|---|
| | 30 June 2009 | 30 June 2010 | 30 June 2011 | 30 June 2012 | 30 June 2013 | 30 June ⁽¹⁾ 2013 (US\$ in millions) |
| | (Rand in millions) | | | | | |
| | (except per share information and weighted average shares in issue) | | | | | |
| Income Statement data: | | | | | | |
| Turnover | 137 836 | 122 256 | 142 436 | 169 446 | 181 269 | 18 073 |
| Operating profit after remeasurement items | 24 666 | 23 937 | 29 950 | 36 758 | 40 628 | 4 051 |
| Profit attributable to owners of Sasol Limited | 13 648 | 15 941 | 19 794 | 23 583 | 26 278 | 2 620 |
| Statement of Financial Position data: | | | | | | |
| Total assets | 145 296 | 155 873 | 177 445 | 203 753 | 249 495 | 24 875 |
| Total equity | 85 706 | 96 425 | 109 860 | 128 314 | 153 275 | 15 282 |
| Share capital | 27 025 | 27 229 | 27 659 | 27 984 | 28 711 | 2 863 |
| Per share information (Rand and US\$): | | | | | | |
| Basic earnings per share | 22,90 | 26,68 | 32,97 | 39,10 | 43,38 | 4,33 |
| Diluted earnings per share | 22,80 | 26,54 | 32,85 | 38,95 | 43,31 | 4,32 |
| Dividends per share ⁽²⁾ | 8,50 | 10,50 | 13,00 | 17,50 | 19,00 | 1,89 |
| Weighted average shares in issue (in millions): | | | | | | |
| Average shares outstanding basic | 596,1 | 597,6 | 600,4 | 603,2 | 605,7 | 605,7 |
| Average shares outstanding diluted | 614,0 | 615,5 | 614,5 | 616,2 | 606,8 | 606,8 |

(1) Translations into US dollars in this table are for convenience only and are computed at the closing rate of Thomson Reuters on 30 September 2013 of R10,03 per US dollar. You should not view such translations as a representation that such amounts represent actual US dollar amounts.

(2) Includes the final dividend which was declared subsequent to the reporting date and is presented for information purposes only. No provision for this final dividend has been recognised.

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The following table sets forth certain information with respect to the rand/US dollar exchange rate for the years shown:

| Rand per US dollar for the year ended 30 June or the respective month | Average⁽¹⁾ | High | Low |
|--|------------------------------|-------------|------------|
| 2009 ⁽²⁾ | 9,04 | 11,88 | 7,17 |
| 2010 ⁽²⁾ | 7,59 | 8,36 | 7,20 |
| 2011 ⁽²⁾ | 7,01 | 7,75 | 6,57 |
| 2012 ⁽²⁾ | 7,78 | 8,58 | 6,67 |
| 2013 ⁽²⁾ | 8,85 | 10,21 | 8,08 |
| 2014 ⁽³⁾ | 10,00 | 10,39 | 9,59 |
| April 2013 | 9,10 | 9,25 | 8,90 |
| May 2013 | 9,38 | 10,09 | 8,91 |
| June 2013 | 10,02 | 10,21 | 9,82 |
| July 2013 | 9,91 | 10,23 | 9,70 |
| August 2013 | 10,11 | 10,39 | 9,84 |
| September 2013 (up to 30 September 2013) | 9,98 | 10,34 | 9,59 |

- (1) The average exchange rates for each full year are calculated using the average exchange rate on the last day of each month during the period. The average exchange rate for each month is calculated using the average of the daily exchange rates during the period.
- (2) Based on the closing rate of Thomson Reuters.
- (3) The average exchange rates for the period 1 July 2013 to 30 September 2013 are calculated using the average exchange rate on the last day of each month and as at 30 September 2013 during the period. The average exchange rate for each month and as at 30 September 2013 is calculated using the average of the daily exchange rates during the period.

On 30 September 2013, the closing exchange rate of rand per US dollar as reported by Thomson Reuters was R10,03/US\$1.

3.B Capitalisation and indebtedness

Not applicable.

3.C Reasons for the offer and use of proceeds

Not applicable.

3.D Risk factors***Fluctuations in exchange rates may adversely affect our business, operating results, cash flows and financial condition***

The rand is the principal functional currency of our operations and we report our results in rand. However, a large part of our group's turnover is denominated in US dollars and some part in euro, derived either from exports from South Africa or from our manufacturing and distribution operations outside South Africa. Approximately 90% of our turnover is linked to the US dollar as petroleum prices in general and the price of most petroleum and chemical products are based on global commodity and benchmark prices which are quoted in US dollars. A significant part of our capital expenditure is also US dollar-denominated, as it is directed to investments outside South Africa or constitutes materials, engineering and construction costs imported into South Africa. The majority of our operating costs are either rand based for South African operations or euro based for European

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operations. Accordingly, fluctuations in the exchange rates between the rand and US dollar and/or euro may have a material effect on our business, operating results, cash flows and financial condition.

During 2013, the rand/US dollar exchange rate averaged R8,85 and fluctuated between a high of R10,21 and a low of R8,08. This compares to an average exchange rate of R7,78 during 2012 which fluctuated between a high of R8,58 and a low of R6,67. The rand exchange rate is affected by various international and South African economic and political factors. Subsequent to 30 June 2013, the rand has on average weakened against the US dollar and the euro. In general, a weakening of the rand would have a positive effect on our operating results. Conversely strengthening of the rand would have an adverse effect on our operating results.

Although the exchange rate of the rand is primarily market-determined, its value at any time may not be an accurate reflection of its underlying value, due to the potential effect of, among other factors, exchange controls. For more information regarding exchange controls in South Africa see "Item 10.D Exchange controls".

We use derivative instruments to protect us against adverse movements in exchange rates on certain transactional risks in accordance with our group hedging policies. See "Item 11 Quantitative and qualitative disclosures about market risk".

Fluctuations in refining margins and crude oil, natural gas and petroleum product prices may adversely affect our business, operating results, cash flows and financial condition

Market prices for crude oil, natural gas and petroleum products may fluctuate as they are subject to local and international supply and demand fundamentals and factors over which we have no control. Worldwide supply conditions and the price levels of crude oil may be significantly influenced by international cartels, which control the production of a significant proportion of the worldwide supply of crude oil, and by political developments, especially in the Middle East, North Africa and Nigeria. Other factors which may influence the aggregate demand and hence affect the markets and prices for petroleum products in regions which influence South African fuel prices through the Basic Fuel Price (BFP) price formula (used for the calculation of the refinery gate price of petroleum products in South Africa) and/or where we market these products include changes in economic conditions, the price and availability of substitute fuels, changes in product inventory, product specifications and other factors. In recent years, prices for petroleum products have fluctuated widely.

During 2013, the dated Brent crude oil price averaged US\$108,66/b and fluctuated between a high of US\$119,03/b and a low of US\$95,51/b. This compares to an average dated Brent crude oil price of US\$112,42/b during 2012, which fluctuated between a high of US\$128,14/b and a low of US\$88,69/b.

A substantial proportion of our turnover is derived from sales of petroleum and petrochemical products. Through our equity participation in the National Petroleum Refiners of South Africa (Pty) Ltd (Natref) crude oil refinery, we are exposed to fluctuations in refinery margins resulting from differing fluctuations in international crude oil and petroleum product prices. We are also exposed to changes in absolute levels of international petroleum product prices through our synthetic fuels and oil operations. Fluctuations in international crude oil prices affect our results mainly through their indirect effect on the BFP price formula, see "Item 4.B Business overview "Sasol Synfuels" and "Sasol Oil", as well as the impact on oil derived feedstock. Prices of petrochemical products and natural gas are also affected by fluctuations in crude oil prices.

We use derivative instruments to protect us against day-to-day US dollar oil price and rand to US dollar exchange rate fluctuations affecting the acquisition cost of our crude oil needs. See "Item 11 Quantitative and qualitative disclosures about market risk". While the use of these instruments may provide some protection against short-term fluctuations in crude oil prices it does not protect us against

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longer term fluctuations in crude oil prices or differing trends between crude oil and petroleum product prices.

We are unable to accurately forecast fluctuations in refining margins and crude oil, natural gas and petroleum products prices. Fluctuations in any of these may have a material adverse effect on our business, operating results, cash flows and financial condition.

Cyclical in petrochemical product prices may adversely affect our business, operating results, cash flows and financial condition

The demand for chemicals and especially products such as solvents, olefins, surfactants, fertilisers and polymers is cyclical. Typically, higher demand during peaks in the industry business cycles leads producers to increase their production capacity. Although peaks in the business cycle have been characterised by increased selling prices and higher operating margins, in the past such peaks have led to overcapacity with supply exceeding demand growth. Low periods during the industry business cycle are characterised by a decrease in selling prices and excess capacity, which can depress operating margins. Lower prices for chemical products may have a material adverse effect on our business, operating results, cash flows and financial condition.

We may not be able to exploit technological advances quickly and successfully or competitors may develop superior technologies

Most of our operations, including the gasification of coal and the manufacture of synfuels and petrochemical products, are highly dependent on the development and use of advanced technologies. The development, commercialisation and integration of the appropriate advanced technologies can affect, among other things, the competitiveness of our products, the continuity of our operations, our feedstock requirements and the capacity and efficiency of our production.

It is possible that new technologies or novel processes may emerge and that existing technologies may be further developed in the fields in which we operate. Unexpected rapid advances in employed technologies or the development of novel processes can affect our operations and product ranges in that they could render the technologies we utilise or the products we produce obsolete or less competitive in the future. Difficulties in accessing new technologies may impede us from implementing them and competitive pressures may force us to implement these new technologies at a substantial cost. Examples of new technologies which may in the future affect our business include the following:

The development and commercialisation of non-hydrocarbon-dependent energy carrier technologies, including the further development of fuel cells and batteries, or the large scale broadening of the application of electricity to drive motor vehicles. These may be disruptive to the use of hydrocarbon and refined crude oil-derived fuels;

The development of improved fuels (and associated automotive technologies) from a crude oil base with equivalent properties to that of Fischer-Tropsch derived fuels, which may erode the competitive advantage of Fischer-Tropsch fuels;

The development of efficient distribution and gas storage systems that allow light hydrocarbons to be competitively used for mobility and transportation, effectively displacing diesel; and

The development by competitors of next generation catalysts in which catalyst performance is improved, resulting in highly selective and high purity chemical products, which may render the use of our mixed feed stream catalytic-based production processes uncompetitive.

We cannot predict the effect of these or other technological changes or the development of new processes on our business or on our ability to provide competitive products. Our ability to compete will

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depend on our timely and cost-effective implementation of new technological advances. It will also depend on our success in commercialising these advances in spite of competition we may face.

In addition to the technological challenges, a large number of our expansion projects are integrated across a number of Sasol businesses. Delays with the development of an integrated project might, accordingly, have an impact on more than one Sasol business.

If we are unable to implement new technologies in a timely or cost-efficient manner, or penetrate new markets in a timely manner in response to changing market conditions or customer requirements, we could experience a material adverse effect on our business, operating results, cash flows and financial condition.

Our GTL and CTL projects may not prove sufficiently viable or as profitable as planned

We have constructed a gas-to-liquids (GTL) plant in Qatar and are involved in constructing a GTL plant in Nigeria. In addition, we are considering further GTL opportunities in Uzbekistan (front end engineering and design phase), the US (front end engineering and design phase) and Canada (feasibility phase has been completed and a decision on the front end engineering and design phase will be taken at a later stage). A coal-to-liquids (CTL) project is being investigated in India (pre-feasibility phase). The development of these projects is a capital-intensive process and requires us to commit significant capital expenditure and devote considerable management resources in utilising our existing experience and know-how, especially in connection with Fischer-Tropsch synthesis technologies. See "Item 4.B Business overview Sasol Synfuels International".

The processes used and the products developed by these projects may also give rise to patent risks in connection with the use of our GTL and CTL technologies. See below "Intellectual property risks may adversely affect our freedom to operate our processes and sell our products and may dilute our competitive advantage".

The group's strategic ambition is to grow sustainably, by accelerating our GTL portfolio. In assessing the viability of our GTL projects, we make a number of assumptions relating to specific variables, mainly including:

access to sufficient competitively priced gas reserves;

prices of crude oil, petroleum products and gas;

sales opportunities and risks in the relevant countries;

fluctuations in the exchange rate of the US dollar and other currencies against the rand;

fluctuations in interest rates;

fiscal dispensation in the countries in which we invest;

capital cost of our facilities, including engineering, equipment material and construction costs;

operating costs, including manpower, services, supplies and utilities;

technology and catalyst performance;

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conditions in the countries in which we operate, including factors relating to political, social and economic conditions;

the availability of skilled workers to construct and operate the plants;

timely completion of projects; and

environmental regulations.

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Significant variations in any one or more of the above factors that are beyond our control, or any other relevant factor, may adversely affect the profitability or even the viability of our GTL investments. In view of the resources invested in these projects and their importance to our growth strategy, problems we may experience as a result of these factors may have a material adverse effect on our business, operating results, cash flows, financial condition and opportunities for future growth.

Increasing exposure related to investments in associates and joint venture companies may adversely affect our business, operating results, cash flows and financial condition

We have invested in a number of associates and joint ventures as part of our strategy to expand operations globally. We are considering opportunities for further upstream GTL investments, as well as opportunities in chemicals, to continue our local and global expansion. The development of these projects may require investments in associates and joint ventures, most of which are aimed at facilitating entry into countries and/or sharing risk with third parties. Although the risks are shared, the objectives of associates and joint venture partners, their ability to meet their financial and/or contractual obligations, their behaviour, as well as the increasing complexity of country specific legislation and regulations, may impact negatively on our reputation and/or result in disputes and/or litigation, all of which may have a material adverse effect on our business, operating results, cash flows and financial condition, and may constrain the achievement of our growth objectives.

We may not achieve projected benefits of acquisitions or divestments

We may pursue strategic acquisitions or divestments. With any such transaction there is the risk that any benefits or synergies identified at the time of acquisition may not be achieved as a result of changing or incorrect assumptions or materially different market conditions, or other factors. Furthermore, we could be found liable for past acts or omissions of the acquired business without any adequate right of redress.

In addition, delays in the sale of assets, or reductions in value realisable, may arise due to changing market conditions. Failure to achieve expected values from the sale of assets, or delays in expected receipt or delivery of funds, may result in higher debt levels, underperformance of those businesses and possible loss of key personnel.

We may face constraints in obtaining the expected level of financing to pursue new business opportunities or support existing projects

As at 30 June 2013, we had authorised approximately R109,6 billion of group capital expenditure in respect of projects in progress, of which we had spent approximately R42 billion by 30 June 2013. See "Item 5.F Capital commitments". Our capital expenditure plans and requirements are subject to a number of risks, contingencies and other factors, some of which are beyond our control, and therefore the actual future capital expenditure and investments may differ significantly from the current planned amounts.

Our operating cash flow and banking facilities may be insufficient to meet all of these expenditures, depending on the timing and cost of development of these and other projects, as well as operating performance and utilisation of our banking facilities. As a result, new sources of capital may be needed to meet the funding requirements of these developments, to fund ongoing business activities and to pay dividends. Our ability to raise and service significant new sources of capital will be a function of macroeconomic conditions, the condition of the financial markets, future prices for the products we sell, our operational performance and operating cash flow and debt position, among other factors.

Our ability to raise further debt financing in the future, and the cost of such financing, will depend on, among other factors, our credit rating at the time. Our credit rating may be affected by our ability

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to maintain our outstanding debt and financial ratios at levels acceptable to the credit ratings agencies, our business prospects, the sovereign credit rating of the Republic of South Africa and other factors. The sovereign credit rating of the Republic of South Africa was downgraded by Moody's Corporation and Standard & Poors (S&P) in 2012 and by Fitch Ratings in 2013. Following the downgrade of South Africa's sovereign debt rating, S&P lowered our foreign currency long-term corporate credit rating on 16 October 2012. Any further downgrade of the South African sovereign credit rating may have an adverse effect on our credit rating.

In the event of unanticipated operating or financial challenges, any dislocation in financial markets, any further downgrade of our ratings by ratings agencies or new funding limitations, our ability to pursue new business opportunities, invest in existing and new projects, fund our ongoing business activities and retire or service outstanding debt and pay dividends, could be constrained, all of which could have an impact on our business, operating results, cash flows and financial condition.

There are country-specific risks relating to the countries in which we operate that could adversely affect our business, operating results, cash flows and financial condition

Several of our subsidiaries, joint ventures and associates operate in countries and regions that are subject to significantly differing political, social, economic and market conditions. See "Item 4.B Business Overview" for a description of the extent of our operations in the main countries and regions. Although we are a South African domiciled company and the majority of our operations are located in South Africa, we also have significant energy businesses in other African countries, chemical businesses in Europe, the US, the Middle East and Asia, a joint venture in a GTL facility in Qatar, joint ventures in Canada and Uzbekistan and an economic interest in a GTL project in Nigeria.

Particular aspects of country-specific risks that may have a material adverse impact on our business, operating results, cash flows and financial condition include:

(a) Political, social and economic issues

We have invested, or are in the process of investing in, significant operations in African, European, North American, Asian and Middle Eastern countries that have in the past, to a greater or lesser extent, experienced political, social and economic uncertainty. Government policies, laws and regulations in countries in which we operate, or plan to operate, may change in the future. There is also a risk that our plants that were constructed during buoyant market conditions will have to operate in markets in which product prices may have declined. The impact of such changes on our ability to deliver on planned projects cannot be ascertained with any degree of certainty and such changes may therefore have an adverse effect on our operations and financial results.

(b) Fluctuations in inflation and interest rates

Macro economic factors, such as higher inflation and interest rates, could adversely impact our ability to contain costs and/or ensure cost-effective debt financing in countries in which we operate.

In South Africa, consumer price inflation decreased to 5,5% in 2013 from 5,9% in 2012. While recorded inflation is still within the South African Reserve Bank's (SARB) 6% inflation-target ceiling, the effect of global macroeconomic uncertainties, weak domestic economic growth and high unemployment rates contributed to the SARB leaving the bank lending policy interest rate unchanged at 5,0% throughout 2013.

The significant weakening of the rand over the past two years poses a significant upside risk to the inflation outlook. However, given perceived limited producer pricing power in a weak economic growth environment, the currency depreciation pass-through effect is expected to remain relatively muted as compared to previous episodes of currency weakness. Trends in food and fuel prices and unit labour

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costs also remain key risks to the inflation outlook, but these risks are, in our view, outweighed by an uncertain global economic environment and relatively subdued growth conditions in South Africa. As such, we expect the SARB to maintain the bank lending policy interest rate at its current level of 5.0% until late in the 2014 calendar year.

(c) Transportation, water and other infrastructure

The infrastructure in some countries in which we operate, such as rail infrastructure, electricity and water supply may need to be further upgraded and expanded, and in certain instances, possibly at our own cost. Water, as a resource, is becoming increasingly limited as world demand for water increases. In South Africa, the risk that water may become significantly limited is exacerbated by the fact that it is one of the drier countries in the world. Water use by our operations varies widely depending largely on feedstock and technology choice. While a GTL plant is typically a net producer of water, a CTL process has a significant water requirement, driven by the need to produce hydrogen and additional cooling requirements. Although various technological advances may improve the water efficiency of our processes, we may experience limited water availability and other infrastructural challenges, which could have a material adverse effect on our business, operating results, cash flows, financial condition and future growth.

(d) Disruptive industrial action

The majority of our employees worldwide belong to trade unions. These employees comprise mainly general workers, artisans and technical operators. During August to October 2012, the gold and platinum mining sector in South Africa experienced significant disruptions and unprecedented violence in connection with strikes by employees. Following these strikes, double digit wage increases were awarded to employees in the gold and platinum mining sectors. The 2013 wage bargaining processes has been challenging and have resulted in major sectors of the South African economy experiencing strike action (e.g. auto manufacturing, construction and gold mining). The operations of the Sasol group falling within the Petroleum and Chemicals sectors were not impacted by strike action during 2013. The mining operations of the group were subject to strike action. The strike, which was quickly resolved, was initiated by one of the five unions involved with Sasol Mining. The strike involved about 10 percent of the employees in Sasol Mining Secunda and had little impact on the continued running of the operations. Although we have constructive relations with our employees and their unions, we cannot assure you that significant labour disruptions will not occur in the future.

(e) Exchange control regulations

South African law provides for exchange control regulations which apply to transactions involving South African residents, including both natural persons and legal entities. These regulations may restrict the export of capital from South Africa, including foreign investments. The regulations may also affect our ability to borrow funds from non-South African sources for use in South Africa, including the repayment of these borrowings from South Africa and, in some cases, our ability to guarantee the obligations of our subsidiaries with regard to these funds. These restrictions may affect the manner in which we finance our transactions outside South Africa and the geographic distribution of our debt. See "Item 10.D Exchange controls" and "Item 5.B Liquidity and capital resources".

(f) Localisation issues

In some countries, our operations are required to comply with local procurement, employment equity, equity participation and other regulations which are designed to address country-specific social and economic transformation and localisation issues.

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In South Africa, there are various transformation initiatives with which we are required to comply. We embrace, will engender and participate in initiatives to bring about meaningful transformation in South Africa. We consider these initiatives to be a strategic imperative and we acknowledge the risk of not vigorously pursuing them.

We are a participant in transformation charters in the liquid fuels and mining industry in South Africa, pursuant to which we have undertaken to enable historically disadvantaged South Africans to hold at least 25% equity ownership in our liquid fuels business and 26% equity ownership, by 2014, in our mining business. Sasol Mining's BEE ownership currently is above 40%. See "Item 4.B Empowerment of historically disadvantaged South Africans".

The Minister of Trade and Industry published the Codes of Good Practice for broad-based black economic empowerment (BBBEE) on 9 February 2007, effective from the date of publication. These codes provide a standard framework for the measurement of BBBEE across all sectors of the economy, other than the mining industry. The Department of Trade and Industry (DTI) in South Africa has gazetted the revised BBBEE Codes of Conduct. If the proposed codes are adopted, they could have a negative impact on Sasol's BBBEE contributor status.

We have complied with the current requirements of said codes and other requirements of the Liquid Fuels Charter, Mining Charter and the Codes of Good Practice for BBBEE. We believe that the long-term benefits to the company and our country should outweigh any possible short-term adverse effects, but we cannot assure you that future implications of compliance with these requirements or with any newly imposed conditions will not have a material adverse effect on our shareholders or business, operating results, cash flows and financial condition. See "Item 4.B Empowerment of historically disadvantaged South Africans".

(g) Engineering, procurement and construction contract costs

We have a significant capital portfolio and are therefore exposed to fluctuations in the price and supply of engineering, procurement and construction services globally. Of particular concern is the availability of scarce technical skills and capacity, of which we are currently not expecting the abnormal inflationary pressures of the pre-recession period, but rather low to moderate increases as gradual economic recovery sets in. Significant fluctuations and volatility is, however, currently being observed. Scarce technical skills remain a key factor, to a varying degree, in different geographical areas. Cost increases will depend on the region and market dynamics, which could have a material adverse effect on our business, operating results, cash flows and financial condition.

(h) Ownership rights

We operate in several countries where ownership of rights in respect of land and resources is uncertain and where disputes in relation to ownership or other community matters may arise. These disputes are not always predictable and may cause disruption to our operations or development plans.

(i) Stakeholder relationships

Our operations can also have an impact on local communities, including the need, from time to time, to relocate or resettle communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, governments and non-government organisations may harm our reputation as well as our ability to bring development projects into production. In addition, the costs and management time required to comply with standards of social responsibility, community relations and sustainability, including costs related to resettlement of communities or infrastructure, have increased substantially recently and are expected to further increase over time.

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(j) Other specific country risks that are applicable to countries in which we operate and which may have a material impact on our business include:

acts of warfare and civil clashes;

government interventions, including protectionism and subsidies;

regulatory, taxation and legal structure changes;

the control of oil and gas field developments and transportation infrastructure;

failure to receive new permits and consents;

cancellation of contractual rights;

expropriation of assets;

lack of capacity to deal with emergency response situations;

the introduction of selective environmental and carbon taxes; and

social and labour unrest due to economic and political factors in host countries.

Some of the countries where we have already made, or other countries where we may consider making, investments are in various stages of developing institutions and legal and regulatory systems that are characteristic of democracies. However, institutions in these countries may not yet be as firmly established as they are in democracies in South Africa, North America and some European countries. Some of these countries are also transitioning to a market economy and, as a result, are experiencing changes in their economies and their government policies that could affect our investments in these countries.

Moreover, the procedural safeguards of the new legal and regulatory regimes in these countries are still being developed and, therefore, existing laws and regulations may be applied inconsistently. In some circumstances, it may not be possible to obtain the legal remedies provided under those laws and regulations in a timely manner.

As the political, economic and legal environments remain subject to continuous development, investors in these countries face uncertainty as to the security of their investments. Any unexpected changes in the political or economic conditions in the countries in which we operate (including neighbouring countries) may have a material adverse effect on the investments that we have made or may make in the future, which may in turn have a material adverse effect on our business, operating results, cash flows and financial condition.

Electricity supply interruptions and increases in electricity costs in South Africa could adversely affect our business, operating results, cash flows, financial condition and future growth

With the recent commissioning of additional power generation equipment, Sasol is capable of generating up to 69% of its total South African power supply needs internally. However, our South African operations remain dependent on power generated by the state-owned utility, Eskom. During 2008, South Africa experienced significant electricity supply interruptions, and although the situation has improved since then, the electricity supply remains constrained. Although Eskom is implementing a number of short- and long-term mitigation plans, we cannot assure you that we will not experience power supply interruptions which could have material adverse effects on our business, operating results,

cash flows, financial condition and future growth.

Furthermore, South Africa is experiencing higher than normal electricity price increases. After annual increases of 24,8%, 25,8% and 16,0% from 2010 to 2012, the National Energy Regulator of South Africa (NERSA) granted Eskom annual price increases of 8,0% for the five years of the next

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multi-year pricing dispensation, which started from April 2013. We have entered into short-term power purchase agreements for incremental generation with Eskom which mitigates these price increases to some extent. However, any sharp increase in electricity costs may have material adverse effects on our business, operating results, cash flows, financial condition and future growth.

We may not be in compliance with laws or regulations in the countries in which we operate

The industry in which we operate is highly regulated and requires compliance with a myriad of laws and regulations, governing matters such as minerals and mining, development of pipelines, trading in petroleum products and gas as well as, safety, health and environment, in our South African and global operations. Non-compliance can impact business performance dramatically. Although systems and processes are in place, monitored and improved upon, to ensure compliance with applicable laws and regulations, we cannot assure you that we will be in compliance with all laws and regulations at all times. Any failure to comply with applicable laws and regulations could have a material adverse effect on our business, operating results, cash flows and financial condition.

New South African mining legislation may have an adverse effect on our mineral rights

Since the enactment of the Mineral and Petroleum Resources Development Act, 28 of 2002, (MPRDA) in May 2004, our subsidiary, Sasol Mining (Pty) Ltd, has been successful in converting its prospecting permits and mining authorisations to new order prospecting and mining rights in terms of the MPRDA. The new order mining rights, known as converted mining rights, became effective on 29 March 2011. The converted new order mining right in respect of the Secunda area has been granted for a period of ten years, while those in respect of the Mooikraal operations in Sasolburg have been granted for a period of thirty years. We are making good progress with our application to extend our Secunda area mining right from 10 years (7 years left) to 30 years, which is the maximum allowable period under the MPRDA. In addition to the initial validity period, our converted mining rights may, on application, be renewed for further periods not exceeding thirty years each.

If a holder of a prospecting right or mining right conducts prospecting or mining operations in contravention of the MPRDA, including the Mining Charter, the converted mining rights can be suspended or cancelled by the Minister of Mineral Resources if the entity, upon receiving a notice of breach from the Minister, fails to remedy such breach. The MPRDA and applicable provisions in the National Environmental Management Act and National Water Act impose additional responsibilities with respect to environmental management as well as the prevention of environmental pollution, degradation or damage from mining and/or prospecting activities.

The MPRDA Amendment Bill, 2013 has been introduced in the National Assembly of the Parliament of the Republic of South Africa. During September 2013, the Portfolio Committee of the National Assembly responsible for processing this Bill has been holding public hearings on the proposed amendments. The proposed amendments, should they be approved in their current form, will impact our business activities. We have made submissions to the Department of Mineral Resources and the Portfolio Committee to raise our concerns.

We cannot assure you that the proposed changes will not affect our operations, mining and petroleum rights in the future and, as a result, have a material adverse effect on our business, operating results, cash flows and financial condition. See "Item 4.B Business overview Regulation of mining activities in South Africa".

New legislation in South Africa on petroleum and energy activities may have an adverse impact on our business, operating results, cash flows and financial condition

The Petroleum Products Amendment Act (the Petroleum Act) requires persons involved in the manufacturing, wholesale and retail sale of petroleum products to obtain relevant licences for such

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activities. Sasol Oil, Natref and Sasol Synfuels submitted applications for their respective operations, and the Sasol Oil and Sasol Synfuels wholesale licence applications have been approved and issued. The Natref manufacturing licence application is still under review by the Department of Energy. Nevertheless, these facilities continue to operate, as being persons who, as of the effective date of the Petroleum Act, manufactured petroleum products, they are deemed to be holders of a licence until their applications have been finalised. Until these applications have been finalised, we cannot assure you that the conditions of the licences may not have a material adverse impact on our business, operating results, cash flows and financial condition. See "Item 4.B Business overview Regulation of petroleum-related activities in South Africa".

The Department of Energy will, by 2017, implement new fuel specifications and standards (Clean Fuels 2), which are aligned to EURO 5 fuel specifications, to reduce the environmental impact caused by vehicle emissions. The introduction of the new specifications and standards by 2017 will require capital investment in our manufacturing facilities. We cannot assure you that these new specifications will not have a material adverse effect on our business, operating results, cash flow and financial condition.

The Department of Energy has embarked on a process of reviewing the methodology for the determination of margins relating to the regulated fuel price mechanism known as the Regulatory Accounting System. The ultimate goal of the Regulatory Accounting System is to achieve a uniform and transparent set of regulatory accounts, whereby costs are allocated on predetermined methods, thereby providing certainty to investors with regard to the return on assets throughout the petroleum industry value chain (wholesale, coastal storage and handling, secondary storage, secondary distribution and the benchmark service station). Implementation of the Regulatory Accounting System commenced in December 2011 and the Department of Energy has afforded the industry a period of 24 months to amend commercial agreements between oil company franchisors and fuel retail franchisees. We cannot assure you that the final cost allocation model will not have a material adverse effect on our business, operating results, cash flow and financial condition.

The Gas Act regulates matters relating to gas transmission, storage, distribution, liquefaction and re-gasification activities. NERSA has published guidelines for determining transmission and storage tariffs for piped-gas in South Africa, as well as a methodology to determine maximum gas prices. In addition, a draft Gas Amendment Bill has been published for comment and Sasol has subsequently commented on the proposed changes. The implementation and enforcement of these tariffs and prices, as well as future amendments to the Gas Act, may have a material adverse effect on our business, operating results, cash flow and financial condition.

The ten year regulatory dispensation negotiated with the South African government with respect to the supply of Mozambican natural gas to the South African market is expiring in March 2014. In accordance with the regulatory framework relating to gas prices and tariffs, NERSA has on 26 March 2013 approved transmission tariffs and maximum gas prices which will apply to our gas business in South Africa after the expiry of the aforesaid regulatory dispensation. We cannot assure you that the provisions of the Gas Act and the implementation of a new gas price and tariff methodology pursuant to the NERSA approvals will not have a material adverse impact on our business, operating results, cash flows and financial condition. See "Item 4.B Business overview Regulation of gas related activities in South Africa".

Changes in safety, health and environmental regulations and legislation and public opinion may adversely affect our business, operating results, cash flows and financial condition

Failure to comply with applicable safety, health and environmental laws, regulations or permit requirements may result in fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution

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control equipment, decommissioning or other remedial actions, any of which could entail significant expenditures.

We are subject to a wide range of general and industry-specific environmental, health and safety and other legislation in jurisdictions in which we operate. See "Item 4.B Business overview Regions in which Sasol operates and their applicable legislation". Compliance with these requirements is a significant factor in our business, and we incur, and expect to continue to incur, significant capital and operating expenditures in order to continue to comply with these requirements. These laws and regulations and their enforcement are likely to become more stringent over time. We may be required in some cases to incur additional expenditure in order to comply with such legislation.

Similarly, public opinion is growing more sensitive to consumer health and safety, environmental and climate change protection matters, and, as a result, markets may apply pressure on us concerning certain of our products, manufacturing processes, transport and distribution arrangements. As a result of these additional costs of compliance and other factors, including pressures related to public opinion, we may be required to withdraw certain products from the market, which could have a material adverse effect on our business, operating results, cash flows and financial condition.

We continue to take remedial actions at a number of sites due to soil and groundwater contamination. The process of investigation and remediation can be lengthy and is subject to the uncertainties of site specific factors, changing legal requirements, developing technologies, the allocation of liability among multiple parties and the discretion of regulators. Accordingly, we cannot estimate with certainty the actual amount and timing of costs associated with site remediation.

In order to continue to comply with safety, health and environmental licences, laws and regulations, we may have to incur costs which we may finance from our available cash flows or from alternative sources of financing. We may be required to provide for financial security for environmental rehabilitation in the form of a trust fund, guarantee, deposit or other methods as may be required by legislation imposing obligations in respect of decommissioning and rehabilitation of environmental impacts. No assurance can be given that changes in safety, health and environmental laws and regulations or their application or the discovery of previously unknown contamination or other liabilities will not have a material adverse effect on our business, operating results, cash flows and financial condition.

Mining is a hazardous industry and working conditions including weather, altitude and temperature can add to the inherent dangers of mining. The mining process, including blasting and processing ore bodies, can generate environmental impacts including dust and noise and may require the storage of waste materials, including in liquid form. Dust, noise or leakage of polluting substances from site operations or mine residue facilities have the potential to generate harm to our employees, the communities near our operations or the environment.

Failure to provide a safe and healthy working environment may result in government authorities forcing closure of mines on a temporary or permanent basis or refusing mining right applications. We could face civil or criminal fines and penalties, liability to employees and third parties for injury, illness or death, statutory liability for environmental remediation, and other financial consequences, which may be significant.

In addition, our manufacturing processes may utilise and result in the emission of substances with potential health risks. We also manufacture products which may pose health risks. Although we apply a duty of care principle and implement health and safety, product stewardship, the Chemical and Allied Industries' Association Responsible Care® programme and other measures to eliminate or mitigate associated potential risks, we may be subject to liabilities as a result of the use or exposure to these materials or emissions.

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Regulation of greenhouse gas emissions could increase our operational cost and reduce demand for our products

Continued political attention to issues concerning climate change, the role of human activity in it, and potential mitigation through regulation could have a material impact on our operations and financial results. International agreements and national or regional legislation and regulatory measures to limit greenhouse emissions are currently in various stages of discussion or implementation.

For instance, a reduction of greenhouse gas emissions could be achieved through market-based regulatory programmes, technology-based or performance-based standards or a combination of them. South Africa has entered into a voluntary non-binding agreement to take, subject to certain conditions, nationally appropriate mitigation action to enable a 34% deviation below "business as usual" emissions growth trajectory by 2020, and 42% by 2025. Current measures in South Africa have already resulted in increased compliance costs for power suppliers that are passed to us in the form of levies for electricity generated from fossil fuels. These levies may increase substantially over time. The climate change management policy process, culminated in the publication of a Climate Change Response White Paper, in November 2011 and, in May 2013, a second carbon tax discussion document was published for comment. We responded by indicating that Sasol does not support the proposed carbon tax in its current form as:

a thorough analysis of the potential impacts and alternative options have not been performed;

it does not align with South Africa's broader mitigation policy; and

it does not sufficiently take account of South Africa's carbon mitigation and socio-economic challenges.

Our experts are participating in several working groups, together with the South African government and other stakeholders, to develop the standards and guidelines which would give effect to the country's climate change response white paper.

The development of these and other greenhouse gas emissions-related laws, policies and regulations may result in substantial capital, compliance, operating and maintenance costs. The level of expenditure required to comply with any laws and regulations is uncertain and will depend on a number of factors including, among others, the sectors covered, the greenhouse gas emissions reductions required by law, the extent to which we would be entitled to receive any emission allowance allocations or would need to purchase compliance instruments on the open market or through auctions, the price and availability of emission allowances and credits, and the impact of legislation or other regulation on our ability to recover the costs incurred through the pricing of our products. Material price increases or incentives to conserve or use alternative energy sources could reduce demand for products we currently sell and adversely affect our sales volumes, revenues and margins.

We are subject to competition and antitrust laws

Violations of competition/antitrust legislation could expose the group to administrative penalties and civil claims and damages, including punitive damages, by entities which can prove they were harmed by such conduct. Such penalties and damages could be significant and have an adverse impact on our business, operating results, cash flows and financial condition. In addition, there is also the significant reputational damage that accompanies findings of such contraventions as well as imprisonment or fines for individuals in some countries where antitrust violations are a criminal offence. Competition authorities are increasingly engaging with each other to exchange information relating to potential violation of antitrust laws and enforce antitrust laws.

The South African Competition Commission is conducting investigations into the piped gas, petroleum, fertilisers and polymer industries. The group has cooperated with competition authorities to

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deal pro-actively with non-compliance matters. We continue to interact and cooperate with the South African Competition Commission in respect of leniency applications as well as in the areas that are subject to the South African Competition Commission investigations. Refer to "Item 4.B Business overview Legal proceedings and other contingencies". Although it is our policy to comply with all laws, and notwithstanding training and compliance programmes, we could nonetheless contravene competition or antitrust laws and be subject to the imposition of fines, criminal sanctions and/or civil claims and damages. This could have a material adverse impact on our business, operating results, cash flows and financial condition.

The competition law compliance risks mentioned above will escalate for companies as the provisions contained in the Competition Law Amendment Act of 2009 relating to market enquiries became effective as from 1 April 2013. The market enquiry provisions grant the Competition Commission the authority to conduct inquiries into the general state of competition in any market in South Africa for particular goods or services without referring to specific prohibited conduct or a particular firm. The remaining sections of the Competition Law Amendment Act of 2009 have not as yet come into effect. Should the remainder of the sections relating to individual criminal liability for collusion as well as the concept of a "complex monopoly" become effective the competition law compliance risks mentioned above will be further aggravated. This could have a material adverse impact on our business, operating results, cash flows and financial condition.

We may not be successful in attracting and retaining sufficiently skilled employees

We are highly dependent on the continuous development and successful application of new technologies. In order to achieve this, we need to maintain a focus on recruiting and retaining qualified scientists, engineers, project execution skills, artisans and operators. In addition, we are dependent on highly skilled employees in business and functional roles to establish new business ventures as well as to maintain existing operations.

The quality and availability of skills in certain labour markets is impacted by the challenges within the education and training systems in certain countries in which we operate, such as South Africa and Mozambique. The retention of staff is particularly challenging in South Africa, where in addition to global industry shortages of skilled employees, we and our competitors are also required to achieve employment equity targets. Localisation and other similar legislation in countries in which we operate are equally challenging to the attraction and retention of sufficiently skilled employees.

The shortage of skilled employees will be further exacerbated as global economic recovery progresses and we compete with a global industry for skilled and experienced employees. Failure to attract and retain people with the right capabilities and experience could negatively affect our ability to introduce and maintain the appropriate technological improvements to our business, our ability to successfully construct and commission new plants or establish new business ventures. This may have a material adverse effect on our business, operating results, cash flows and financial condition.

Intellectual property risks may adversely affect our freedom to operate our processes and sell our products and may dilute our competitive advantage

Our various products and processes, including most notably, our chemical, CTL and GTL products and processes have unique characteristics and chemical structures and, as a result, are subject to confidentiality and/or patent protection, the extent of which varies from country to country. Rapid changes in our technology commercialisation strategy may result in a misalignment between our intellectual property protection filing strategy and the countries in which we operate. The disclosure of our confidential information and/or the expiry of a patent may result in increased competition in the market for our products and processes, although the continuous supplementation of our patent portfolio mitigates such risk to an extent. In addition, aggressive patenting by our competitors,

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particularly in countries like the US and China, may result in an increased patent infringement risk and may constrain our ability to operate in our preferred markets.

A significant percentage of our products can be regarded as commodity chemicals, some of which have unique characteristics and chemical structure. These products are normally utilised by our clients as feedstock to manufacture specialty chemicals or application-type products. We have noticed a worldwide trend of increased filing of patents relating to the composition of product formulations and the applications thereof. These patents may create pressure on those of our clients who market these product formulations which may adversely affect our sales to these clients. These patents may also increase our risk to exposure from limited indemnities provided to our clients of these products. Patent-related pressures may adversely affect our business, operating results, cash flows and financial condition.

We believe that our proprietary technology, know-how, confidential information and trade secrets, provide us with a competitive advantage. A possible loss of experienced personnel to competitors, and a possible transfer of know-how and trade secrets associated therewith, may negatively impact this advantage. In addition, the patenting by our competitors of technology built on our know-how obtained through former employees may result in additional risk.

Similarly, operating and licensing technology in countries in which intellectual property laws are not well established and enforced may result in an inability to effectively enforce our intellectual property rights. The risk of some transfer of our know-how and trade secrets to our competitors is increased by the increase in the number of licences granted under our intellectual property, as well as the increase in the number of licensed plants which are brought into operation through entities which we do not control. As intellectual property warranties and indemnities are provided under each new licence granted, the cumulative risk increases accordingly.

The above risks may adversely affect our business, operating results, cash flows and financial condition.

Increasing competition by products originating from countries with low production costs may adversely affect our business, operating results, cash flows and financial condition

Certain of our chemical production facilities are located in developed countries, including the US and Europe. Economic and political conditions in these countries result in relatively high labour costs and, in some regions, relatively inflexible labour markets. Increasing competition from regions with lower production costs and more flexible labour markets, for example the Middle East, India and China, exerts pressure on the competitiveness of our chemical products and, therefore, on our profit margins. This could result in the withdrawal of particular products or the closure of specific facilities. We cannot assure you that increasing competition from products originating from countries with lower production costs will not result in withdrawal of our products or closure of our facilities, which may have a material adverse effect on our business, operating results, cash flows and financial condition.

We may face potential costs in connection with industry-related accidents or deliberate acts of terror causing property damage, personal injuries or environmental contamination

We operate coal mines, explore for and produce oil and gas and operate a number of plants and facilities for the manufacture, storage, processing and transportation of oil, chemicals and gas, related raw materials, products and wastes. These facilities and their respective operations are subject to various risks, such as fires, explosions, releases and loss of containment of hazardous substances, soil and water contamination, flooding and land subsidence, among others. As a result, we are subject to the risk of experiencing, and have in the past experienced, industry-related incidents. Our facilities are also subject to the risk of deliberate acts of terror.

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Our main Sasol Synfuels production facilities are concentrated in a relatively small area in Secunda, South Africa. This facility utilises feedstock from our mining and gas businesses, whilst the chemical and oil businesses rely on the facility for the raw materials it produces. Accidents and acts of terror may result in damage to our facilities and may require shutdown of the affected facilities, thereby disrupting production, increasing production costs and may even disrupt the mining, gas, chemicals and oil businesses which make up a significant portion of our total income. Furthermore, accidents or acts of terror at our longstanding operations may have caused, or may in future cause, environmental contamination, personal injuries, health impairment or fatalities and may result in exposure to extensive environmental remediation costs, civil litigation, the imposition of fines and penalties and the need to obtain or implement costly pollution control technology.

Our products are ultimately sold to customers around the globe and this exposes us to risks related to the transportation of such products by road, rail or marine vessels. Such activities take place in the public domain exposing us to incident risks over which we have limited control.

It is Sasol's policy to procure appropriate property damage and business interruption insurance cover for its production facilities above acceptable deductible levels at acceptable commercial premiums. However, full cover for all loss scenarios may not be available at acceptable commercial rates, and we cannot give any assurance that the insurance procured for any particular year would cover all potential risks sufficiently or that the insurers will have the financial ability to pay all claims that may arise.

The costs we may incur as a result of the above or related factors could have a material adverse effect on our business, operating results, cash flows and financial condition.

We may face the risk of information security breaches or attempts to disrupt critical information technology services, which may negatively impact on our operations

The increasing uses of information technology (IT) systems in operations are making all industries, including the energy and chemicals industries, much more susceptible to cyber threats. Recent global trends have shown that the energy sector is increasingly becoming the target of cyber-attacks. Although we have an information security programme in place, Sasol may be vulnerable to cyber-attacks and attempts to gain unauthorised access to our IT systems. Disruption of critical IT services, or breaches of information security, could have a material adverse effect on our business, operating results, cash flows and financial condition.

Our coal, synthetic oil, natural oil and natural gas reserve estimates may be materially different from quantities that we eventually recover

Our reported coal, synthetic oil, natural oil and gas reserves are estimated quantities based on applicable reporting regulations that under present and anticipated conditions have the potential to be economically mined, processed or produced.

There are numerous uncertainties inherent in estimating quantities of reserves and in projecting future rates of production, including factors which are beyond our control. The accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation and judgement.

Reserve estimates will require revision based on actual production experience and other factors, including extensions and discoveries. In addition, regulatory changes, market prices, increased production costs and other factors may result in a revision to estimated reserves. Significantly revised estimates may have a material adverse effect on our business, operating results, cash flows and financial condition. See "Item 4.D Property, plants and equipment".

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Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions

Our international operations could expose us to trade and economic sanctions or other restrictions imposed by the United States or other governments or organisations, including the United Nations, the European Union and its member countries. Under economic and trading sanctions laws, governments may seek to impose modifications to business practices, and modifications to compliance programmes, which may increase compliance costs, and may subject us to fines, penalties and other sanctions. During 2011 and continuing into 2012 and 2013, the scope of sanctions imposed against the government of Iran and persons engaging in certain activities or doing certain business with and relating to Iran has been expanded by a number of jurisdictions, including the United States, the European Union and Canada.

Activities in Iran

The activities listed below relate to our 50% shareholding in Arya Sasol Polymer Company (ASPC), which we disposed of on 16 August 2013 (the "Divestment Date") in a process for which we obtained a licence from the United States Office of Foreign Assets Control (OFAC). The activities listed below have been conducted outside the US by non-US Sasol subsidiaries and references to Sasol shall mean such non-US subsidiaries for purposes of the description of our activities listed below.

Arya Sasol Polymer Company

For the year ended 30 June 2013, Sasol held a 50% shareholding in ASPC, an Iranian joint venture with Pars Petrochemical Company. ASPC is a manufacturer and supplier of ethylene, low density polyethylene, and medium and high density polyethylene.

For the year ended 30 June 2013, Sasol received dividend payments from ASPC in an amount equal to R377 190 901 and ASPC repaid shareholder loans to Sasol in an amount equal to R983 104 940.

Sale of Arya Sasol Polymer Company products

During 2013, Sasol engaged in the marketing and distribution of polymer products manufactured by ASPC, including ethylene, low density polyethylene, and medium and high density polyethylene.

For the year ended 30 June 2013, Sasol's marketing and distribution of ASPC products generated a gross revenue of R2 691 789 451 and a net profit of R293 508 016.

For the year ended 30 June 2013, Sasol made payments to ASPC in an aggregate amount equal to R2 268 309 804 in respect of polymer products manufactured by ASPC that were marketed and distributed by Sasol.

Other matters

During 2013, Sasol seconded certain of its employees to ASPC pursuant to a personnel agreement. None of these employees were US citizens. Sasol made salary and other compensation related payments to the seconded employees and was reimbursed for such payments by ASPC.

During 2013, ASPC paid management service fees in an amount equal to R15 566 754 to Sasol in exchange for management services.

For the year ended 30 June 2013, Sasol made payments to the Maccauvlei Learning Academy, a South African provider of human resource development services, in an amount equal to R1 041 298, which provided educational services to certain of the employees of ASPC.

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Sale of SPI International (Pty) Ltd

On the Divestment Date, Sasol Investment Company (Pty) Ltd entered into a definitive sale and share purchase agreement pursuant to which Main Street 1095 (Pty) Ltd, a South African subsidiary of the Armed Forces Social Welfare Investment Organization of Iran, an Iranian pension fund, completed and effected the acquisition of 100% of the shares of SPI International (Pty) Ltd. SPI International (Pty) Ltd is the indirect owner of Sasol's 50% shareholding in ASPC. The total purchase price for the sale of SPI International (Pty) Ltd was R2 402 million (AED 873 541 486 or US\$238 million), to be paid by Main Street 1095 (Pty) Ltd to Sasol Investment Company (Pty) Ltd in several installments, the last of which will become due and payable no later than 20 November 2013. As of 30 September 2013, Sasol Investment Company (Pty) Ltd had received purchase price payments totaling R1 799 million (AED 669 950 097) from Main Street 1095 (Pty) Ltd.

As a result of the sale of SPI International (Pty) Ltd, Sasol has no ownership interest in ASPC and no on-going investment in Iran. The sale of SPI International (Pty) Ltd was authorised by OFAC pursuant to License No. IA-2013-299863-1.

The sale and share purchase agreement contains limited warranties given by Sasol Investment Company (Pty) Ltd in favor of Main Street 1095 (Pty) Ltd as to, among other things, title to the shares of SPI International (Pty) Ltd. In addition, Main Street 1095 (Pty) Ltd has committed not to use the Sasol name or any related names or trademarks, other than the name "Arya Sasol". Main Street 1095 (Pty) Ltd's right to use the name "Arya Sasol" will expire on 16 August 2015.

During the period beginning on 1 July 2013 and ending on the Divestment Date, Sasol received dividend payments from ASPC in an amount equal to R186 092 728. Sasol will not receive any further dividend payments from ASPC.

In connection with polymer products ordered by Sasol from ASPC and delivered prior to the Divestment Date, Sasol currently has amounts payable to ASPC. In addition, prior to the Divestment Date, Sasol made commitments on product offtake (and has certain Sasol branded inventory in ASPC which Sasol has procured in order to prevent ASPC selling this product in the market). Sasol anticipates all product will be delivered by ASPC by 30 October 2013. In connection with these commitments, Sasol anticipates that further amounts will be payable to ASPC by Sasol. Sasol has no other commitments to acquire products from ASPC and will not make further purchases of ASPC products.

In connection with other transactions between Sasol and ASPC prior to the Divestment Date, including in respect of management services, salary and other compensation related payments for Sasol employees that were seconded to ASPC, Sasol currently has amounts receivable from ASPC. Sasol no longer provides seconded employees or management services to ASPC. We no longer make any payments to the Maccauvlei Learning Academy for services to ASPC employees.

Sasol may be unable to settle the net outstanding amounts payable to or receivable from ASPC due to sanctions.

Arrangements with Financial Institutions

During the year ended 30 June 2013, in connection with the foregoing transactions, Sasol, which is not blocked pursuant to U.S. Executive Order Nos. 13224 or 13382, has used banks that are blocked pursuant to those U.S. Executive Orders. Since the Divestment Date, Sasol has not used any bank that is blocked pursuant to any U.S. Executive Order.

Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in

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compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations.

We are monitoring developments in the United States, the European Union and other jurisdictions that maintain sanctions programs, including developments in implementation and enforcement of such sanctions programs. Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries subject to sanctions), or modifications in how existing sanctions are interpreted or enforced, could have a material adverse effect on our business, operating results, cash flows and financial condition.

The exercise of voting rights by holders of American Depositary Receipts is limited in some circumstances

Holders of American Depositary Receipts (ADRs) may exercise voting rights with respect to the ordinary shares underlying their American Depositary Shares (ADSs) only in accordance with the provisions of our deposit agreement (Deposit Agreement) with The Bank of New York Mellon, as the depositary (Depositary). For example, ADR holders will not receive notice of a meeting directly from us. Rather, we will provide notice of a shareholders meeting to The Bank of New York Mellon in accordance with the Deposit Agreement. The Bank of New York Mellon has undertaken in turn, as soon as practicable after receipt of our notice, to mail voting materials to holders of ADRs. These voting materials include information on the matters to be voted on as contained in our notice of the shareholders meeting and a statement that the holders of ADRs on a specified date will be entitled, subject to any applicable provision of the laws of South Africa and our Memorandum of Incorporation, to instruct The Bank of New York Mellon as to the exercise of the voting rights pertaining to the shares underlying their respective ADSs on a specified date. In addition, holders of our ADRs will be required to instruct The Bank of New York Mellon how to exercise these voting rights.

Upon the written instruction of an ADR holder, The Bank of New York Mellon will endeavour, in so far as practicable, to vote or cause to be voted the shares underlying the ADSs in accordance with the instructions received. If instructions from an ADR holder are not received by The Bank of New York Mellon by the date specified in the voting materials, The Bank of New York Mellon will not request a proxy on behalf of such holder. The Bank of New York Mellon will not vote or attempt to exercise the right to vote other than in accordance with the instructions received from ADR holders.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct The Bank of New York Mellon to vote the shares underlying your ADSs. In addition, The Bank of New York Mellon and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and there may be no recourse if your voting rights are not exercised as you directed.

Sales of a large amount of Sasol's ordinary shares and ADSs could adversely affect the prevailing market price of the securities

Historically, trading volumes and liquidity of shares listed on the JSE Limited (JSE) have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Sasol's ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity. The sales of ordinary shares or ADSs, if substantial, or the perception that these sales may occur and be substantial, could exert downward pressure on the prevailing market prices for the Sasol ordinary shares or ADSs, causing their market prices to decline.

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ITEM 4. INFORMATION ON THE COMPANY

4.A History and development of the company

Sasol Limited, the ultimate holding company of our group, is a public company. It was incorporated under the laws of the Republic of South Africa in 1979 and has been listed on the JSE Limited (JSE) since October 1979. Our registered office and corporate headquarters are at 1 Sturdee Avenue, Rosebank, 2196, South Africa, and our telephone number is +27 11 441 3111. Our agent for service of process in the United States is Puglisi and Associates, 850 Library Avenue, Suite 204, P.O. Box 885, Newark, Delaware 19715.

As of 30 June 2013, we were one of the largest JSE listed companies by Sasol ordinary shares market capitalisation (R279 983 million in respect of the Sasol ordinary shares), with total consolidated turnover of R181 269 million for the year ended 2013.

4.B Business overview

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

While continuing to support our home-base of South Africa, Sasol is expanding internationally based on a unique value proposition. Our ability to deliver sustainable shareholder value is premised on developing our people, keeping them safe and healthy, contributing meaningfully to the social and economic development of the countries and communities within which we work, and doing so in an environmentally responsible way. Sasol is listed on the Johannesburg Stock Exchange in Johannesburg (JSE: SOL) and the New York Stock Exchange (NYSE: SSL), with headquarters in Johannesburg, South Africa.

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Our activities

Sasol believes that its ability to compete and grow sustainably is contingent on internal collaboration, knowledge and resource sharing, as well as building effective external partnerships and joint ventures in different markets, territories and cultural contexts. We cluster our businesses according to common business drivers. Clustering, which involves creating linkages among logically related businesses that allow for strategic consistency and operational efficiencies, has been increasingly adopted by world-class companies to become recognised best practice. The group's structure is organised into three focused business clusters – South African Energy Cluster, International Energy Cluster and Chemical Cluster.

We divide our operations into the following segments:

South African Energy Cluster

Sasol Mining. We mine approximately 40,1 million tons (Mt) of saleable coal per year, mostly for gasification feedstock and utilities coal for our complexes in Secunda and Sasolburg, in South Africa, and export approximately 2,5 Mt of coal annually. Sasol Mining accounted for 1% of our total external segmental turnover in 2013.

Sasol Gas. We distribute and market Mozambican-produced natural gas and Secunda-produced methane-rich gas to customers in the Gauteng, Mpumalanga, KwaZulu-Natal, Free State and North-West provinces of South Africa. We also have a 50% interest in Republic of Mozambique Pipeline Investments Company (Pty) Ltd (Rompeco), a company which owns, operates and maintains the 865 km cross-border pipeline that transmits natural gas from the Temane central processing facility in Mozambique to the gas network in South Africa. Sasol Gas accounted for 2% of our total external segmental turnover in 2013.

Sasol Synfuels. We operate the world's only commercial coal-based synfuels manufacturing facility at Secunda. We produce synthesis gas through coal gasification and natural gas reforming, using our proprietary technology to convert synthesis gas into synthetic fuel components, chemical feedstock and pipeline gas. Sasol Synfuels accounted for 1% of our total external segmental turnover in 2013.

Sasol Oil. We market fuels blended at Secunda and refined through our 63,64% interest in the Sasolburg Natref refinery. Products include petrol, diesel, jet fuel, illuminating paraffin, liquid petroleum gas (LPG), fuel oils, bitumen, motor and industrial lubricants and sulphur. We have 278 Sasol branded service stations, including six Sasol branded integrated energy centres and 132 Exel branded service stations in South Africa. Fuel is exported by way of third parties to several South African Development Community (SADC) countries. Sasol Oil accounted for 37% of our total external segmental turnover in 2013.

Other. This consists of costs related to the pre-feasibility study for the potential expansion of our synthetic fuels capacity in South Africa known as Project Mafutha.

International Energy Cluster

Sasol Synfuels International (SSI). We develop, implement and manage international business ventures based on our proprietary technology. SSI's primary focus is on securing opportunities to advance Sasol's GTL ambitions. We are progressing GTL projects in the US, Uzbekistan and Nigeria and have achieved stable operations at ORYX GTL in Qatar. SSI accounted for 3% of our total external segmental turnover in 2013.

Sasol Petroleum International (SPI). We develop and manage upstream natural oil and gas interests in West and Southern Africa, Canada and Australia. Our current exploration portfolio

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and development and production assets are shown on the maps on pages M-6 to M-9. We are mandated to pursue upstream opportunities for the exploration, appraisal, development and production of hydrocarbon resources to supply gas feedstock to existing or potential future downstream plants or other markets and liquid products to the external market. We sell natural gas under long-term contracts to Sasol Gas and external customers and oil to customers under annual contracts. Canadian gas is sold into the market at spot prices. SPI accounted for 1% of our total external segmental turnover in 2013.

Chemical Cluster

Sasol Polymers. We operate plants at Sasolburg and Secunda in South Africa and supply ethylene, propylene, polyethylene, polypropylene, polyvinyl chloride, chlor-alkali chemicals and mining reagents to domestic and international customers. We also have joint venture monomer and polymer interests in Malaysia, and marketing facilities in China and Dubai. Sasol Polymers accounted for 13% of our total external segmental turnover in 2013.

Sasol Solvents. We operate plants in South Africa and Germany and supply a diverse range of solvents (ketones and alcohols), co-monomers (hexene and octene), acrylates and associated products. We also have a maleic anhydride joint venture in Germany with Huntsman Corporation. Sasol Solvents accounted for 11% of our total external segmental turnover in 2013.

Sasol Olefins & Surfactants. We operate plants in Germany, Italy, the US, the Slovak Republic and China and supply surfactants, linear alkylbenzene, surfactant intermediates, n-paraffins, n-olefins, C₆-C₂₂ alcohols, ethylene and other organic intermediates to customers worldwide as well as specialty aluminas, silica aluminas and hydrotalcites. Sasol Olefins & Surfactants accounted for 22% of our total external segmental turnover in 2013.

Other chemical businesses. We are involved in a number of other activities in the chemicals industry, both in South Africa and internationally, which, among others, include production and marketing of other chemical products, like waxes, fertilisers and mining explosive products. These activities accounted for 9% of our total external segmental turnover in 2013.

Other businesses

Other. We are involved in a number of other activities in the energy and chemicals industries, both in South Africa and internationally, which, among others, are technology research and development, generation of low-carbon electricity, and our financing activities as well as alternative energy activities.

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The following tables present our total external turnover after the elimination of inter-segment turnover by business operation and geographic market in accordance with IFRS:

| 2013 | South African Energy Cluster | | | | International Energy Cluster | | Chemical Cluster | | | | | Total | |
|--------------------------------|------------------------------|-----------|----------------|-----------|------------------------------|--------------------|------------------|----------------|----------------|-------------------------------|-----------------|-------|------------------|
| | Sasol Mining | Sasol Gas | Sasol Synfuels | Sasol Oil | Other International | Sasol Synfuels | Sasol Petroleum | Sasol Polymers | Sasol Solvents | Sasol Olefins and Surfactants | Other chemicals | | Other businesses |
| | | | | | | | | | | | | | |
| | | | | | | (Rand in millions) | | | | | | | |
| South Africa | 23 | 4 378 | 1 262 | 64 960 | | | | 9 622 | 1 589 | 175 | 6 685 | | 88 694 |
| Rest of Africa | 63 | 146 | | 2 397 | | 128 | 352 | 2 598 | 172 | 185 | 1 350 | 7 | 7 398 |
| Europe | 326 | | 140 | 1 | | 3 359 | 1 225 | 804 | 7 745 | 21 533 | 4 141 | | 39 274 |
| Middle East and India | 712 | | 10 | | | 1 597 | | 4 899 | 1 920 | 505 | 420 | 3 | 10 066 |
| Far East | 160 | | 2 | | | | | 2 172 | 1 186 | 2 765 | 597 | | 6 882 |
| North America (incl. Canada) | | | 39 | | | | 600 | 5 | 3 913 | 14 272 | 1 614 | | 20 443 |
| South America | | | | 1 | | | | 1 139 | 536 | 847 | 376 | | 2 899 |
| Southeast Asia and Australasia | 549 | | 55 | | | 168 | | 1 718 | 2 452 | 298 | 373 | | 5 613 |
| Turnover | 1 833 | 4 524 | 1 508 | 67 359 | | 5 252 | 2 177 | 22 957 | 19 513 | 40 580 | 15 556 | 10 | 181 269 |

| 2012 | South African Energy Cluster | | | | International Energy Cluster | | Chemical Cluster | | | | | Total | |
|--------------------------------|------------------------------|-----------|----------------|-----------|------------------------------|--------------------|------------------|----------------|----------------|-------------------------------|-----------------|-------|------------------|
| | Sasol Mining | Sasol Gas | Sasol Synfuels | Sasol Oil | Other International | Sasol Synfuels | Sasol Petroleum | Sasol Polymers | Sasol Solvents | Sasol Olefins and Surfactants | Other chemicals | | Other businesses |
| | | | | | | | | | | | | | |
| | | | | | | (Rand in millions) | | | | | | | |
| South Africa | 25 | 3 950 | 963 | 62 668 | | | | 8 363 | 1 455 | 240 | 6 408 | 29 | 84 101 |
| Rest of Africa | 34 | 17 | | 2 958 | | 369 | 155 | 2 231 | 191 | 206 | 871 | 7 | 7 039 |
| Europe | 502 | | 239 | 1 174 | | 3 968 | 1 293 | 1 101 | 7 168 | 19 775 | 3 654 | | 38 874 |
| Middle East and India | 491 | | 1 | | | 844 | | 3 019 | 1 319 | 341 | 361 | | 6 376 |
| Far East | 485 | | | | | | | 2 316 | 1 099 | 2 735 | 462 | | 7 097 |
| North America (incl. Canada) | | | 46 | | | 330 | | | 3 635 | 12 824 | 1 317 | | 18 152 |
| South America | | | 1 | | | | | 636 | 578 | 652 | 332 | 5 | 2 204 |
| Southeast Asia and Australasia | 719 | | 18 | | | 1 | | 2 286 | 1 984 | 271 | 315 | 9 | 5 603 |
| Turnover | 2 256 | 3 967 | 1 268 | 66 800 | | 5 182 | 1 778 | 19 952 | 17 429 | 37 044 | 13 720 | 50 | 169 446 |

| 2011 | South African Energy Cluster | | | | International Energy Cluster | | Chemical Cluster | | | | | Total |
|-----------------------|------------------------------|-----------|----------------|-----------|------------------------------|---------------|------------------|----------------|-------------|-----------------|------------------|---------|
| | Sasol Mining | Sasol Gas | Sasol Synfuels | Sasol Oil | Sasol | Sasol | Sasol Polymers | Sasol Solvents | Sasol | Other chemicals | Other businesses | |
| | | | | | Synfuels | Petroleum | | | Olefins | | | |
| | | | | | International | International | | | and | | | |
| | | | | | Other | Other | | | Surfactants | | | |
| (Rand in millions) | | | | | | | | | | | | |
| South Africa | 36 | 3 159 | 1 004 | 51 034 | | | 7 614 | 1 366 | 262 | 5 449 | 6 | 69 930 |
| Rest of Africa | 90 | 11 | | 3 028 | | 191 | 107 | 2 010 | 175 | 206 | 672 | 8 6 498 |
| Europe | 285 | | 149 | 203 | 2 259 | 1 034 | 998 | 7 011 | 17 313 | 3 721 | 4 | 32 977 |
| Middle East and India | 867 | | 4 | | 1 265 | | 2 752 | 1 409 | 358 | 407 | 4 | 7 066 |
| Far East | 235 | | 5 | | | | 1 718 | 1 229 | 2 252 | 311 | | 5 750 |
| | 40 | | 28 | | | 70 | | 2 964 | 9 936 | 1 237 | (1) | 14 274 |

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| | | | | | | | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|-----------|----------------|--|
| North America (incl. Canada) | | | | | | | | | | | | | |
| South America | | | 2 | | | 575 | 529 | 581 | 337 | | | 2 024 | |
| Southeast Asia and Australasia | 476 | | 16 | | | 1 318 | 1 473 | 208 | 420 | 6 | | 3 917 | |
| Turnover | 2 029 | 3 170 | 1 208 | 54 265 | 3 715 | 1 211 | 16 985 | 16 156 | 31 116 | 12 554 | 27 | 142 436 | |

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Our strategy

Our primary strategic focus is:

continuously improving our existing foundation businesses in Southern Africa, Europe, North America and Asia;

commercialising our technology internationally through our accelerated GTL growth strategy;

increasing natural gas reserves through exploration and acquisitions that complement our GTL value proposition; and

pursuing opportunities where we possess either a feedstock, technology or market advantage across all our value chains.

In addition, we are working to develop low-carbon electricity as our third major value chain, alongside liquid fuels and chemicals.

Continuously improving our existing foundation businesses To drive improved operational and overall business performance, we continue to pursue two corporate-wide initiatives focused upon operations and business excellence. These initiatives cut across all Sasol operations and are a key part of Sasol's strategy to more effectively extract value from the company's existing integrated asset base, proprietary technology and product portfolio.

Commercialising and expanding our GTL technology growth prospects We have made further progress in growing our GTL businesses based on the Sasol SPD process in natural gas-rich regions. The Sasol SPD process allows us to monetise underutilised gas resources by converting them into GTL kerosene, superior quality diesel, naphtha and higher value chemicals in line with global trends towards cleaner fuel and reduced emissions to the environment.

The prospects for GTL plants are promising, in light of the availability of gas at various locations in the world. The world-scale integrated GTL and chemicals facility in Louisiana in the US is being implemented in phases. The ethane cracker and downstream derivatives units are currently in the front-end engineering and design (FEED) phase. We expect beneficial operation for the ethane cracker to be achieved during the 2017 calendar year, with the final investment decision to be taken during the 2014 calendar year. Our project in Uzbekistan is in the FEED phase and FEED activities are expected to be completed during the second half of the 2013 calendar year. Our feasibility study to determine the technical and commercial viability of a GTL facility in Western Canada was successfully completed at the end of June 2012. In accordance with the need to prioritise our growth portfolio, a decision was made to phase this investment opportunity after the integrated US GTL and ethane cracker complex. A FEED decision for the GTL facility in Canada will, therefore, be considered at a later stage. In addition to these projects, we continue to explore other opportunities for GTL, including an expansion of the facility in Qatar.

We continue to assess various opportunities in a number of countries and, in support of this growth driver, our team of researchers continues to advance our next-generation GTL technology, including our proprietary low-temperature Slurry Phase Fischer-Tropsch reactor and cobalt based catalysts. These improvements are included in the designs for new facilities as they are released for commercial application.

Growing our chemicals portfolio The chemical cluster represents the second leg in Sasol's portfolio, in addition to energy and fuels, and is divided into six business units: Sasol Polymers, Sasol Solvents, Sasol Olefins & Surfactants (Sasol O&S), Sasol Nitro, Merisol and Sasol Wax. In South Africa, the chemical businesses are closely integrated in, and add substantial value to the Fischer-Tropsch value chain. We operate related chemical businesses in Europe, Asia and North America in geographies and industries in which we enjoy either a feedstock, market or technology advantage.

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We are pursuing substantial growth opportunities in our chemicals portfolio through the development of a world-scale ethane cracker facility at Lake Charles in the US. We also plan to extract high value chemical feedstock from our existing and future GTL projects. With the exception of Sasol Nitro and Merisol, all of our chemical business units stand to benefit from these developments, allowing Sasol Polymers, Sasol O&S and Sasol Wax, in particular, to enhance their existing positions in selected products through higher value feedstock.

Outside of these opportunities, our chemical businesses continue to pursue a strategy to improve the operating performance of our existing assets and grow in selected areas of competitive advantage. In this regard, we are progressing with the construction of the world's first commercial ethylene tetramerisation unit at the Lake Charles production site in the US. The planned capacity for this facility is 100 000 tons per annum of combined 1-octene and 1-hexene which are co-monomers used in the plastics industry. Sasol O&S and Sasol Wax continue to add value through a focus on improved operational and product margin improvements. These efforts are focused on creating value from the unique properties of many of the products that arise from Sasol's proprietary chemicals technologies. In addition, in June 2013, we signed a memorandum of understanding with Ineos Olefins & Polymers USA (Ineos) to form a joint venture to manufacture high density polyethylene (HDPE). The proposed plant will produce 470 kilotons per annum of bimodal HDPE using an Innovene S process technology licensed from Ineos, and will utilise ethylene from the LakeCharles cracker project to provide Sasol with integrated manufacturing economics. The final investment decision for this plant is expected to be taken in the first half of the 2014 calendar year with start-up expected at the end of the 2015 calendar year.

Maturing and developing upstream hydrocarbon opportunities We manage global upstream oil and gas interests and activities including exploration, appraisal, development and production. Our current areas of interests and activities are shown on the maps on pages M-6 to M-9. We produce natural gas and condensate from the onshore Temane and Pande gas fields in Mozambique, oil in Gabon from the offshore Etame, Avouma and Ebouri oil field cluster and natural gas and petroleum liquids from the unconventional (shale/tight gas) Farrell Creek and Cypress A asset in Canada. We continue our efforts to expand the upstream asset base in order to supply feedstock gas for existing and new downstream businesses. For that purpose, we continue to pursue a growth plan to: maximise production from existing assets; expand our exploration portfolio; consider acquisition opportunities; and investigate unconventional gas opportunities. The acquisition, in 2011, of the Farrell Creek and Cypress A asset and, in 2012, of the coal bed methane licences in Botswana, have been part of the growth strategy to acquire upstream gas positions.

Sasol Gas continues to focus on growing the South African gas market following the successful introduction of natural gas from Mozambique in 2004.

Develop and grow low carbon power generation We are developing gas-to-power opportunities which includes the successful start-up of the Sasolburg 140 megawatt gas engine power plant in December 2012. We also advanced the development of our 49% share of the US\$246 million, 140 megawatt gas-fired power generation plant in Ressano Garcia, Mozambique, in partnership with the country's state-owned power utility Electricidade de Moçambique. Civil work and construction have commenced on site and beneficial operation is expected during the first half of the 2014 calendar year.

In 2013, Sasol New Energy invested GBP15 million in the UK-based OXIS Energy as a strategic investment. OXIS Energy has developed next-generation battery technology that offers superior energy density to current lithium-ion batteries, as well as being inherently safer.

Table of Contents**South African Energy Cluster***Sasol Mining***Nature of the operations and principal activities**

In South Africa, we have three coal mining operations:

Secunda Mining Complex, consisting of four underground collieries (Bosjesspruit, Brandspruit, Middelbult and Syferfontein) from which 39,9 Mt of coal was supplied to Sasol Synfuels, our primary customer (including 32,3 Mt of coal produced, 5,2 Mt of coal purchased, 1,8 Mt of coal transferred from the Export complex and 0,6 Mt of coal used from the stockpile);

Export Complex (situated in the Secunda Mining Complex), supplied by the Twistdraai colliery produced 6,1 Mt of coal for the international market (export coal sales of 2,5 Mt) and local market (external coal sales of 0,1 Mt and 1,8 Mt supplied to Sasol Synfuels). We also discarded 1,5 Mt of coal and increased the stockpile by 0,2 Mt.

Sigma: Mooikraal colliery situated near Sasolburg was brought into operation to supply utility coal to the group's utility plants in Sasolburg at a rate of about 2,0 Mt a year, of which 1,7 Mt was produced and 0,2 Mt was purchased with the balance supplied from the stockpile. It replaced the depleted Mohlolo underground operation and the Wonderwater high-wall operation, which are undergoing final closure and rehabilitation.

During 2013, total production was 40,1 Mt of coal, compared to 40,0 Mt in the previous year. Our production showed a steady increase during the latter part of the year, supported by the implementation of a new production bonus scheme and flexibility in operations. As a result of the significantly higher year-on-year off-take by Sasol Synfuels, we decreased our export sales by diverting coal from the export market, to supply Sasol Synfuels.

We have also created additional capacity by adding three production sections. Production in the export plant was affected by adverse geological conditions at the Thubelisha shaft, impacting negatively on the productivity and costs of certain sections of the Twistdraai colliery.

Operational statistics

| | 2013 | 2012 | 2011 |
|---|-------------------------------|-------|-------|
| | (Mt, unless otherwise stated) | | |
| Sigma mine | 1,7 | 1,9 | 1,9 |
| Secunda mines | 38,4 | 38,1 | 36,7 |
| Total production | 40,1 | 40,0 | 38,6 |
| Saleable production from all mines ⁽¹⁾ | 38,6 | 38,4 | 37,3 |
| External coal purchases mainly from Anglo Operations | 5,4 | 4,9 | 4,6 |
| Sales to Sasol Infrachem, Sasolburg | 2,0 | 2,0 | 2,0 |
| Sales to Sasol Synfuels, Secunda | 39,9 | 37,9 | 37,7 |
| Additional South African market sales | 0,1 | 0,1 | 0,1 |
| Export sales (primarily Europe) | 2,5 | 2,8 | 2,8 |
| Total sales including exports | 44,5 | 42,8 | 42,6 |
| Production tons per continuous miner (mining production machine) per shift (t/cm/shift) | 1 361 | 1 438 | 1 458 |

- (1) Saleable production equals our total production minus discard and includes both product sold and movements in stockpiles.

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Principal markets

We extract and supply coal mainly to our synfuels and chemical plants under terms and conditions which are determined on an arm's length basis. We export approximately 6% of our production. In 2013, external sales, primarily exports, decreased to 2,6 Mt from 2,9 Mt in 2012. In a volatile currency market, average US dollar export prices decreased by 22%, while the rand weakened by 14% compared with the prior year.

Marketing opportunities for coal in both the international and domestic utility market continue to be explored. Our exports are currently constrained by our throughput entitlement at the Richards Bay Coal Terminal.

External market opportunities

International CTL projects. In support of SSI, we are involved in CTL project studies in India. At this stage, our role is to evaluate the coal feedstock supply in terms of the reserve base, the ability to mine the feedstock, pricing of feedstock, quality requirements of the coal for gasification and safety standards.

Limpopo West Mining project. We were awarded a prospecting right in respect of the Limpopo West reserves in August 2007. The prospecting right was extended for the maximum period permitted by the Mineral and Petroleum Resources Development Act (Act 28 of 2002) (MPRDA) after its initial term and expired on 2 September 2012. The prospecting right is committed to the Eyesizwe Sasol Waterberg Joint Venture. Exxaro Coal Mpumalanga (previously known as Eyesizwe Coal) and Sasol Mining respectively hold a 51% and 49% participation right in terms of the prospecting joint venture agreement. It was the intent of the joint venture to exploit this coal resource mainly for a CTL market, i.e. Project Mafutha. During late 2010, work on Project Mafutha was suspended. In view of the government's National Development Plan relating to the Waterberg coal resource area, which was communicated in December 2011, Sasol Mining investigated options to exploit possible future business opportunities relating to the Limpopo West reserves independent of the CTL market. Based on the outcome of study results completed in May 2012, Sasol Mining submitted a mining right application on behalf of the Eyesizwe Sasol Waterberg Joint Venture in August 2012. A feasibility study was completed in December 2012 and subsequent project studies are planned to commence in October 2013.

Seasonality

The demand for coal by our synfuels and chemical plants is consistent throughout the year. The export coal demand is consistent, mainly in India and Asia. Even though the demand for coal is seasonal in certain regions, our sales are planned to ensure even shipment of coal throughout the year.

Marketing channels

We make use of both a direct and an agency sales model as the chosen channels to market our products to third parties. There are a limited number of agents representing Sasol Mining in their specific geographic markets. These agents operate on a commission basis and are authorised to act as intermediaries only with the aim of promoting our product and providing after-sales service. All sales require approval by Sasol Mining before they may be concluded with the customer.

Factors on which the business is dependent

Being part of the Sasol value chain, we continually engage with Sasol Synfuels to ensure optimal delivery and utilisation of our coal resources. We also have dedicated strategic and long-term planning departments to ensure that mining and other related activities are performed in accordance with our strategic plans for the future.

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Also refer to Item 4B "Business overview Regulation of mining activities in South Africa".

Property, plants and equipment

Sasol Mining operates six mines for the supply of coal to Sasol Synfuels, Sasol Infrachem (utility coal only) and the external market. The annual production of each mine, the primary market to which it supplies coal and the location of each mine are indicated in the table below:

| Mine | Market | Location | Production (Mt) | | |
|-------------------|--------------------------------------|-----------|-----------------|------|------|
| | | | 2013 | 2012 | 2011 |
| Bosjesspruit | Sasol Synfuels | Secunda | 8,0 | 7,3 | 6,8 |
| Brandspruit | Sasol Synfuels | Secunda | 7,3 | 7,1 | 6,5 |
| Middelbult | Sasol Synfuels | Secunda | 7,4 | 7,4 | 7,6 |
| Syferfontein | Sasol Synfuels | Secunda | 9,6 | 10,0 | 9,7 |
| Twistdraai | Export/Sasol Synfuels ⁽¹⁾ | Secunda | 6,1 | 6,3 | 6,1 |
| Sigma : Mooikraal | Sasol Infrachem | Sasolburg | 1,7 | 1,9 | 1,9 |
| | | | 40,1 | 40,0 | 38,6 |

(1)

The secondary product from the export beneficiation plant is supplied to Sasol Synfuels.

Some of our collieries are approaching the end of their useful lives and we are developing new collieries and shafts to sustain consistent supply. During April 2010, we started with shaft sinking operations of Twistdraai colliery's new Thubelisha shaft. Unforeseen dolerite intrusions and a substantial "devolotised coal area" have resulted in delays of the underground development. This delay will, however, not impact on delivery to the market as the main surface facilities and overland conveyer system was completed and is in operation from 2012. Approval for the construction of the Impumelelo colliery, which will replace the ageing Brandspruit colliery, was obtained in November 2010. Shaft sinking at the new Impumelelo colliery started in August 2011 and is progressing as planned. Shaft sinking activities are in progress on three shafts (man/material, ventilation and incline shafts). The ventilation shaft is planned to reach the coal seam in the second half of the 2013 calendar year. Construction activities are scheduled to be completed to access the first production section from Brandspruit by the second half of the 2014 calendar year.

Construction work at the Shondoni colliery, which will replace the current Middelbult colliery production, started during February 2012. This colliery is planned to come into operation in the second half of the 2015 calendar year.

Coal handling facility Sasol Coal Supply (SCS)

SCS at Secunda is responsible for the conveyance of coal from the mine mouth to a stock holding facility. Coal from the different collieries is blended in order to homogenise the product that is then conveyed to Sasol Synfuels as required.

Beneficiation plant

A coal beneficiation plant is operated at Secunda to enable us to supply export quality coal for the international market. The design throughput of the plant is 10,5 Mt per annum. The plant feedstock is supplied by Twistdraai mine via overland conveyor belts of approximately 20 km in length. The new Twistdraai Thubelisha shaft conveyer, which is approximately 17 km in length, will replace the current conveyor system over the next few years.

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Sasol Gas

Nature of the operations and its principal activities

Established in 1964, originally as the South African Gas Distribution Corporation Limited (Gascor), Sasol Gas operates and maintains an approximately 2 500 km pipeline network in South Africa and Mozambique.

As part of the Natural Gas Project for the development, production and transportation of natural gas from Mozambique, Rompco was established as the owner of the Mozambique to Secunda gas transmission pipeline (MSP). Sasol Gas has a 50% interest in Rompco.

As part of Sasol Gas's commitment to broad-based BEE, Sasol Gas formed a joint venture company, Spring Lights Gas, with Coal Energy and Power Resources Limited (CEPR), in 2002 to which it sold a portion of its marketing business in KwaZulu-Natal, a province in South Africa. In 2012, CEPR sold its 51% share in Spring Lights Gas to another broad-based BEE consortium, Kwande Ziko. On 2 July 2013, Sasol Gas sold its 49% share in Spring Lights Gas to Kwande Capital for a purchase consideration of R474 million.

In 2011, Sasol Gas commenced with the construction of the R1,6 billion Gauteng Network Pipeline (GNP). The GNP is a 156 km, 26 inch gas transmission pipeline between Secunda and Sasolburg, South Africa. The pipeline was completed on 28 March 2013 and beneficial operation was achieved on 23 May 2013. The pipeline added an additional capacity of 61 MGJ/a to the Gauteng network and has stabilised the pressure on the Gauteng network.

Principal markets

Sasol Gas markets methane-rich gas, produced by Sasol Synfuels, and natural gas produced from gas fields in Mozambique. In the energy market, pipeline gas competes with crude oil-derived products, electricity and coal in various industries, such as ceramics, glass, metal, manufacturing, chemical, food, pulp and paper.

The pipeline gas segment makes up a small part of the overall energy industry in South Africa. The market has grown since 2004 as a result of the introduction of natural gas from Mozambique. The current supply of 161,4 million gigajoules per annum (MGJ/a) of pipeline gas increased from 152,7 MGJ/a in 2012. Compared to developed countries, South Africa is a small consumer of natural gas as a percentage of its total energy requirements. Although the opportunity to increase sales of environmentally preferred natural gas exists, there is a limitation on the amount of gas available. During 2013, natural gas volumes sold were 138,3 MGJ compared to 129,8 MGJ in 2012. Methane rich gas volumes sold were 21,8 MGJ in 2013 compared to 22,6 MGJ in 2012.

Sasol Gas supplies gas to industrial and commercial customers in the South African provinces of Mpumalanga, Gauteng, KwaZulu-Natal, North-West and the Free State. Besides marketing pipeline gas to these customers, natural gas is also supplied as feedstock to Sasol's facilities in Sasolburg and Secunda.

Seasonality

The total South African demand for gas is consistent throughout the year and is generally not subject to seasonal fluctuations due to moderate temperature variances between seasons and the absence of a significant domestic market.

Raw materials

The natural gas purchased in Mozambique, from an unincorporated joint venture (UJV), consisting of Sasol Petroleum Temane Limitada (SPT), a subsidiary of Sasol Petroleum International,

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International Finance Corporation (IFC) and Companhia Moçambicana de Hidrocarbonetos, S.A.R.L (CMH), is transported by Rompco to Secunda in South Africa. Methane-rich gas is purchased from the Sasol Synfuels facility in Secunda. The UJV has been supplying Sasol Gas with natural gas since 2004 and Sasol Synfuels has been supplying methane-rich gas to Sasol Gas since 1994.

Marketing channels

Sasol Gas sells approximately 94% of gas to end-use industrial customers through our own sales and marketing personnel. We also supply a small number of traders and reticulators who sell the gas to their own customers.

Factors on which the business is dependent

Licences and regulations

We have obtained, from the National Energy Regulator of South Africa (NERSA), the necessary licences required in terms of the Gas Act to operate our gas transmission and distribution facilities and to engage in our trading activities. As and when expansion of our distribution and transmission facilities is required we apply for the required construction licences from NERSA. Sasol Gas prices its gas in terms of the Market Value Pricing methodology, as set out in the Regulatory Agreement with the South African government. This pricing dispensation expires in March 2014.

In compliance with the regulatory framework, Sasol Gas submitted two applications to NERSA in December 2012, namely a maximum price application and a transmission tariff application. NERSA approved both applications in March 2013. The standardised prices and tariffs will be applicable from 26 March 2014. Sasol Gas has commenced the process to conclude new agreements with all its customers.

Refer to Item 4B "Business overview Regulation of pipeline gas activities in South Africa" for additional information.

Property, plants and equipment

The Mozambique to Secunda natural gas transmission pipeline owned by Rompco is a 26 inch carbon steel underground pipeline of 865 km. The pipeline starts from the natural gas central processing facility (CPF) at Temane in Mozambique and ends at the pressure protection station (PPS) in Secunda. The instantaneous capacity of the pipeline is 136 MGJ/a, with an annual average of 120 MGJ/a without any additional compression along the pipeline. In 2013, Rompco embarked on a R1,98 billion project to construct a loop line to expand capacity in Mozambique, and allow for additional monetisation of gas in that country. In 2010, Rompco commissioned its first compressor station near Komatipoort in South Africa. This facility supplies midpoint compression and enables the pipeline to increase gas transportation up to a nominal annual average of 166 MGJ/a, with an instantaneous pipeline capacity in excess of 170 MGJ/a.

The inland transmission network of Gauteng is fed from the PPS at Nigel. The network is operated at a maximum pressure of 3 550 kPa and the capacity of the transmission network is approximately 89 MGJ/a. The newly commissioned GNP also serves the inland network and has a capacity of 61 MGJ/a. These pipelines supply various low pressure distribution areas as well as some customers directly. Where these lines enter into various distribution areas, a pressure reduction station reduces the pressure to 625 kPa. The southern part of the inland network ends in Sasolburg.

The Secunda, Witbank and Middelburg distribution network receives methane-rich gas from Sasol Synfuels. The maximum operating pressure for this pipeline is 3 000 kPa and the capacity of the network is approximately 10 MGJ/a. Methane-rich gas, similar to that which is supplied to Witbank and Middelburg, is compressed and fed into the Transnet Pipelines transmission pipeline to supply our

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customers in the KwaZulu-Natal province. The maximum operating pressure for this transmission pipeline is 5 300 kPa and the capacity of the network is approximately 21 MGJ/a.

Sasol Synfuels

Nature of the operations and principal activities

Sasol Synfuels, based in Secunda, operates a coal and gas based synthetic fuels manufacturing facility. We produce syngas primarily from low-grade coal with a smaller portion of feedstock being natural gas. The process uses advanced high temperature Fischer-Tropsch technology to convert syngas into a range of synthetic fuel components, heating fuels (including industrial pipeline gas), ammonia, sulphur and chemical feedstock. Fuel components are used mainly for blending into automotive fuels as well as liquefied petroleum gas. Chemical feedstreams that are produced are used for the production of chemical and polymer building blocks, including ethylene, propylene, detergent alcohols, phenols, alcohols and ketones. Apart from the production of saleable products, we are self-sufficient in the production of utilities such as oxygen and steam required in the production process as well as generating between 40% to 45% of our own electricity demand. We operate the world's largest oxygen production facilities (according to Air Liquide, the French industrial gas company), currently consisting of 16 units.

The Sasol Natural Gas Growth Project (SNGGP) phase 1(a) was approved by the Sasol Limited board during March 2010. The total approved amount of R14 billion, consists of capital and feasibility funds. This investment will result in an increase in production of approximately 3,2% on a sustainable basis as well as additional electricity generation from gas turbines. Sasol Synfuels has incurred total costs of R12 billion to 30 June 2013. This was in respect of the SNGGP phase 1(a), including R641 million for pre-feasibility and feasibility studies. The first set of gas heated heat exchange reformers (GHHHER) reached beneficial operation on 13 June 2013. The second set of GHHHER's is expected to reach beneficial operation in the 2014 calendar year. On the clean fuel specification programme phase 1(b), an amount of R647 million has been approved for feasibility studies and basic development, with a total expected capital investment of R5,2 billion (Sasol Synfuels' share). The core scope of phase 1(b) is to address expected future fuel specification changes. Future related projects and growth opportunities will be considered.

Principal markets

Sasol Synfuels sells fuel components and heavy fuel oils to Sasol Oil, and methane-rich gas is sold to Sasol Gas. Chemical feedstocks are sold to the chemical divisions of Sasol. Such feedstocks are processed and marketed for a wide range of applications locally and abroad. Ammonia is sold to the fertiliser and explosives industries.

Raw materials

The main feedstock components used by Sasol Synfuels in the production process are low grade coal obtained from Sasol Mining and natural gas obtained from Sasol Gas. Prices of low grade coal are determined using an arms length pricing mechanism for Sasol Mining, while the price of natural gas is determined by the international price of Brent crude oil, the rand /US dollar exchange rate as well as the South African Producer Price Index.

Marketing channels

The bulk of our products are sold to other Sasol business units. A very small volume of carbon products are directly marketed to clients locally and abroad, via commercial distribution channels. Sasol Infrachem acts as a marketing agent for the selling of ammonia mainly to the South African fertiliser industry.

Table of Contents**Property, plants and equipment***Specific product volumes*

| | 2013 | 2012 | 2011 |
|--------------------------|------|------|------|
| | (Mt) | | |
| Total production volumes | 7,4 | 7,2 | 7,1 |

| | 2013 | 2012 | 2011 |
|--|-------------------------|------|------|
| | (% of total production) | | |
| Liquid and gaseous fuels | 59 | 59 | 60 |
| Petrochemical feedstock | 31 | 32 | 32 |
| Nitrogenous and other feedstock for fertilisers and explosives | 8 | 7 | 6 |
| Carbon, tar and other products | 2 | 2 | 2 |

In 2012, Sasol Synfuels embarked on a plant restoration drive in order to ensure sustainable plant operations. As such, Sasol Synfuels managed to maintain stable plant operations for 2013 resulting in an increase in production volumes by 4% from 7,2 Mt in 2012 to 7,4 Mt in 2013.

Sasol Synfuels continues to advance a series of major environmental projects as part of a wider group initiative in South Africa to reduce our environmental footprint and enhance operational efficiency.

Sasol Synfuels are also focusing on opportunities to reduce volumes of low-level volatile organic compounds (VOCs), as well as emissions of sulphur oxides (SOx) and oxides of nitrogen (NOx). These projects are in various development phases. The volatile organic compounds abatement project was approved in stages, with final approval given during November 2009. The total amount approved for the project is R1,9 billion. At 30 June 2013, the total expenditure on this project amounted to R953 million with beneficial operation expected in May 2016.

Sasol Synfuels has approved an amount of R5,5 billion for environmental projects to date including the volatile organic compounds abatement project. At 30 June 2013, the total expenditure to date on these projects amounted to R2,9 billion.

In March 2010, the Sasol Limited board approved a total amount of R1,9 billion for the Sasol Fixed Bed Dry Bottom Gasifiers project. In 2012, two of the four new gasifiers were commissioned. The remaining gasifiers reached beneficial operation in September 2012.

The Sasol Limited board also approved a total amount of R2,0 billion for the replacement of tar tanks and separators. This will ensure that the production capacity of the Secunda complex is maintained. The project is expected to reach beneficial operation in May 2015.

*Sasol Oil***Nature of the operations and principal activities**

Sasol Oil encompasses the established liquid fuels, bitumen, heating fuels and lubricants marketing activities of Sasol through wholesale, commercial and retailing interests, featuring both the Sasol and the Exel brands. Operations include fuel blending and storage facilities in Secunda where fuel components, procured from Sasol Synfuels, are blended to be marketable. Sasol Oil is also responsible for crude oil procurement, shipping and the subsequent refining of crude oil through our majority shareholder interest in the Natref refinery in Sasolburg. Products include petrol, diesel, jet fuel, illuminating paraffin, LPG, fuel oils, bitumen, motor and industrial lubricants and sulphur.

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Base bitumen is sold wholesale by Sasol Oil, while Tosas Holdings (Pty) Ltd, previously a wholly owned subsidiary, marketed value-added bitumen. In 2013, Sasol Oil disposed of its downstream bitumen business, operated by Tosas, for a consideration of R116 million.

Liquid fuels marketed

| | 2013 | 2012 | 2011 |
|------------------------------------|---------------------------|------|-------|
| | (million m ³) | | |
| Total liquid fuel sales | 8,93 | 9,57 | 10,54 |
| Total liquid fuel sales (exported) | 0,22 | 0,36 | 0,49 |

Principal markets

Sasol Oil's fuel production is primarily located in South Africa's industrial heartland, where an estimated 58% of the country's petrol and diesel is consumed. Production of approximately 8,13 million m³ of white products per year is insufficient to supply this market. The balance of the requirement is supplied from coastal refineries and imports, transported via road, rail and pipelines. Limited volumes of white products are exported overland to neighbouring countries.

Seasonality

The total South African demand for road transportation fuels is fairly consistent throughout the year. Slightly higher demand for petrol is evident during the December summer holiday period. Diesel demand tends to peak during October due to the summer grain planting season and weakens during the December holiday period in line with reduced economic activity. The demand for fuel oil and gas tends to be stronger in winter as a result of heating demand.

South African fuel prices are derived from international reference prices as a result of a regulatory dispensation based on import alternatives. Local prices reflect northern hemisphere seasonality for petrol and diesel.

During 2013, international petrol and diesel crack-spreads increased on the back of slow economic recovery and refinery disruptions. Petrol crack-spreads improved much more than diesel due to refinery closures in Europe and hurricane Sandy shutting-in US East coast production facilities, which led to tighter supply conditions. Petrol margins are, however, expected to remain under some pressure due to improved vehicle fuel efficiency and an increase in ethanol blending in the US.

Raw materials

Sasol Oil's main raw material inputs are blending components from Sasol Synfuels, crude oil and base oils for lubricant manufacturing.

Blending components

Sasol Oil has an agreement with Sasol Synfuels to uplift fuel components, which are then blended to market specifications in Secunda. Fuel oil components from Sasol Synfuels and Natref are blended to provide customer specific heating fuel solutions. The purchase price of fuel components is referenced to international petroleum product prices, crude oil and refinery operating costs.

Crude oil

Natref historically obtained approximately 50% of its crude oil requirements from the Middle East through crude oil term contracts. Purchases from Iran were terminated in 2012. Iranian crude oil has been partially replaced by Saudi Arabian crude which is sold on term contracts. The balance, of the requirement, is purchased on the spot market from West Africa and other sources. Volatility in crude oil prices has increased since the late 1990's as a result of international supply/demand

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dynamics and geo-politics. Crude oil prices traded in a range of US\$95,51/bbl to US\$119,03/bbl in 2013, with concerns about economic recovery, less accommodating monetary policy from central banks and increased non-Opec supply pushing prices towards the lower end of the price band. Geopolitical tensions and unplanned production disruptions in the Middle East and North Africa and growing demand supported prices at the high end of the spectrum.

Crude oil is landed at Durban, South Africa, and conveyed to Natref by a 583 km pipeline owned and operated by Transnet Pipelines, a subsidiary of Transnet Limited, which is a state-owned multi-modal transport company.

Lubricant base oils

Sasol Oil is a 40% shareholder in the ESA Lubricants Blending facility at Island View in Durban. The plant is managed by Engen Petroleum and blends automotive and industrial lubricants to Sasol Oil specifications. Base oils are predominantly procured locally.

Marketing channels

Sasol Oil's marketing effort can be divided into four main areas namely sales to licenced wholesalers, direct marketing (retail and commercial markets) in South Africa, direct marketing in other African countries and overland exports into Africa.

Licenced wholesalers

Sasol Oil is predominantly a bulk supplier to licenced wholesalers. Multi- national oil companies with their own South African refining capacity, namely, BP, Engen Petroleum (Engen), Royal Dutch Shell (Shell), Chevron, Total South Africa (Total) and PetroSA, rely on Sasol to supply a part of their local marketing requirements. We also supply non-refining wholesalers who tend to compete mainly in the commercial market with oil companies.

Individual agreements that vary in terms of duration, volume, and modes of delivery, regulate the relationship between Sasol and its licenced wholesale customers. The agreed product slates reflect Sasol Oil's production slate to aid efficient and reliable supply. Product is imported to cover planned and unplanned refinery outages to ensure that supply commitments are met.

We also sell base bitumen to wholesalers and construction companies.

Direct markets (retail, commercial, lubricants, aviation fuel, fuel oil and bitumen)

We currently operate a dual branded network of retail convenience centres (Exel and Sasol), which consists of 404 service stations and six Sasol branded integrated energy centres, across South Africa. Our current national retail market share is estimated to be 9,8%. We have commenced with a process to phase out the Exel brand and to convert existing retail convenience centres to the Sasol brand. New site development is progressing slower than anticipated mainly as a result of a challenging regulatory environment. In 2013, we signed an exclusive agreement with Burger King to open fast food outlets at our retail convenience centres. This creates an opportunity for us to expand our retail footprint and increase the average throughput at the Sasol service stations. We have also partnered with ABSA Bank in South Africa to offer a rewards programme to customers at the retail convenience centres.

Lubricants are sold in industrial markets and to motorists via our retail network.

Jet fuel marketing is focussed on South Africa's premier airport, OR Tambo International Airport, with Sasol's market share estimated at 16%.

The fuel oil business provides a remarkably diverse range of heating fuels to both electricity generation, bakery and mining industries.

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Africa marketing

We hold a 49% interest in Petromoc e Sasol Sarl (PeSS), which is a joint venture with the Mozambican National State Oil Company, Petromoc. PeSS operates 8 retail convenience centres and has 47 commercial customers and has an 8% share of the petrol and diesel market in Mozambique. PESS also markets illuminating paraffin and lubricants.

Exports (Africa Overland)

The inland location of our refineries limits exports to volumes that can be collected and transported by road. Sales are typically made at the refinery gate. Volumes available for exports are limited by demand in South Africa.

Factors on which the business is dependent

Activities across the value chain, including manufacturing, storing, wholesaling and retailing, are regulated through a licensing regime. Retail pump prices of petrol, the maximum refining gate price of LPG, the maximum cylinder retail price for LPG, and a maximum single national retail price of unpacked illuminating kerosene are regulated by the Petroleum Controller under the Petroleum Products Act, 1977.

Manufacturing, storing, wholesaling and retailing of petroleum products may only be conducted once a licence has been issued by the Petroleum Controller under the Petroleum Products Act, 1977. Onerous application requirements and a lengthy licensing process may hamper the development of retail convenience centres in future.

NERSA, under the Petroleum Pipelines Act, sets tariffs for petroleum pipelines and approves tariffs for third party access to storage and marine loading facilities. See "Item 4.B Business overview Regulation of petroleum-related activities in South Africa" for additional information.

Property, plants and equipment*Natref refinery operational statistics⁽¹⁾*

| | 2013 | 2012 | 2011 |
|---|------|------|------|
| Crude oil processed (million m ³) | 2,6 | 3,3 | 3,7 |
| White product yield (% of raw material) | 90,1 | 89,2 | 89,9 |
| Total product yield (%) | 98,2 | 98,2 | 97,4 |

(1)

Data based on our 63,64% share in Natref.

Natref is an inland refinery, focused on producing refined petrol and distillate fuels. It is designed to upgrade relatively heavy crude oil with high sulphur content (sour) and yield about 90% white petroleum products. Refinery production includes petrol, diesel, propane, jet fuel, and multiple grades of bitumen, fuel oils, sulphur and various gasses.

Natref is managed by the Natref board and is governed by the Natref shareholders agreement. While Sasol Oil operates the refinery, Total participates in its management with veto rights over a number of corporate actions, including, increasing or reducing Natref's share capital, amending Natref's Memorandum of Incorporation and the rights attaching to its shares, appointing directors to serve as executive officers and determining directors' remuneration. Sasol Oil and Total are responsible for procuring their own crude and marketing their own products.

Under the terms of an agreement concluded between Total and Sasol, Total has the option to purchase up to 13,64% of the ordinary shares in Natref from Sasol at fair market value upon the occurrence of certain events. Since December 2003, Total has had two opportunities to increase its

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shareholding in Natref to 50%, the first being the termination of the Main Supply Agreements and the second the proposed transaction between Sasol and PETRONAS, which was subsequently prohibited by the South African Competition Tribunal. On both occasions Total decided not to exercise its option to increase its shareholding in Natref.

During the 2005 upgrade to meet new fuel specifications, Natref's throughput was reduced by 11%. A decision has been made that capacity will not be increased in the foreseeable future. South African fuel specifications continue to evolve with international trends and it is expected that a substantial additional investment of approximately R11 billion (total cost) will be required between 2014 and 2019 to meet these more stringent specifications. The construction of a pipeline to integrate Sasol Synfuels and Natref was completed in May 2013. This pipeline will facilitate and optimise the production of new specification fuels by both plants.

During 2013, the overall refinery unplanned unavailability was 4,2%, mainly due to the extended planned maintenance shutdown in December 2012.

International Energy Cluster

Sasol Synfuels International

Nature of operations and principal activities

Sasol Synfuels International (Pty) Ltd (SSI), is responsible for developing, implementing and managing international GTL business ventures based on our proprietary technology.

The catalyst business which forms a part of SSI, is an integral component of the Sasol Fischer-Tropsch (FT) value chain and aims to provide security of supply of quality competitive FT catalyst to the current and future GTL ventures. To support our current GTL projects, we use three 680 tons per annum cobalt catalyst manufacturing units, with two units situated in De Meern, in The Netherlands, operated and owned by BASF, and a third at our Sasolburg site, operated and owned by Sasol Cobalt Catalyst Manufacturing (Pty) Ltd (SCCM), a wholly owned subsidiary of SSI.

The Sasol SPD process

Based on our long and extensive experience in the commercial application of the FT technology, we have successfully developed the FT-based Sasol SPD process for converting natural gas into high-quality, environment-friendly GTL diesel, GTL kerosene and other liquid hydrocarbons. The SPD process consists of three main steps, each of which is commercially proven. These include:

the Haldor Topsøe reforming technology, which converts natural gas and oxygen into syngas;

our Slurry Phase FT technology, which converts syngas into hydrocarbons; and

the Chevron Isocracking technology, which converts hydrocarbons into particular products, mainly diesel, naphtha and LPG.

Currently we believe, based on our knowledge of the industry and publicly available information, that on a worldwide basis we have the most extensive experience in the application of FT technology on a commercial scale. Given the increasing discovery of extensive natural gas reserves, our Sasol SPD process can be applied with significant commercial advantages in various parts of the world. As a consequence, our technology has evoked interest from countries and companies with extensive natural gas reserves as an appealing alternative for commercialising these reserves. The Sasol SPD process converts natural gas into diesel and other liquid hydrocarbons, which are generally more environmentally friendly and of higher quality and performance compared to the equivalent crude oil-derived products. In view of product specifications gradually becoming more stringent, especially with respect to emissions, we believe that the option of environmentally friendly GTL fuels will become

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increasingly appealing. GTL diesel can be used with optimised engines for best performance, although it can also be utilised with current compression ignition engines. GTL diesel is currently used as a cost-competitive blend stock for conventional diesels, thereby enabling conventional diesel producers to improve the quality and capacity of their product without investing substantially in sophisticated new plants and infrastructure. We anticipate that the combined factors of GTL diesel's superior characteristics and the prevailing market conditions in developed economies will enable GTL diesel to command premium prices for either niche applications or as a blend stock for upgrading lower-specification products. The construction of GTL facilities and the production of GTL fuels require significant capital investment.

GTL and CTL developments utilising the Sasol SPD process

SSI is progressing with GTL projects in the US (FEED), Uzbekistan (FEED) and Nigeria (execution) and has achieved stable operations at ORYX GTL, in Qatar. SSI is also involved in the pre-feasibility study for a CTL project in India.

As a result of the magnitude of Sasol's growth portfolio, as well as significant sustenance capital required for our South African operations, Sasol regularly reviews projects in its project pipeline. As a result of these reviews, the Sasol Limited board, approved a decrease in our shareholding in the Uzbekistan GTL project from 44,5% to 25,5% at the end of the front end engineering and design phase which is expected to be completed during the second half of the 2013 calendar year. The final investment decision remains subject to key conditions, including successful project financing and non-state ownership of at least 50,1%.

To support the Uzbekistan GTL project we are progressing, together with BASF, an FT catalyst expansion project (FEED) at the facility situated in De Meern which will be operated and owned by BASF.

Principal markets

The bulk of the ultra-low sulphur GTL diesel produced at ORYX GTL is sold as a blend stock with middle distillate product streams derived from conventional oil refining to produce on-specification automotive diesel. The GTL naphtha produced at ORYX GTL is sold to naphtha crackers that produce olefins such as ethylene.

The FT catalyst is currently principally sold to Sasol's GTL operations, in particular ORYX GTL in Qatar and Escravos GTL in Nigeria.

Seasonality

GTL product prices are impacted by the seasonal behaviour of global petroleum product markets.

Catalyst demand is fairly stable but is driven by higher oil prices if the GTL plant owner decides to increase diesel output to maximise profits.

Raw materials

ORYX GTL purchases natural gas feedstock from Al Khaleej Gas, a joint venture between ExxonMobil Middle East Gas Marketing Limited and Qatar Petroleum, under a gas purchase agreement with a contractual minimum off-take volume. The agreement commenced in January 2006 and is valid for a term of 25 years with an option to extend for a further 7 years.

Ethanol, wax, ammonia, as well as precious and transition metals, are key input materials required to produce FT catalyst, although customers provide the precious metals. These inputs are commodities and prices will therefore be market dependent.

Table of Contents**Marketing channels**

The diesel produced by ORYX GTL was until 1 August 2013, marketed by Sasol Synfuels International Marketing Limited (SSIM), under a marketing agency agreement. From this date, ORYX GTL has taken over responsibility for the marketing of the diesel. The GTL naphtha and LPG are sold by Qatar International Petroleum Marketing Company Limited (Tasweeq).

For the catalyst business, SCCM is a customer facing business and sells its product directly to its customers.

Factors on which the business is dependent*Technology*

SSI is dependent on the successful integration of various technologies also referred to in the description of the Sasol SPD process. The continuous improvement of our cobalt catalyst performance is also key. SCCM licences the catalyst manufacturing technology from Sasol Technology and BASF, and is dependent on catalyst technology development to improve its product offering.

Feedstock

The growth of the SSI business depends on the availability of competitively priced natural gas or coal reserves.

Remaining cost competitive

Working closely with Sasol Technology's Fischer-Tropsch process innovation teams at Sasolburg and Johannesburg, we are involved in an on-going programme aimed at further improving competitiveness by lowering the capital and operating costs of future GTL and CTL plants. There is also a continued focus to reduce the total cost and increase the efficiency of the cobalt catalyst used in the process through improvement of the performance and total value chain of the catalyst supplied.

GTL and CTL ventures

SCCM follows a demand-supply approach, where new customer demand drives catalyst production and plant capacity. Therefore, the presence of GTL and CTL demand is key to the catalyst business sustainability.

Property, plants and equipment***Production capacity at 30 June 2013***

| Plant description | Location | Design capacity⁽¹⁾ |
|--------------------------|-------------------------------------|--------------------------------------|
| ORYX GTL | Ras Laffan Industrial City in Qatar | 32 400 bpd (nominal) |
| FT 1 (catalyst plant) | De Meern, The Netherlands | 680 tpa |
| FT 2 (catalyst plant) | De Meern, The Netherlands | 680 tpa |
| FT 3 (catalyst plant) | Sasolburg, South Africa | 680 tpa |

(1)

Nameplate capacity represents the total saleable production capacity. Due to the integrated nature of these facilities, the requirement for regular statutory maintenance shutdowns and market conditions, actual saleable volumes will be less than the nameplate capacity.

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Sasol Petroleum International

Nature of the operations and its principal activities

Sasol Petroleum International (Pty) Ltd (SPI) was founded to undertake oil and gas exploration and production in selected high potential areas in West and Southern Africa. Since then, we have expanded our portfolio and currently hold equity in producing assets with proved natural oil and gas reserves in Mozambique, Gabon and Canada and exploration interests in West and Southern Africa and Australia. Our current areas of interests and activities are shown on the maps on pages M-6 to M-9.

In Mozambique, we produce natural gas and condensate from the onshore Temane and Pande gas fields. Gas production from the Temane field commenced in 2004 and from the Pande field in 2009. In Gabon, oil production from the VAALCO Gabon (Etame) Inc. operated offshore Etame field commenced in 2002, followed by production in 2007 and 2009 from the associated Avouma and Ebouri fields. In 2011, we acquired equity in the Talisman Energy Inc. operated unconventional (shale/tight gas) Farrell Creek and Cypress A asset in Canada which produces gas and small volumes of petroleum liquids.

Principal markets and marketing channels

Mozambican production

Gas produced under the Pande-Temane Petroleum Production Agreement (PPA), other than royalty gas that is provided to the Mozambican government, is sold to Sasol Gas and to Aggreko Mocambique Limitada. The gas sold to Sasol Gas under long-term sales agreements, is exported for marketing in South Africa and for use as part of the feedstock for our chemical and synthetic fuel operations in Secunda and Sasolburg. The gas sold to Aggreko Mocambique Limitada under a two-year sales agreement, executed in 2012, is for power generation in Mozambique. With effect from June 2013, gas sales agreements have also been concluded with Matola Gas Company S.A., Empresa Nacional de Hidrocarbonetos (ENH) and Central Térmica de Ressano Garcia S.A. (CTRG), the joint venture between Sasol New Energy (SNE) and Electricidade de Moçambique at Ressano Garcia (EDM). The gas sold to these companies will be utilised in Mozambique.

The natural gas condensate produced is currently sold at the gas processing plant to Temane Trading, a joint venture between Petromoc and Trafigura. The condensate is trucked to Beira, Mozambique, by the buyer for export through the port of Beira to offshore markets.

Gabon production

Oil production from the Etame Marin Permit operations is sold internationally on the open market. An annual sales contract is typically entered into for the sale of the Etame Marin Permit oil based on a competitive bidding process and sales prices are linked to international oil prices. In 2013, oil was sold to Mercuria Trading NV under two separate annual contracts effective from 1 January 2012 and 1 January 2013.

Canada production

Gas production from the unconventional (shale/tight gas) Farrell Creek and Cypress A asset is sold by the Talisman Sasol Montney Partnership, under a long-term marketing agreement with Talisman Energy Canada, into the Western Canada gas market. Pricing is based on the daily realised spot market prices less transportation and marketing fees, in accordance with the terms of the marketing agreement with Talisman. The petroleum liquids are sold under the same marketing agreement.