positive energy

annual financial statements 2008

Contents

About this report

- Sasol's reporting aims to provide a balanced, understandable, complete and easily comparable view of our business.
- Alongside the ongoing stakeholder interaction and communication expected of a responsible organisation committed to accountability, Sasol produces a full suite of reporting publications.
- In addition to these annual financial statements for the year ended 30 June 2008, stakeholders are advised to read:
  - **Annual review**
  - **Form 20-F:** produced in accordance with US Securities and Exchange Commission (SEC) regulations
  - **Sustainable development report:** produced in accordance with Global Reporting Initiative (GRI) guidelines.
- These reports provide a complete view of the group's strategy, businesses, performance against objectives, and prospects.
- Stakeholders are advised to refer to important information about the forward-looking statements used in this report, on the inside back cover.

Cover: The Sasol Advanced Synthol (SAS) reactors at Secunda lie at the heart of Sasol's proprietary Fischer-Tropsch technology.

sasol
reaching new frontiers

Sasol Limited **group**

highlights

Operating profit up 32% to **R34 billion**

Final dividend up **58%** to R9,35 per share

Headline earnings per share up **50%** to R38,09

R24 billion
Sasol Inzalo BEE transaction implemented

Oryx GTL production in Qatar ramps up

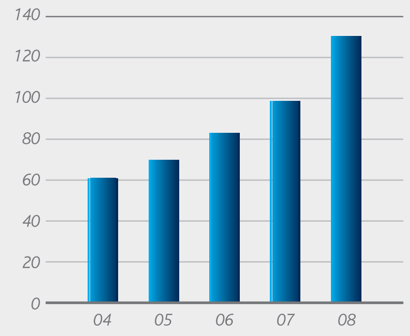
Continued production volume growth

Operational efficiency improvements at existing businesses

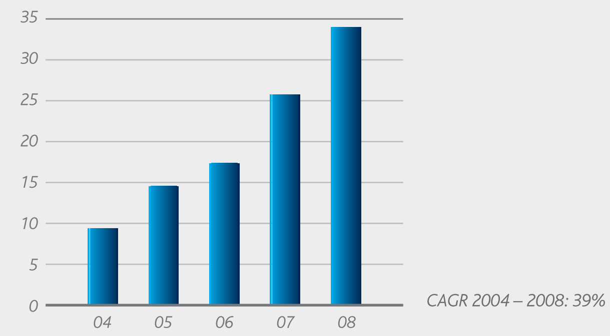
Delivering on growth projects

Improved safety performance

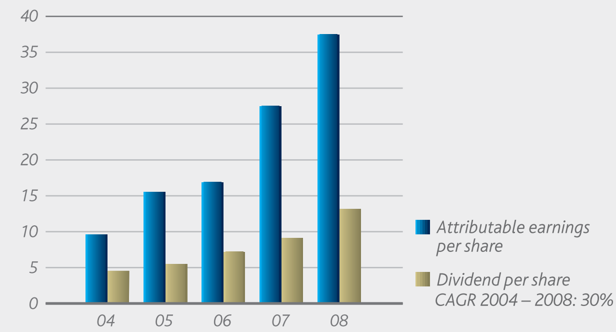
Turnover (R billion)



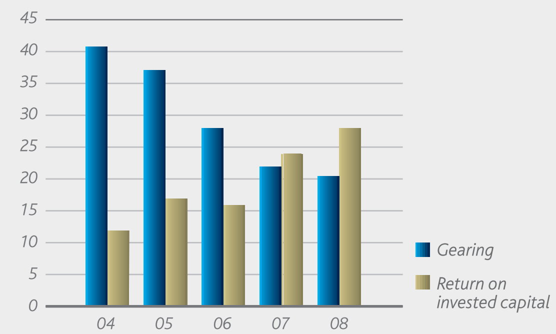
Operating profit (R billion)



Attributable earnings and dividend per share (Rand)



Gearing and return on invested capital (%)



chief financial officer's review

Christine Ramon
Chief financial officer

- Robust operating profit growth – compound annual growth rate (CAGR) of 39% over past 4 years;
- Improved free cash flows, share repurchase programme advanced, lower gearing;
- Stable credit rating maintained;
- Strong financial position provides platform for future growth;
- Cash fixed costs contained within inflationary levels, before once-off costs and growth initiatives;
- Sasol Inzalo and second Sasol Mining BEE deal concluded; and
- Total shareholder return – CAGR of 59% achieved over past 4 years.

1. *Purpose*

Stakeholders are advised to read this review in conjunction with the consolidated annual financial statements presented on pages 40 to 199. The purpose of this review is to provide further insight into the financial performance and position of the group in the context of the environment in which we operate.

2. *Economic overview of the regions in which we operate*

a. *South Africa*

Over the past financial year it became clear that the South African economy operated above its sustainable growth rate over the preceding three years. Some of the emerging imbalances of the previous years resulted in more binding short-term constraints on the economy. The tightness in the electricity supply serves as an example but the widening current account deficit also started to weigh on the exchange rate. In conjunction with the increased risk aversion that permeated global financial markets, the downward adjustment of the market's growth expectation helped push the rand/US dollar exchange rate to a high of R8,25/US$1,00. However, despite considerable volatility during the financial year the average rand/US dollar exchange rate showed only a modest 1,4% depreciation compared to the previous financial year.

Inflation became a global issue during the latter part of the financial year, and South Africa was not spared this pressure. High international energy and food prices combined with a weakening in the rand pushed inflation significantly above the South African Reserve Bank's target range. In response, the South African Reserve Bank raised its repo rate by 250 basis points during the financial year, in addition to the 250 basis points increase on the previous year. Partly in response, new passenger vehicle sales fell a further 15% and in conjunction with rapid increases in petrol prices, petrol demand growth was only 1%. Diesel demand continued to grow at double digit rates in part owing to the electricity crisis in January 2008. General retail sales growth averaged only 1% over the past financial year compared to 9% in the prior year. Slower end consumer spending growth moderated the demand for many of the chemicals that serve as intermediate inputs into end consumer products.

b. *United States of America (US)*

The US economy worsened significantly during the past financial year as the turmoil in the housing market impacted other sectors of the economy. Although the Federal Reserve Bank responded by cutting interest rates aggressively, private sector borrowing costs increased, particularly for lower rated borrowers. For the first time since the early 1990s consumer spending in the US appeared under pressure owing to a combination of disappearing wealth effects, higher unemployment, higher energy costs and a retraction in the supply of credit.

The US dollar weakened against most major currencies during the past year. Although the US dollar now appears undervalued relative to other developed countries' currencies, it is not expected to recover until such time as the general economic outlook for the US improves. The prospect for further US dollar weakness appears limited, however.

c. *Europe*

The Euroland economy showed signs of strain towards the end of the financial year as high energy costs and the euro's strength took its toll on manufacturing activities. Indeed, manufacturing production contracted on a year on year basis during the closing months of the financial year. Consumer demand also faltered with retail sales also contracting about 1% on an annualised basis towards the end of the financial year. Weaker internal demand and a strong currency made for tough operating conditions for our European businesses.

d. *China*

The pace of the renminbi appreciation accelerated during the past year and helped to partly offset rising internal price pressures in China. The authorities also continued to tighten monetary policy, mainly by increasing the cash reserve ratio of financial institutions. Although Chinese growth is slowing down in response to tighter policy measures, the overall policy stance remains sufficiently accommodative to prevent a significant slowdown. The continuing appreciation of the renminbi is likely to impact the economics of our projects under investigation in China negatively.

3. *Key risks affecting operating performance*

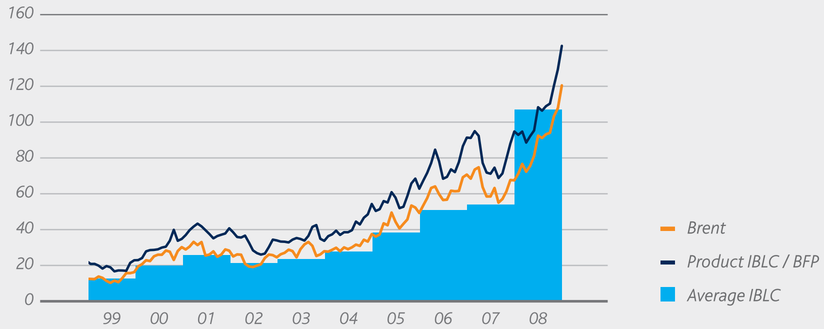
a. *Crude oil prices*

Our Natref refinery and many of our European chemical businesses use crude oil related raw materials, resulting in their exposure to the crude oil price. In addition, the selling price of fuel marketed by Sasol Oil, which is governed by the basic fuel price (BFP) as regulated by the South African government, creates added exposure. The key factors influencing the BFP are the crude oil price, rand/US dollar exchange rate and the refining margin typically earned by coastal refineries.

Sasol Synfuels uses a pricing mechanism for its raw materials supplied to the South African chemical business which matches the BFP. The price charged is the value that Sasol Synfuels could earn by converting these products to fuel and selling it at the BFP.

The crude oil price has increased significantly since 2006 in addition to its extreme volatility in recent years due to the rapid growth in the Asian economies and their petroleum consumption, coupled with an erosion in excess oil production capacity.

Crude oil price (US$/b)



In Bond Landed Cost (IBLC) represented the refinery gate price of fuel in South Africa and was replaced in April 2003 with the Basic Fuel Price.

In order to protect the group against the adverse effects of short-term oil price volatility and rand/US dollar exchange rate fluctuations on the purchase cost of crude oil (approximately 60 000 b/d) used in our Natref refinery, a combination of forward exchange contracts and crude oil futures are used. However, this hedging mechanism does not protect the group against longer-term trends in crude oil prices.

Considering the group's substantial planned capital investment programme and resulting cash flow requirements, our sensitivity to oil price volatility and currency fluctuations, we adopted a consistent risk management approach by hedging the equivalent of approximately 30% of Sasol Synfuels' production (45 000 b/d) and 30% of Sasol Petroleum International's Gabon production for the period September 2007 to May and June 2008, respectively. A zero cost collar hedge was entered into in terms of which the group was protected at crude oil prices below US$62,40/b, and benefited from crude oil prices up to US$76,75/b. However, we incurred a cash outflow as crude oil prices exceeded the cap of US$76,75/b during the hedging period. As a result of the significant increase in crude oil prices during the 2008 financial year (average dated brent was US$95,51/b in 2008 compared to US$63,95/b in 2007), the settlement of the oil hedge resulted in a net cash outflow of R2,3 billion for the year ended 30 June 2008.

We believe this hedging strategy remains appropriate and have again hedged the crude oil equivalent of approximately 30% (16,4 million barrels) of Sasol Synfuels' planned production by means of a zero cost collar for the 2009 financial year. This crude oil hedge was entered into in August 2008 with a cap of US$228/b and a floor of US$90/b. A similar crude oil hedge has been entered into for approximately 30% (550 000 barrels) planned production from Sasol Petroleum International's West African output for a range between US$90/b and US$240/b.

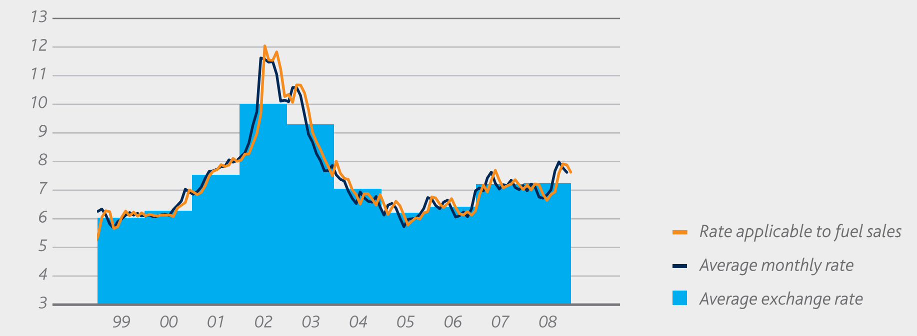
In determining the crude oil price for budgeting purposes we review global growth trends in the demand and consumption for oil as well as global production and supply. Our view is that in the longer term, the high crude oil prices which we have seen over recent years will generally decline over the next ten years. For budgeting and forecasting purposes, we estimate that for every US$1/b increase in the annual average crude oil price, group operating profit for the year will increase by approximately US$51 million (approximately R402 million) during 2009. Should the average annual crude oil price move outside the range of our zero cost collar, the effect of the hedge on operating profit for 2009 will be a reduction in the sensitivity of approximately US$16 million (R131 million) for each US$1/b increase in the crude oil price above the cap, and a similar increase for each US$1/b decrease in crude oil prices below the floor.

b. Exchange rates

The rand/US dollar exchange rate significantly affects a large proportion of our turnover and capital expenditure. Our fuel products are governed by the BFP of which a significant variable is the rand/US dollar exchange rate. The BFP is revised at the beginning of each month based on the average exchange rate ruling for the preceding month. Our chemical products are commodity products whose prices are largely based on global commodity and benchmark prices quoted in US dollars.

As a result, the average exchange rate for the year has a significant impact on our turnover and operating profit. In order to protect our South African operations from the effects of exchange rate volatility, taking into account the weakening rand over the long-term, we hedge both our capital expenditure and foreign currency denominated imports in excess of US$50 000 per transaction by means of forward exchange contracts. Any forward exchange contract resulting in exposure of R100 million or more requires the pre-approval of our group executive committee (GEC). This hedging strategy enables us to better predict cash flows and thus manage our working capital and debt more effectively.

Rand/US dollar exchange rate (US$1 = R)

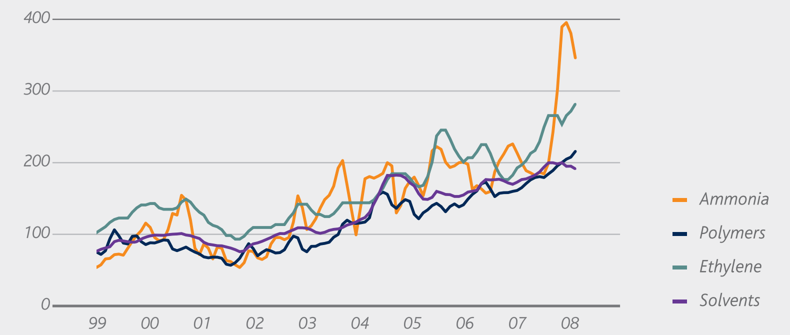


For budgeting and forecasting purposes, we estimate that a 10 South African cents change in the annual average rand/US dollar exchange rate will impact our operating profit by approximately R832 million in 2009.

c. Chemical prices

Our chemical products follow a typical demand cycle. Higher demand results in higher prices until new production capacity is introduced, at which point prices decrease. Over the longer term most commodity chemical prices tend to track crude oil based feedstock prices. The last few years have seen significant increases in the crude oil price which have impacted the cost of our raw materials. We have been unable to pass all of these increased costs on to our customers. Despite this, we have enjoyed relatively high margins in many of our chemical businesses because of robust demand. The following graph illustrates the changes in chemical prices over the last ten years:

Chemical prices (expressed as a percentage of July 1997)



At times of high prices for crude oil and intermediate products, profit margins benefit the feedstock producer. In times of high chemical prices and lower feedstock prices, profit margins shift to downstream activities. The strategy for our commodity chemicals businesses therefore is, wherever possible, to be invested in the value chain from raw materials to final products. The group has elected not to hedge its exposure to commodity chemical prices as this may in part negate the benefits of such integration into our primary feedstock streams.

However, this integration is not usual in our European and US operations and as a result these businesses are exposed to changes in underlying feedstock prices. To the extent that increases in feedstock costs are not reflected in our selling prices, the margins in these businesses can be adversely impacted. Increased competition from alternative feedstocks may also impact the margins earned in these businesses.

d. Capital projects

Most of our operations, including the gasification of coal and the manufacture of synfuels and petrochemical products, are highly dependent upon the development and use of advanced technologies. A number of our expansion projects are integrated across a number of our businesses. The development, commercialisation and integration of the appropriate advanced technologies can affect, amongst others, the competitiveness of our products, the continuity of our operations, our feedstock requirements and capacity and efficiency of our production.

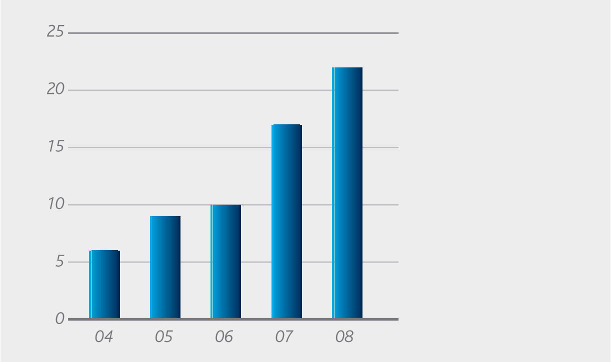
e. ***Credit market risk***

During the year under review, the sub-prime credit crisis continued to adversely impact the international debt capital markets and other financial markets. It caused banks to revise their liquidity requirements which created stricter lending criteria. This resulted in a significant increase in the cost of new debt issuances. Sasol's strong free cash flow during this period meant we did not have to access international debt capital markets for funding. Our large capital expansion programme and potential further share repurchases could alter this position. Sasol is monitoring the situation as part of its enterprise risk management activities and will respond to ensure appropriate liquidity is maintained. Appropriate liquidity and committed funding facilities are also an essential part of retaining our investment grade rating with the ratings agencies.

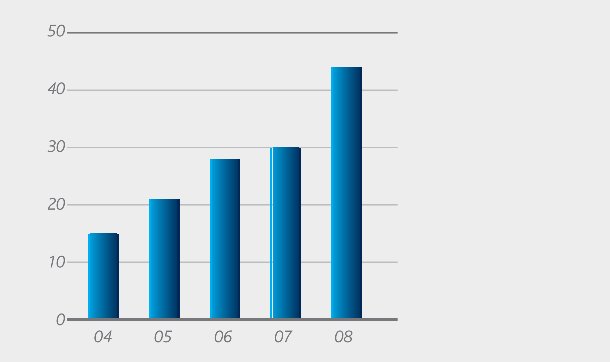
4. Financial performance

We measure our financial performance in terms of various financial ratios. These ratios relate to a number of performance areas including earnings growth, gearing, cash flow generation and return on invested capital and are provided below for the year under review:

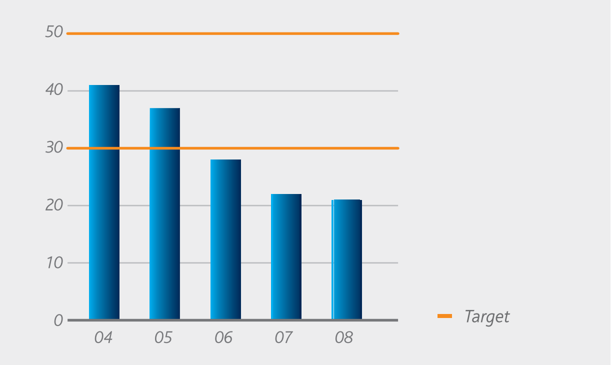
Profit attributable to shareholders *(R billion)*



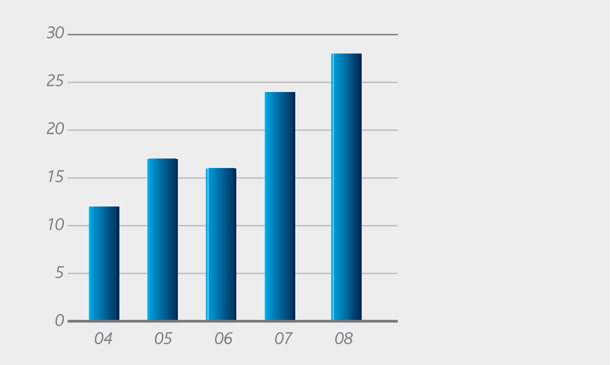
Cash flow from operations *(R billion)*



Gearing *(%)*



Return on invested capital *(%)*



5. Effect of significant changes in accounting principles

During the 2008 financial year, we adopted a number of new accounting standards as set out in our accounting policies. These newly adopted standards did not significantly impact our financial results.

6. Black economic empowerment (BEE) transactions

During the year, Sasol proudly launched the Sasol Inzalo share transaction, the largest BEE transaction in South Africa and concluded another Sasol Mining BEE deal.

a. Sasol Inzalo share transaction

On 16 May 2008, our shareholders approved our broad-based BEE transaction to transfer beneficial ownership of 10% of Sasol Limited's issued share capital to employees and a wide spread of black South Africans (BEE participants). This transaction will provide long-term sustainable benefits to all participants and will have a tenure of 10 years. The following BEE participants will acquire indirect or direct ownership in Sasol's issued share capital as follows:

- Sasol employees and black managers through the Sasol Inzalo Employee Trust and Sasol Inzalo Management Trust (Employee Trusts) – 4,0%;
- The Sasol Inzalo Foundation – 1,5%;
- Selected participants – 1,5%; and
- The black public through:
  - the funded invitation – 2,6%; and
  - the cash invitation – 0,4%.

The Employee Trusts and the Sasol Inzalo Foundation will be funded entirely through Sasol facilitation whilst the selected participants and the black public participating through the funded invitation will be funded by way of equity contributions and preference share funding (including preference shares subscribed for by Sasol). The black public participating through the cash invitation will be financed entirely by the participants from their own resources.

The effective date of the transaction for the Employee Trusts and the Sasol Inzalo Foundation was 3 June 2008. The effective date of the transaction for the selected participants was 27 June 2007. The black public invitation remained open until 9 July 2008 and consequently this portion of the transaction was not yet effective at 30 June 2008.

The transaction has been accounted for as follows:

- All special purpose entities created to facilitate the transaction have been consolidated into the Sasol group results from the applicable effective dates of the transaction.
- An amount of R77 million has been recognised in the income statement and in the share-based payment reserve in the statement of changes in equity in respect of the share-based payment expense related to the Employee Trusts. The amount in respect of the Employee Trusts represents the current year's expense taking into account the vesting conditions of the rights granted over the tenure of the transaction. The total share-based payment expense of R4 948 million in respect of the rights granted as at 30 June 2008 will be recognised on a straight-line basis over the vesting period of the transaction.
- An amount of R1 357 million has been recognised in the income statement and in the share-based payment reserve in the statement of changes in equity in respect of the share-based payment expense related to the shares issued to the selected participants at 30 June 2008. An estimated amount of R174 million will be recognised in 2009 as a share-based payment expense when the remainder of the shares are issued to selected participants.
- The preference shares issued to the financiers in respect of the selected participants have been recognised in the statement of financial position at an amount of R2 215 million, including accrued finance charges. The C preference shares issued to the financiers have been guaranteed by Sasol Limited. Deferred loan costs of R20 million have also been recognised in the statement of financial position.

The share-based payment expense of approximately R2,4 billion related to the issue of shares to the black public will be recognised in 2009. The Sasol Inzalo BEE transaction has been concluded in the long-term interests of our shareholders and is not envisaged to negatively impact the group's growth strategy or the returns to our shareholders.

The total share-based payment expense expected to be recognised in the 2009 financial year is estimated to be R3,7 billion.

b. Sasol Mining BEE transaction

On 11 October 2007, Sasol Mining, a wholly-owned subsidiary of Sasol Limited, announced the formation of a black-woman controlled coal mining company called Ixia Coal (Pty) Limited (Ixia). Ixia, in a transaction valued at approximately R1,9 billion, will acquire 20% of Sasol Mining's share capital through the issue of new shares. This transaction represents the second phase of Sasol Mining's BEE strategy. The first phase of the strategy was implemented through the creation of Igoda Coal (Pty) Limited (Igoda) in March 2006. With the formation of Ixia, Sasol Mining's BEE ownership component is now estimated at 26% (calculated on attributable units of production).

The Ixia transaction will be financed through equity (R59 million) and a combination of third party funding and appropriate Sasol facilitation. The transaction agreements were signed on 4 October 2007 and are subject to the fulfilment of certain conditions:

- Conversion of Sasol Mining's mining rights and obtaining the requisite regulatory approvals; and
- Conclusion of financing agreements with third party lenders.

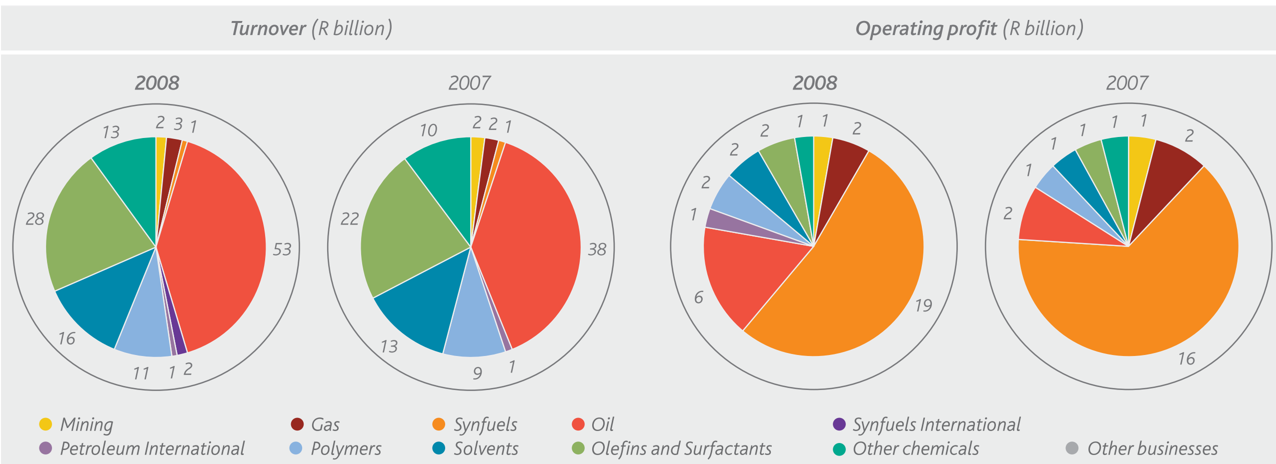
The Igoda transaction is also subject to the same conditions as the Ixia transaction above. As both the Ixia and Igoda transactions are not yet effective, they have not yet been accounted for.

7. *Operating performance*

The key indicators of our operating performance during the year were as follows:

		2008 Rm	% change	2007 Rm	% change	2006 Rm
Turnover		129 943	32	98 127	19	82 395
Gross margin		67 428	34	50 247	14	44 056
Cash fixed costs		24 491	15	21 372	21	17 681
Current operations		23 185	18	19 722		
Once off items and growth initiatives		1 306	(21)	1 650		
Operating profit		33 816	32	25 621	49	17 212
Operating profit margin	%	26		26		21
Profit attributable to shareholders		22 417	32	17 030	64	10 406
Earnings per share	Rand	37,30	36	27,35	63	16,78
Headline earnings per share	Rand	38,09	50	25,37	10	22,98

The composition of turnover and operating profit by business unit is set out below:



a. *Trend analysis*

Turnover has increased by 32%, operating profit by 32% and profit attributable to shareholders by 32% per year, respectively. This has primarily resulted from the increase in the crude oil price and refined product prices as well as a weakening rand/US dollar exchange rate.

This positive trend has most notably impacted our South African energy cluster, and whilst our Chemical cluster has contended with higher oil-related feedstock prices, product margins have shown a significant improvement especially in the latter part of the reporting period.

b. *Year on year comparison*

Operating profit has increased by 32% (R8 195 million) in 2008, 49% (R8 409 million) in 2007, and 20% (R2 826 million) in 2006.

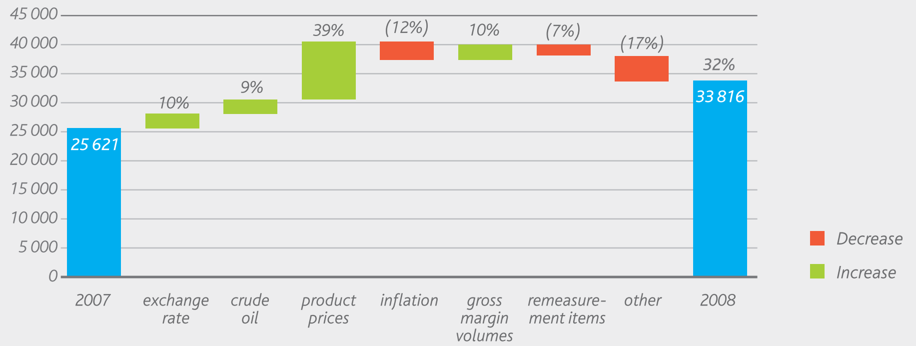
The increase in the reported operating profit is attributable to the following primary drivers:

	2008		2007		2006	
	Rm	%*	Rm	%*	Rm	%*
Foreign currency effects	2 500	10	3 935	23	1 289	9
Crude oil	2 430	9	1 022	6	4 894	34
Product prices	9 925	39	1 732	10	2 009	14
Inflation on cash fixed costs	(3 105)	(12)	(1 780)	(10)	(1 380)	(10)
Volume and other productivity effects	(1 717)	(7)	(1 912)	(11)	(988)	(7)
Effect of remeasurement items	(1 838)	(7)	5 412	31	(2998)	(20)
Increase	8 195	32	8 409	49	2 826	20

** Reported as a percentage of operating profit of the prior year.*

The increase in operating profit over the last year can be graphically depicted as follows:

Operating profit – price volume variance analysis (R million)



The increase in crude oil prices and related impact on product prices contributed significantly to operating profit. This increase was partially offset by costs incurred in start-up businesses, including Arya Sasol Polymer Company and the Oryx gas-to-liquids (GTL) plant.

The 2007 operating profit included the reversal of the fair value write-down of Sasol Olefins & Surfactants, whose effect was partially negated by the two planned maintenance shutdowns at Sasol Synfuels in that year.

c. *Cash fixed costs – price volume variance analysis*

Being primarily a commodity business, we aim to control and maintain our cash fixed costs within inflationary levels on a year-on-year basis. The South African Producers Price Index (SA PPI) averaged at 11,5% for the past financial year whereas the South African Consumer Price Index (SA CPI) averaged at 9,3%. This strategy may be impacted by:

- Investment in safety and plant maintenance;
- Labour costs which escalate beyond inflationary levels; and
- Costs incurred on growth initiatives, new projects and capacity expansions.

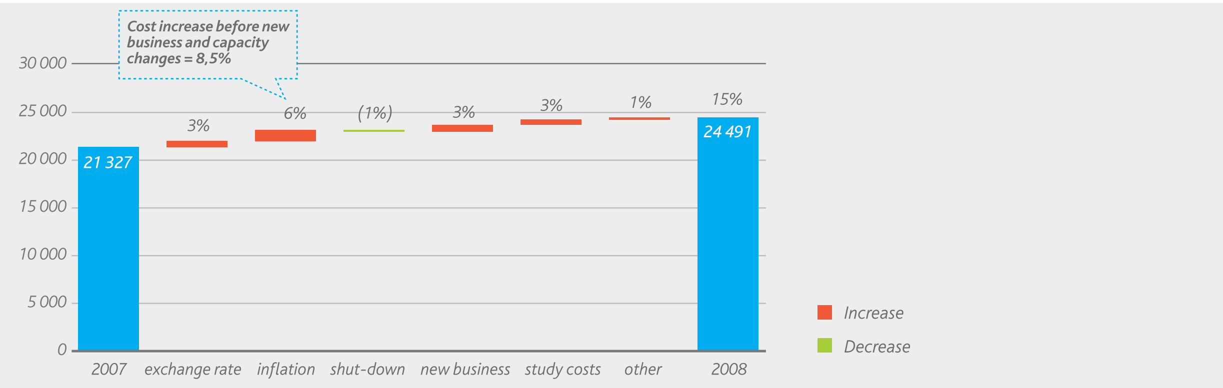
The factors causing an increase in our cash fixed costs over the last year are as follows:

	2008 Rm	%*
Cash fixed costs	24 491	15
Less: once off items and growth initiatives	1 306	6
Other	257	
Once off impact of shut down maintenance	(183)	
Study costs	531	
New business and growth initiatives	701	
Total cash fixed costs excluding once off items, growth initiatives and currency effects	23 185	9
Exchange rates	(642)	(3)
Total cash fixed costs	22 543	6

** Reported as a percentage of cash fixed costs of the prior year.*

The year-on-year increase in cash fixed costs can be graphically depicted as follows:

Cash fixed cost – price volume variance analysis (R million)



Our cash fixed costs have increased at a rate lower than inflation, excluding the effects of once off costs and growth initiatives. SA PPI is more relevant to our Synfuels and Mining businesses.

A benchmark study conducted of our Sasol Synfuels operations compared to local and international companies reflected that the increases in our cash fixed costs have, on average, been lower than other domestic companies in the same playing field but that compared to international peers, although still within the tolerable range, Synfuels costs are at the higher end of the range. Local companies have experienced cost increases of higher than SA PPI during the past three years, whereas international companies are experiencing cost increases in line with SA PPI which is higher than the norm for developed countries.

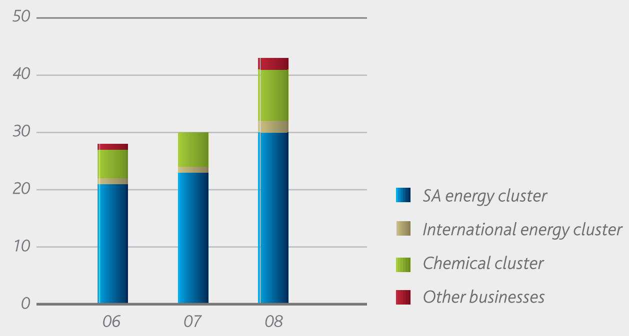
8. Cash flow analysis

		2008 Rm	2007 Rm	% change	2006 Rm	% change
Cash generated by operating activities		**34 740**	28 432	22	24 535	16
Additions to non-current assets		**10 855**	12 045	(10)	13 296	(9)
(Decrease)/increase in debt		**(1 132)**	852		(1 633)	
Dividend per share	*(Rand)*	**13,00**	9,00	44	7,10	27
Free cash flow		**15 281**	11 695	31	7 307	60

a. Cash generated by operating activities

We have generated R35 billion cash from operations in 2008 and over the last three years we have generated an average of R29 billion cash per annum from operating activities.

Cash generated by operating activities (R billion)



Our most significant contributor to cash generated by operating activities is Sasol Synfuels, which is also the biggest contributor to the group operating profit. All our margin business units have generated positive cash flow from their operating activities over the past five years.

Our working capital requirements have steadily increased over the last three years due to the impact of higher commodity prices, maintenance shutdowns and an increased export market. The increase in working capital is expected to be funded from cash generated from operations without any shortfall being funded from borrowings. As a result this could negatively impact our gearing ratio.

We firstly apply cash generated from operating activities to repay our debt and tax commitments and then provide a return to our shareholders in the form of dividends and share repurchases. Remaining cash is used to fund our capital investment programme.

b. Cash invested in capital projects

The central treasury funds all capital projects of the group which are executed by wholly-owned subsidiaries. The central treasury in turn is funded by means of a group cash pooling system. The central treasury's net funding requirement is raised from the local and international debt markets and takes into account the group's self imposed gearing range, which is between 30% and 50%.

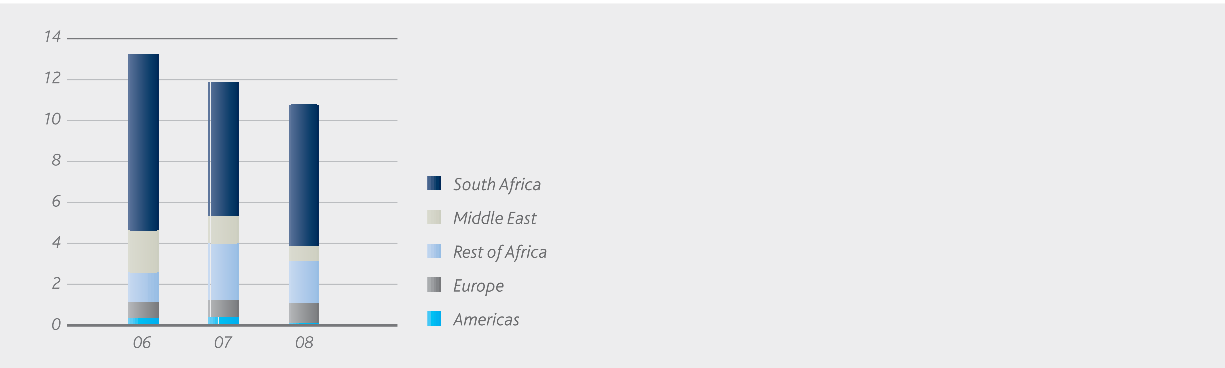
Where projects are executed in partnerships and in foreign jurisdictions, particularly those where an element of political risk exists, project finance is used as a development tool to mitigate such risk as well as geographic and concentration risk and to some extent, liquidity risk. This view is based on the principle that if an economically viable project that has been developed using a sound project finance risk allocation approach, it is likely to be funded in the international markets.

Over the last three years, the group has invested a total of R36 billion in capital projects, with R11 billion being invested in 2008. This amount relates primarily to Project Turbo, our GTL investments in Qatar and Nigeria as well as Arya Sasol Polymer Company in Iran.

Additions to non-current assets (R billion)

We have focused our investments in projects in the last three years primarily in South Africa, Nigeria, Iran and Qatar.

Additions by geographic region (R billion)



Further detail of our additions to our non-current assets is provided in notes 3, 4 and 6 to our financial statements.

c. *Cash utilisation*

Free cash flow (R billion)

During the last three years, cash retained from operating activities has exceeded the cash expenditure on our capital investment programme. In addition to dividends, we have returned cash to shareholders in form of the share repurchase programme. Cash generation from operating activities in the last three years has contributed to the reduction in the group's overall debt and gearing.

9. Debt

Our debt is made up as follows:

	2008 Rm	2007 Rm	2006 Rm
Long-term debt	16 803	16 434	16 015
Short-term debt	2 375	2 546	1 727
Bank overdraft	914	545	442
Total debt	20 092	19 525	18 184
Less cash	4 435	5 987	3 102
Net debt	15 657	13 538	15 082
(Decrease)/increase in funding	(1 132)	852	(1 633)

a. Debt profile

Our long-term capital expansion projects are financed by a combination of floating and fixed rated long-term debt. This debt is normally financed in the same currency as the underlying project and the repayment terms are designed to match the cash flows expected from that project.

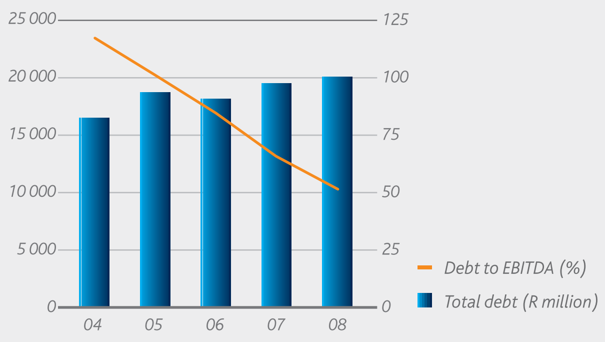
Our debt profile has a longer term bias, which reflects both our capital investment programme and the excellent results generated by our operations over the last three years. At 30 June 2008, the ratio of long-term debt to short-term debt of 84:16 has decreased from 88:12 at 30 June 2006.

Our debt exposure at 30 June analysed by currency was:

	2008 Rm	2008 %	2007 Rm	2007 %	2006 Rm	2006 %
Rand	9 000	45	7 679	39	8 697	48
US dollar	2 769	14	3 505	18	3 541	20
Euro	7 623	38	7 749	40	5 691	31
Other	700	3	592	3	255	1
Total debt	20 092	100	19 525	100	18 184	100

During the year our debt increased primarily as a result of the issue of preference shares amounting to R2 214 million in respect of the Sasol Inzalo share transaction, which have been classified as debt.

Debt to EBITDA



b. *Credit ratings*

Our credit rating is influenced by some of our more significant risks which include the crude oil price volatility, our investments in developing countries and their particular associated economic risks, the potential for significant debt increase and the execution challenges associated with a number of our planned GTL and coal-to-liquids (CTL) projects if they materialise simultaneously, as well as the risks arising from potential increases in capital costs associated with these projects.

Our foreign currency credit rating according to Moody's is Baa1/stable/P–2/stable and our national scale issuer rating is Aa3.za/P-1.za. It is anticipated that this will be updated during the latter part of the 2008 calendar year.

Our foreign currency credit rating according to Standard and Poor's (S&P) is BBB+/Stable/A-2 and our local currency rating is A+/Stable/A-1. The latest S&P corporate ratings analysis on Sasol was published on 11 September 2007. It is anticipated that this will be updated during the latter part of the 2008 calendar year.

The group's strengths that underpin its ratings are, amongst others, its strong position as one of South Africa's blue chip companies and a leading fuels producer, its robust profitability and free cash flow from South African operations, its technological know-how as well as its moderate financial policies.

c. *Strategy for mitigation of interest rate risk*

We limit our hedging activities in respect to debt to two primary instruments – cross currency swaps and interest rate swaps.

Our debt is deliberately structured using a combination of floating and fixed interest rates. To manage this ratio, we issue fixed rate debt such as the Eurobond, as well as using interest rate swaps to convert some of our variable rate debt to fixed rate debt. In some cases, we have also used an interest rate collar, similar to our crude oil hedge instrument, which enables us to take advantage of lower variable rates within a range whilst affording the group protection from the effects of higher interest rates.

Our debt exposure, after taking into account the interest rate swaps, to fixed and variable rates is as follows:

	2008 Rm	2008 %	2007 Rm	2007 %
Fixed interest rates	9 046	45	7 325	38
Variable interest rates	11 046	55	12 200	62
Total long-term debt	20 092	100	19 525	100

Our cross currency swaps are applied in certain cases where the debt is denominated in one currency while the application of that debt is in a different currency. An example is our Eurobond, denominated in Euro, which has been swapped by means of a cross currency swap into rand, as the group has utilised this debt in South Africa.

To limit the group's total exposure to interest rate risk, we have adopted a gearing policy that requires us to manage our gearing within a range of 30% to 50%, described in detail below.

10. Shareholding and equity

a. *Shareholding*

During the year, we were pleased to launch our Sasol Inzalo share transaction. This transaction saw the issue of 25,2 million ordinary shares to the Sasol Inzalo Employee and Management Trusts, 9,5 million ordinary shares to the Sasol Inzalo Foundation and 9,5 million preferred ordinary shares to the selected participants. The transaction was concluded in July 2008, with the issue of 16,0 million preferred ordinary shares and 2,8 million BEE ordinary shares to the black public.

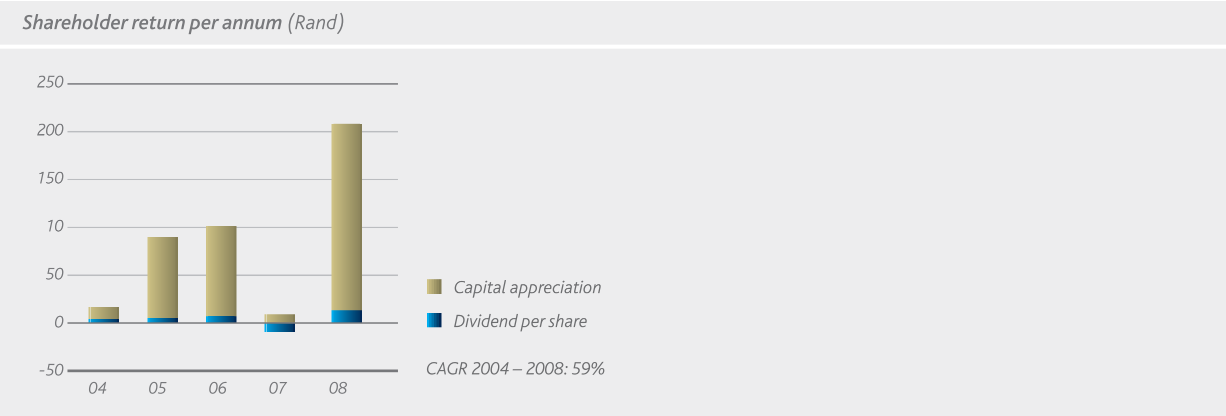
Further, we saw a significant increase in trading activity during the year in our shares on both the JSE Limited and the NYSE. It is particularly pleasing to note the significant increase in activity and shareholding in the USA.

The percentage of shares held by non-South African residents increased over the last three years to 38% at 30 June 2008 from 32% at 30 June 2005.

b. *Shareholder return*

The increase in our share price has resulted in the return provided to our shareholders, in the form of both dividends and share price appreciation, increasing significantly over the last three years.

A shareholder who purchased a Sasol share on 30 June 2004 at R96,10 would have received R34,50 in dividends and earned R364,90 in capital appreciation until 30 June 2008, based on a closing share price of R461,00 per share on this date, representing a compound annual growth rate of 59%.



c. Share repurchase programme

During 2007, the share repurchase programme was reactivated, through our wholly-owned subsidiary Sasol Investment Company (Pty) Limited. At our Annual General Meeting in November 2007, our shareholders again approved the repurchase of up to 10% of our issued ordinary share capital. Since inception of the programme in March 2007, we have repurchased 37 093 117 million shares at an average price of R295,73 per share, representing 5,86% of our issued ordinary share capital, excluding the Sasol Inzalo share transaction, at 30 June 2008. The shares repurchased are reflected as treasury shares, resulting in our issued share capital at 30 June 2008 amounting to 667 249 416 ordinary shares of no par value and 9 461 882 preferred ordinary shares of no par value, totalling R20 billion. Subsequent to year end, we have reactivated our share repurchase programme. On 22 September 2008, we had repurchased 6,01% of our issued ordinary share capital, excluding the Sasol Inzalo share transaction.

d. Dividends

Our policy is to pay a dividend to shareholders twice a year (interim and final), which should be covered between 2,5 and 3,5 times by our earnings over the long-term. In determining the dividend, we take cognisance of potential re-investment opportunities within the group as well as significant changes in the external economic environment during the period.

Our dividend for the year increased by 44% to R13,00 per share, which represents a dividend cover of three times, compared to R9,00 in 2007 and R7,10 in 2006.

Since listing in 1979, Sasol has consistently paid a dividend at least equal to that of the previous year.

11. Financial strategies and targets

We have defined a number of targets to measure our financial performance. We continually monitor our performance against these targets and, when necessary, revise them to take into account changes in the group's strategic outlook.

a. Gearing

Since 2003, we have aimed to maintain our gearing between 30% and 50%. Our gearing level took cognisance of our substantial capital investment and susceptibility to external market factors such as crude oil prices, commodity chemical prices and exchange rates.

As a result of the strong cash flows generated by our South African energy business in the last two years, our gearing dropped below our self-imposed preferred range during the 2007 financial year. Although, our share repurchase programme was advanced during the current financial year, we still remain below our targeted range in the short term in anticipation of our large capital intensive expansion programme over the medium to longer term horizon. We will be reconsidering our target gearing range to take cognisance of current market volatility and uncertain credit markets.

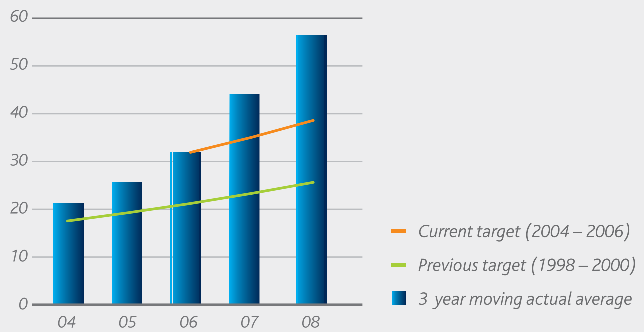
Our healthy balance sheet positions the company well for future growth amidst a tightening of liquidity and uncertain credit markets.

Our gearing increases by approximately 1,2% for every R1 billion of debt raised.

b. *Earnings growth*

Historically, we have aimed to achieve a 10% earnings growth per annum in US dollar terms on a three-year moving average basis, measured against the 1998-2000 base of US$503 million. Our earnings growth since 2000 has exceeded this target every year but we aim for improved consistency and more stable and predictable performance. However, in the light of crude oil and rand/US dollar price volatility, this has not always been possible. During 2007, we revised our target to apply to the base years of 2004 – 2006 of US$1 329 million. We exceeded the three year moving average target during the current year, achieving an annual increase of 28% (2007: 38%).

US$ earnings growth *(US$ million)*



c. *Targeted return on capital investment*

All new capital investment projects are required to provide a targeted return in excess of 1,3 times our Weighted Average Cost of Capital (WACC), which is currently 11,75% in South Africa in rand and 7,25% in Europe and the USA in US dollars. This rate of return does not apply to sustenance capital expenditure on existing operations, in particular environmental projects that are typically not economically viable.

In general, approximately 80% of our projects are evaluated against these targeted rates of return.

Our targeted returns in excess of 1,3 times WACC was selected for two main reasons. To take into account that certain capital projects, as described above, do not generate a return and therefore lower the overall return on assets, and to ensure that the group only targets capital investment projects that meet the economic performance required by our stakeholders, while providing a buffer for changes in economic conditions applicable to the asset.

12. Key challenges and opportunities for the next year

Whilst key challenges are areas of focus in the next year, we are confident that we can apply resources and expertise to convert these challenges into opportunities.

a. Restructuring of Sasol Olefins & Surfactants (O&S)

In March 2007, we announced that we would not be selling Sasol O&S but would rather be maximising value in the business through a rigorous three to five years turnaround process. We have closed the linear alkyl benzene (LAB) plants in Baltimore, USA and Porte Torres, Italy. Sasol O&S is committed to optimising plant throughput and reducing costs during the next financial year with the continued support of our customers. We have identified further opportunities to improve the business performance of Sasol O&S, to be implemented over the next two to four years.

b. Implementation of Mining BEE

In October 2007, we announced the sale of 20% of Sasol Mining to Ixia Coal (Pty) Limited as part of the second phase of Sasol Mining's BEE strategy. This transaction is valued at R1,9 billion and will be financed through equity contribution and partly through the issue of preference shares to external financiers, with the remainder facilitated by Sasol. Upon finalisation of the financing, application will be made to the Department of Minerals and Energy for approval of the transaction and the granting of the associated new order mining rights. All conditions precedent to this transaction will then have been completed. The transaction is expected to be concluded in 2009.

We anticipate that the Igoda transaction will similarly be concluded in 2009.

c. Escravos gas-to-liquids (EGTL) project

Sasol, together with Chevron and the Nigerian National Petroleum Corporation (NNPC), is advancing the development of the EGTL project, with an expected completion date of 2011. EGTL will produce ultra-low emissions GTL diesel, GTL naphtha and liquefied petroleum gas. As plant construction progresses, significantly higher than expected costs are being experienced due to challenging local conditions and major cost increases in the global construction industry. Recent assessments have indicated that the capital requirements are now estimated to be around US$6 billion for the completion of this project. After reviewing the investment and following subsequent negotiations with Chevron, Sasol has decided to reduce its interest in the EGTL project to 10%. As a result, at 30 June 2008, the interest in EGTL is classified as held for sale in accordance with accounting conventions. We intend to retain the 10% interest and are committed to providing technology, managerial and technical support to the project.

d. Cost containment

We continue to experience significant cost pressures across the supply chain, including feedstock prices which have been driven up by the volatility in the crude oil price. Our track record on containing costs within inflationary limits is proven, but can be improved.

Areas being targeted are containing cash fixed costs, before study and growth costs, to within inflation by leveraging buying power through centralised procurement and streamlining functional excellence in the group. Additional cost efficiencies can be achieved by expanding our shared service function for the group.

This initiative is further supported by the implementation of an enhanced financial reporting system which will improve our target setting as well as our capital and cash flow management. In addition, we are required to spend on renewal maintenance of our plants to ensure sustainability of operations and achieve efficiencies in our business processes. These costs, together with costs incurred to assure the continued growth of our business, while vital, remain within our focus area of cost containment.

In South Africa, electricity supply problems occasionally cause disruptions to industry. It is difficult to forecast the medium term impact of power shortages on our business. We are working with Eskom and the South African government to implement effective solutions. Our energy-efficiency initiatives continue to reduce our energy consumption and our environmental footprint. In South Africa, we generate more than a third of our own energy requirements.

13. Sasol Wax

Subsequent to the approval of the consolidated financial statements for issue by the Board of Directors on 5 September, on 1 October 2008, the European Union found that members of the European paraffin wax industry, including Sasol Wax GmbH, formed a cartel and violated antitrust laws. A fine of €318,2 million was imposed by the European Commission on Sasol Wax GmbH (of which Sasol Wax International AG, Sasol Holdings Germany GmbH and Sasol Limited would be jointly and severally liable for €250 million). The fine is payable within three months. As a result of Sasol's co-operation and support in the investigations, the European Commission reduced the base amount of the fine by 50% to the net amount stated above. Sasol will be studying the reasons for the finding with a view to lodge an appeal against it.

According to the statement of objections of the European Commission an infringement of antitrust laws commenced in 1992 or even earlier. In 1995, Sasol became a co-shareholder in an existing wax business located in Hamburg, Germany owned by the Schümann group. In July 2002, Sasol acquired the remaining shares in the joint venture and became the sole shareholder of the business. Sasol was unaware of these infringements before the European Commission commenced their investigation at the wax business in Hamburg in April 2005.

Sasol views this matter in a serious light and has intensified its competition and anti-trust compliance programmes in all its businesses, including joint ventures and acquired businesses. It is Sasol's explicit corporate policy that all employees will comply with all applicable laws, including competition laws.

14. Conclusion

The results were achieved during the current financial year under favourable market conditions, our existing operations and the ramp up in some of our projects delivered good volume growth, which together with a focus on cost containment enabled us to deliver superior returns to our shareholders.

Improved cash flows from our existing businesses have sustained our financial performance and our strong balance sheet provides a solid foundation for future growth amidst uncertain credit markets. The year ahead promises better opportunities and challenges.

Production at the Arya Sasol Polymer plant, the Oryx GTL facility and the Octene 3 plant will be ramping up further during 2009. We also expect to increase production at our Sasol Synfuels operation. Based on overall improved production volumes, a modest increase in the average crude oil price, a marginally weaker exchange rate and softer refined product price and chemical price assumptions relative to 2008, the earnings for 2009 are expected to reflect robust growth on 2008.

The effects of our BEE transactions, which are expected to have material non-cash accounting effects, have not been taken into account in this profit outlook. We expect our dividend policy to remain within the target range of 2,5 times to 3,5 times earnings cover before taking into account the non-cash IFRS 2 accounting effects of the Sasol Inzalo share transaction.

15. Acknowledgements

Through the dedication and enthusiasm of our financial personnel, we are able to produce quality financial information for our stakeholders, which reflects our objectives and values. I extend my thanks to all for their ongoing support and commitment.

Christine Ramon
Chief financial officer

Sasol Limited **group**

corporate governance

upholding international best practice

Introduction

Sound corporate governance structures and processes are entrenched at Sasol. They are regularly reviewed and adapted to accommodate internal corporate developments and to reflect national and international best practice. The company maintains a primary listing of its ordinary shares on the JSE Limited (JSE) and a listing of American Depositary Shares on the New York Stock Exchange (NYSE). The company is accordingly subject to the ongoing disclosure, corporate governance and other requirements imposed by legislation, the JSE, US Securities and Exchange Commission (SEC) and the NYSE. The company complies with the JSE listing requirements and US governance requirements of the SEC, the NYSE and legislation such as the Sarbanes-Oxley Act of 2002 (SOX) applicable to foreign companies listed on the NYSE. In addition, Sasol has compared its corporate governance practices to those required to be applied by domestic US companies listed on the NYSE and has confirmed to the NYSE that it complies with such NYSE corporate governance standards, in most significant respects. Sasol endorses the principles of the South African Code of Corporate Practices and Conduct as recommended in the second King Report (King II). The nomination and governance committee and the board of directors (board) continue to review and benchmark the group's governance structures and processes. Sasol is committed to achieving high standards of business integrity and ethics across all its activities. The board considers corporate governance as a priority that requires more attention than merely establishing the steps to be taken to demonstrate compliance with legal, regulatory or listing requirements. Issues of governance will continue to receive the board and its committees' consideration and attention during the year ahead. Sound governance remains one of the top priorities of executive management.

The board of directors and non-executive directors

The company's articles of association provide that the company's board consists of a maximum of 16 directors of whom a maximum of five may be executive directors. Currently, four directors are executive directors (Mr LPA Davies, Dr AM Mokaba and Mss VN Fakude and KC Ramon) and 10 of the directors are non-executive directors. Mr S Montsi retired as non-executive director with effect from 1 August 2008.

All the non-executive directors, except Mr PV Cox, Mr A Jain and Mrs TH Nyasulu were considered by the board to be independent directors in accordance with King II and the rules of the NYSE. The board is, however, of the view that all non-executive directors bring independent judgement to bear on material decisions of the company. The offices of chairman and chief executive are separate and the office of the chairman is filled by a non-executive director.

In terms of the company's articles of association, the directors appoint the chief executive. Such an appointment may not exceed five years at a time.

Details of directors of the board appear on pages 14 and 15 of the annual review.

Board powers and procedures

The board has adopted a board charter. It provides a concise overview of:

- the demarcation of the roles, functions, responsibilities and powers of the board, the shareholders, individual directors, officers and executives of the company;
- the terms of reference of the board committees;
- matters reserved for final decision-making or pre-approval by the board; and
- the policies and practices of the board for such matters as corporate governance, trading by directors in the securities of the company, declarations of conflicts of interest, board meeting documentation and procedures and the nomination, appointment, induction, training and evaluation of directors and members of board committees.

Within the powers conferred upon the board by the articles, the board has determined its main function and responsibility as adding significant value to the company by:

a) retaining full and effective control over the company;
b) determining the strategies and strategic objectives of the company and group companies;
c) determining and setting the tone of the company's values, including principles of ethical business practice;
d) bringing independent, informed and effective judgement to bear on material decisions of the company and group companies, including material company and group policies, appointment and removal of the chief executive, approval of the appointment or removal of group management members, capital expenditure transactions and consolidated group budgets and company budgets;
e) satisfying itself that the company and group companies are governed effectively in accordance with corporate governance best practice, including risk management and internal control systems to:
    - maximise sustainable returns;
    - safeguard the people, assets and reputation of the group;
    - ensure compliance with applicable laws and regulations; and
f) monitoring implementation by group companies, board committees and executive management of the board's strategies, decisions, values and policies by a structured approach to reporting, risk management and auditing.

The board met eight times during the financial year. Four of these meetings were scheduled in advance and four were ad hoc meetings. The attendance by each director was as follows:

Director	7 Sept 2007	29 Nov 2007 (ad hoc)	30 Nov 2007	25 Feb 2008 (ad hoc)	7 Mar 2008	19 Mar 2008 (ad hoc)	20 May 2008 (ad hoc)	15 Jun 2008
E le R Bradley	√	√	√	√	√	√	–	√
BP Connellan	√	√	√	√	√	√	√	√
PV Cox	√	√	√	√	√	√	√	√
LPA Davies	√	√	√	√	√	√	√	√
HG Dijkgraaf	√	√	√	√	√	√	√	√
VN Fakude	√	√	√	√	√	√	–	√
MSV Gantsho	√	–	–	√	–	√	√	√
A Jain	–	–	√	√	–	–	√	–
IN Mkhize	√	√	√	√	√	√	√	√
AM Mokaba	√	√	√	√	√	√	√	√
S Montsi	√	√	√	√	√	√	–	√
TH Nyasulu	√	√	√	√	√	–	√	√
KC Ramon	√	√	√	√	√	√	√	√
JE Schrempp	√	–	–	–	√	–	√	√
TA Wixley	√	√	√	√	√	√	√	√

√ Indicates attendance – Indicates absence with apology

Non-executive directors are chosen for their business skills and acumen. Considerations of gender and racial diversity, as well as diversity in business, geographic and academic backgrounds, are taken into account by the nomination and governance committee and the board when appointments to the board are considered. The board comprises 50% historically disadvantaged South Africans excluding white woman and 36% women. Newly appointed directors are inducted in the company's business, board matters and their duties as directors in accordance with their specific needs.

The nomination and governance committee annually reviews the effectiveness and performance of the board, its committees and the individual directors.

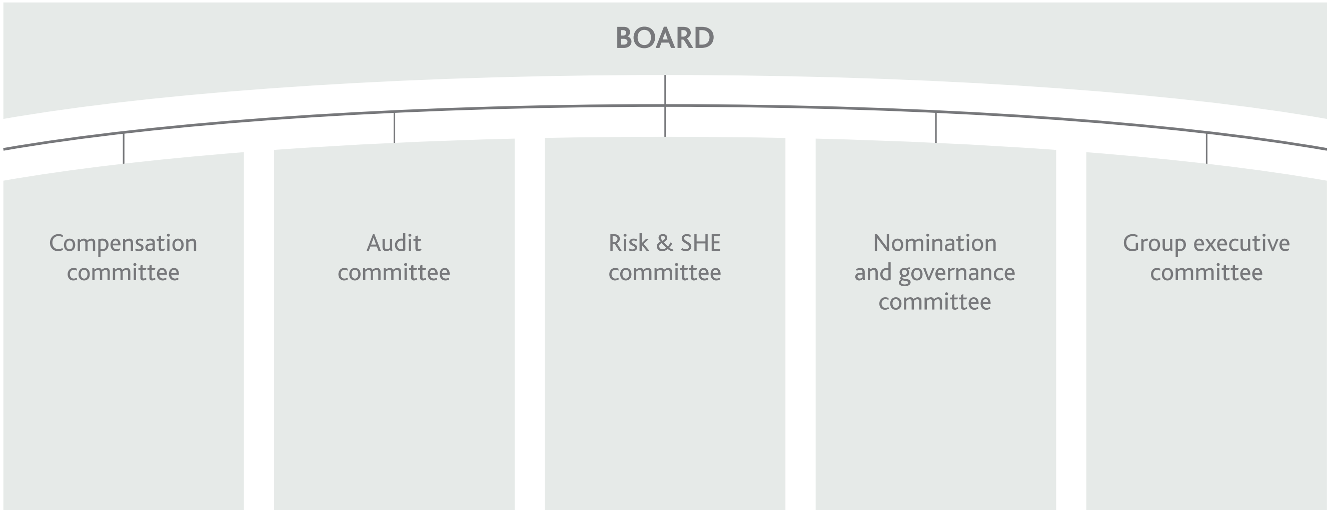
All directors have access to the advice and services of the company secretary, whose appointment is in accordance with the South African Companies Act (as amended), and who is responsible to the board for ensuring the proper administration of board proceedings. The company secretary also provides guidance to the directors on their responsibilities within the prevailing regulatory and statutory environment and the manner in which such responsibilities (including not dealing in the company's shares during restricted periods) should be discharged. A report on directors' dealings in the company's shares is tabled at each board meeting and is disclosed in terms of the applicable JSE and NYSE listings requirements. The directors are entitled to seek independent professional advice at Sasol's expense concerning the company's affairs and have access to any information they may require in discharging their duties as directors.

In terms of the company's articles of association, one-third of directors must retire at every annual general meeting and are eligible for re-election.

Board committees

Several committees have been established to assist the board in discharging its responsibilities. The committees have an important role in enhancing high standards of governance and achieving increased effectiveness within the group. The terms of reference of the board committees form part of the board charter and can be viewed on the company's website (www.sasol.com).

Illustration of board and committees



The company's main subsidiaries, as well as their operating divisions, have established board and committee structures to ensure the maintenance of high standards and best practice for corporate governance and internal control throughout. The business of group subsidiaries and divisions is decentralised. The company requires decision-making involvement for a defined list of material matters of the businesses of its subsidiaries and divisions. This list includes matters such as the appointment of directors, strategy charters, large capital expenditures and mergers, acquisitions and disposals. The boards of the main subsidiaries and divisions of the company are constituted so that a majority of directors of each main subsidiary or divisional board are non-executive directors of the subsidiary or division.

The compensation committee

Members: Messrs HG Dijkgraaf (chairman), BP Connellan, PV Cox and Mrs E le R Bradley. Mr S Montsi retired as member with effect from 1 August 2008.

With the exception of Mr PV Cox, all the members of the committee are independent non-executive directors. In line with the recommendations of King II, the chief executive attends the meetings of the committee at the request of the committee, but is requested to leave the meeting before decisions are made.

The functions of the compensation committee are to:

- assist the board in exercising its function of ensuring that affordable, fair and effective compensation practices are implemented in the Sasol group;
- determine the compensation of group management members;
- make recommendations to the board on directors' fees and the compensation and service conditions of executive directors, including the chief executive; and
- provide a channel of communication between the board and management on compensation matters.

The compensation committee is mandated to:

- review and approve general proposals for salary and wage adjustments;
- review and approve proposals for the general adjustment of standard conditions of service, including matters relating to leave, housing, motor vehicles, bonuses, incentives, pension funds, provident funds, medical aid, deferred compensation and share schemes;
- review the group's compensation policies and practices and proposals to change these and to make recommendations in this regard to the board;
- determine and approve any criteria for measuring the performance of executive directors in discharging their functions and responsibilities;
- review and approve the terms and conditions of executive directors' employment contracts, taking into account information from comparable companies;
- determine and approve any grants to executive directors and other senior employees made pursuant to the company's executive share scheme and share appreciation rights scheme;
- review and approve any disclosures in the annual report or elsewhere on compensation policies or directors' compensation; and
- at least annually assess the performance of the committee and committee members.

The compensation committee has determined the remuneration philosophy of the company, which is to offer remuneration that will attract, retain, motivate and reward employees with the skills required for the company to achieve its business goals and to base remuneration on personal and company performance in accordance with competitive market practices.

Directors' emoluments and other relevant remuneration information are disclosed in the remuneration report from page 44 to 55 of the annual financial statements.

The committee meets at least twice a year and is empowered to obtain such external or other independent professional advice as it considers necessary to carry out its duties.

The committee met four times during the year. Attendance at meetings was as follows:

Member	*7 Sep 2007*	*28 Nov 2007*	***7 Mar 2008***	***4 Jun 2008***
E le R Bradley	√	–	√	–
BP Connellan	√	√	√	√
PV Cox	√	√	√	√
HG Dijkgraaf	√	√	√	√
S Montsi	√	√	√	√

√ Indicates attendance – Indicates absence with apology

The audit committee

Members: Mr BP Connellan (chairman), Mrs E le R Bradley, Dr MSV Gantsho (appointed with effect from 4 July 2008) and and Mr TA Wixley.

The audit committee is an important element of the board's system of monitoring and control. In compliance with SEC and NYSE rules, as well as pending South African legislation, all members are independent non-executive directors.

All audit committee members have extensive audit committee experience and are financially literate. Mr BP Connellan has been designated as the audit committee financial expert.The chairman of the board, the chief executive, chief financial officer and external and internal auditors attend audit committee meetings on invitation.

Following the enactment of the South African Corporate Laws Amendment Act, 2006 with effect from 14 December 2007, the terms of reference of the Sasol Limited audit committee were revised to ensure compliance with the South African Companies Act (as amended). The Sasol Limited Audit Committee performs the functions prescribed by the South African Companies Act for the company and all its South African subsidiaries.

The audit committee primarily assists the board in overseeing:

- the quality and integrity of Sasol's financial statements (including group financial statements) and public announcements in respect thereof;
- the qualification and independence of the external auditors for Sasol and all group companies;
- the scope and effectiveness of the external audit function for Sasol and all group companies;
- the effectiveness of the Sasol group's internal controls and internal audit function; and
- compliance with legal and regulatory requirements to the extent that it might have an impact on the financial statements.

The board has delegated extensive powers in accordance with the Companies Act and US corporate governance requirements to the audit committee to perform these functions. In line with these requirements the audit committee has, among other things, determined which categories of non-audit services provided by the external auditor should be pre-approved by the audit committee. The audit committee meets the group's external and internal auditors and executive management regularly to consider risk assessment and management, review the audit plans of the external and internal auditors and to review accounting, auditing, financial reporting, corporate governance and compliance matters. The audit committee approves the external auditors' engagement letter and the terms, nature and scope of the audit function and the audit fee. The internal audit charter, internal audit plan and internal audit conclusions are similarly reviewed and approved by the audit committee.

Interim and annual results of the group and trading statements of the company are reviewed by the audit committee before publication. Both the audit committee and the board are satisfied there is adequate segregation between the external and internal audit functions and that the independence of the internal and external auditors is not in any way impaired or compromised.

All major Sasol subsidiaries and divisions have governance committees which assist the respective subsidiary and divisional boards by examining and reviewing the subsidiary's annual financial statements prior to submission and approval by the relevant boards and monitoring the effective functioning of the subsidiary's internal and disclosure controls. The proceedings of these subsidiary and divisional governance committees are reported to the Sasol Limited audit committee.

The audit committee meets at least three times a year. The committee met eight times during the year. Attendance at meetings was as follows:

Member*	3 Sep 2007	12 Oct 2007	12 Nov 2007	30 Nov 2007	6 Mar 2008	17 Mar 2008	23 Apr 2008	10 Jun 2008
E le R Bradley	–	√	√	√	√	√	–	√
BP Connellan	√	√	√	√	√	√	√	√
TA Wixley	√	√	√	√	√	√	√	√

* Dr MSV Gantsho was appointed with effect from 4 July 2008
√ Indicates attendance – Indicates absence with apology

The risk and safety, health and environment committee (risk and SHE committee)

Members: Messrs S Montsi (chairman and member until 31 July 2008), HG Dijkgraaf (appointed chairman with effect from 1 August 2008), BP Connellan, PV Cox, LPA Davies, Mss VN Fakude, IN Mkhize, Dr AM Mokaba and Ms KC Ramon.

The committee currently comprises four non-executive and four executive directors. The committee's functions include reviewing and assessing the integrity of the company's risk management processes, including the effective management of those covering safety, health and environmental matters.

The committee met four times during the year. Attendance at meetings was as follows:

Member	5 Sep 2007	28 Nov 2007	5 Mar 2008	4 Jun 2008
BP Connellan	√	√	√	√
PV Cox	√	√	√	√
LPA Davies	√	√	√	√
HG Dijkgraaf	√	√	√	√
VN Fakude	√	√	√	√
IN Mkhize	√	–	√	√
S Montsi	√	√	√	√
AM Mokaba	√	√	√	–
KC Ramon	√	√	√	–

√ Indicates attendance – Indicates absence with apology

The nomination and governance committee

Members: Mr PV Cox (chairman), Mss E le R Bradley, TH Nyasulu, Prof JE Schrempp and Mr TA Wixley.

The committee is comprised of five non-executive directors, of whom three are independent.

The nomination and governance committee's functions include reviewing and making recommendations to the board on the company's general corporate governance framework, the composition and performance of the board and its committees, appointment of directors, legal compliance and the company's ethics policy and programmes.

The nomination and governance committee met six times during the financial year. Attendance at the meetings was as follows:

Member	6 Sep 2007	28 Nov 2007	28 Jan 2008	6 Mar 2008	10 Jun 2008	15 Jun 2008
E le R Bradley	√	–	√	√	√	√
P V Cox	√	√	√	√	√	√
S Montsi	√	√	√	√	√	√
TH Nyasulu	√	√	√	√	√	√
JE Schrempp	–	√	–	√	√	√
TA Wixley *	n/a	n/a	n/a	n/a	n/a	√

*appointed with effect from 15 June 2008
√ Indicates attendance – Indicates absence with apology

The group executive committee (GEC)

Members: Messrs LPA Davies (chairman), JA Botha, A de Klerk, Ms VN Fakude, Drs RK Groh, NL Joubert, AM Mokaba, Ms KC Ramon, Messrs GJ Strauss, JA van der Westhuizen and R van Rooyen.

The board has delegated a wide range of matters relating to Sasol's management to the GEC, including financial, strategic, operational, governance, risk and functional issues. The GEC's focus is on the formulation of group strategy and policy and the alignment of group initiatives and activities. The committee meets weekly and reports directly to the Sasol Limited board. During the year, the GEC's functioning was supported by the Group Business Committee.

Internal control and risk management

The directors are ultimately responsible for the group's system of internal control, designed to provide reasonable assurance against material misstatement and loss. The group maintains a system of internal financial control that is designed to provide assurances on the maintenance of proper accounting records and the reliability of financial information used within the business and for publication. The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

The internal control system includes:

- a documented organisational structure and reasonable division of responsibility;

- established policies and procedures (including a code of conduct to foster a strong ethical climate), which are communicated throughout the group; and
- established mechanisms to ensure compliance.

Sasol, as a foreign private issuer on the NYSE, is subject to and complies with, section 404 of the Sarbanes-Oxley Act (SOX 404).

Internal audit

The group has an internal audit function covering its global operations. Internal audit is responsible for:

- assisting the board and management in monitoring the effectiveness of the company's risk management process; and
- assisting the board and management in maintaining effective controls by evaluating those controls continuously to determine their efficiency and effectiveness and recommend improvements.

The controls subject to evaluation encompass:

- the information management environment;
- the reliability and integrity of financial and operating information;
- the safeguarding of assets; and
- the effective and efficient use of the company's resources.

Audit plans are based on an assessment of risk areas, as well as on issues highlighted by the audit committee and management. Audit plans are updated as appropriate to ensure they are responsive to changes in the business. A comprehensive findings report is presented to the risk and SHE committee and the audit committee at each of their scheduled meetings. Follow-up audits are conducted in areas where significant internal control weaknesses are found.

Corporate governance best practice requires that the internal audit function reports directly to the audit committee. Such direct reporting is ensured by the audit committee's mandate to:

- evaluate the effectiveness of internal audit;
- review and approve the internal audit charter, internal audit plans and internal audit conclusions about internal control;
- review significant internal audit findings and the adequacy of corrective action taken;
- assess the performance of the internal audit function and the adequacy of available internal audit resources;
- review significant differences of opinion between management and the internal audit function; and
- consider the appointment, dismissal or reassignment of the head of internal audit.

The charter of the internal audit department provides that the head of internal audit has direct access to the chief executive and the chairman of the audit committee. The head of internal audit reports administratively to a group general manager.

Risk management

The board is responsible for governing risk management processes in the Sasol group in accordance with corporate governance requirements. The establishment of a more formalised enterprise-wide risk management process was initiated during the 2002 financial year with the following principal objectives:

- providing the board with assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels in order to achieve an optimal risk-reward balance; and
- making risk identification and risk management an integral part of the daily activities of everyone in the organisation.

Substantial progress has been made to date in achieving the above objectives. There are still certain components of the process which need to be further developed and embedded and programmes are in place to address these. Sasol's enterprise-wide risk management process is guided by the following key principles:

- a clear assignment of responsibilities and accountabilities;
- a common enterprise-wide risk management framework and process;
- the identification of uncertain future events that may influence the achievement of business plans and strategic objectives; and
- the integration of risk management activities within the company and across its value chains.

Sasol's integrated risk management implementation approach among others, entails the development of strategic, functional and process risk profiles. Strategic risk encompasses those risks that may influence the achievement of strategic business objectives. Similarly, functional and process risks are defined as risks that may influence the achievement of functional and process objectives respectively.

The company's insurance services department, with the assistance of external consultants, undertakes regular risk control audits of all the company's plants and operations using recognised international procedures and standards. The group participates in an international insurance programme that provides, at competitive cost, insurance cover for certain losses above agreed deductibles.

Most significant risks

The most significant risks currently faced by the group are:

- viable superior or alternative technologies from competitors;
- exposure to a strong rand/USD exchange rate for a protracted period;
- a slump in oil prices for a protracted period;
- failure to deliver timeously on cultural change initiatives and transformation in South Africa;
- the risk of not delivering on our coal-to-liquids and gas-to-liquids strategic growth objectives;
- not succeeding with the engineering, construction and commissioning of new plants and businesses;
- not succeeding with the commercialisation of our technologies;
- non-compliance with applicable laws, regulations and standards;
- a major safety, health or environmental incident or liability occurring;
- non-availability of sufficient management and technical skills;
- increased business interruptions caused by power cuts;
- risk resulting from interdependency of Sasol's integrated value chain; and
- risk to Sasol's reputation resulting from a potential shortage of inland fuel supply.

The responsibility for monitoring the management by line management of each of these risks is assigned to a senior group executive member.

Disaster recovery plans are continually reviewed for critical information management systems that could have a material impact on the group's continuing operations. Certain of these plans are subject to regular testing and, in other cases, are subjected to ongoing tests to ensure their robustness and reliability.

Sustainability reporting

The company reports on all aspects of its social, transformation, ethical and safety, health and environmental policies and practices to the board and to its stakeholders. A comprehensive sustainability report dealing with these issues covering the period 1 July 2006 to 30 June 2007 was published by the company in November 2007 and is available on the company's website.

See pages 78 to 99 of the annual review for more information on Sasol's sustainability reporting.

Worker participation and employment equity

The group has established participative structures on issues that affect employees directly and materially and is committed to promoting equal opportunities and fair employment practices regardless of employees' ethnic origin or gender. Several programmes have been implemented to ensure practical application of the group's commitment to worker participation and employment equity, while maintaining the company's high standards and statutory compliance. The financial year has seen an accelerated pace of transformation, as reflected in more detail in the sustainable development review.

Code of ethics

The company's code of ethics consists of four fundamental ethical principles – responsibility, honesty, fairness and respect. The code is supported by "Guidelines to the Code of Ethics" which provides details on 15 ethical standards. These cover issues such as bribery and corruption, fraud, insider trading, legal compliance, conflicts of interests, human rights and discrimination. They include a commitment to conducting our business with due regard to the interests of all our stakeholders and the environment. The code embodies a requirement of compliance with all applicable laws and regulations as a minimum standard. We have established an ethics forum to monitor and report on ethics, discuss best practice and compliance requirements, and to recommend amendments to the code and guide as required.

The code of ethics guides interactions with all stakeholders of the group, including employees, suppliers and customers. Any amendment or waiver of the code as it relates to the chief executive or chief financial officer will be posted on the website within four business days following such amendment or waiver. No such amendments or waivers are anticipated. The code of ethics has been communicated to all employees, suppliers, service providers and customers and is available on the company's website. The website address is www.sasolethics.com.

We have been operating an independent ethics reporting telephone line through external service providers since 2002. This confidential and anonymous ethics hotline provides an impartial facility for all stakeholders to anonymously report fraud, statutory malpractice and other crimes, deviations from the procurement policy, financial and accounting reporting irregularities and other deviations from ethical behaviour. These calls are monitored and progress on their resolution is reported to the audit committee on a regular basis.

During the year under review, a noticeable increase has been observed in the use of the ethics hotline. This is attributed to an increased awareness and understanding of expected standards as a consequence of a focused awareness and communication campaigns.

Insider trading

The company's directors, executives and senior employees are prohibited from dealing in Sasol shares during certain prescribed restricted periods. The company secretary regularly disseminates written notices to inform them of insider trading legislation and advise them of closed periods.

Disclosure

Sasol has a disclosure committee which oversees compliance with the disclosure requirements contained inter alia in the JSE, SEC and NYSE rules. Disclosure controls and procedures have been implemented to ensure that accurate and timely disclosure of information that may have a material effect on the value of Sasol securities or influence investment decisions is made to shareholders, the financial community and the investing public.

Investor relations and shareholder communication

The company's chief executive, the chief financial officer and investor relations management conduct regular presentations on the group's performance and strategy to analysts, institutional investors and the media in South Africa, North America and Europe. The company's investor relations management maintains regular contact with the investment community and analysts. To ensure the company communicates with its smaller shareholders and those stakeholders without access to the electronic media, the company publishes and reports on details of its corporate actions and performance (including its interim and final results) in the main South African daily newspapers. The company's communications department also maintains regular contact with the media by disseminating relevant information. The company maintains a website through which access is available to the company's latest financial, operational and historical information, including its annual report.

Sasol Limited **group**

ten year financial performance#

	Compound growth %*	2008 Rm	2007 Rm	2006 Rm
Statement of financial position				
Property, plant and equipment	16,7	66 273	50 611	39 929
Assets under construction		11 693	24 611	23 176
Other intangible assets		964	629	775
Non-current assets		6 359	4 839	3 235
Current assets		54 823	38 375	36 043
Total assets	15,0	140 112	119 065	103 158
Total equity	18,5	78 995	63 269	52 984
Convertible debentures		–	–	–
Interest-bearing debt		19 455	18 925	17 884
Interest-free liabilities		41 662	36 871	32 290
Total equity and liabilities	15,0	140 112	119 065	103 158
Income statement				
Turnover	15,0	129 943	98 127	82 395
Operating profit	23,5	33 816	25 621	17 212
Share of profit of associates (net of tax)		254	405	134
Finance (expenses)/income		(413)	(323)	(230)
Profit before tax	23,4	33 657	25 703	17 116
Taxation		(10 129)	(8 153)	(6 534)
Profit	24,8	23 528	17 550	10 582
Attributable to				
Owners of Sasol Limited	23,9	22 417	17 030	10 406
Minority interests in subsidiaries		1 111	520	176
		23 528	17 550	10 582
Statement of cash flows				
Cash from operations	21,4	42 144	29 691	28 284
(Increase)/decrease in working capital		(7 404)	(1 259)	(3 749)
Cash generated by operating activities	16,8	34 740	28 432	24 535
Finance income received		957	1 059	444
Finance expenses paid		(2 405)	(1 816)	(1 745)
Tax paid		(9 572)	(7 251)	(5 389)
Cash available from operating activities	20,4	23 720	20 424	17 845
Dividends and debenture interest paid		(5 766)	(4 613)	(3 660)
Cash retained from operating activities	22,4	17 954	15 811	14 185
Additions to non-current assets		(10 855)	(12 045)	(13 296)
Acquisition of businesses		(431)	(285)	(147)
Other movements		442	1 785	1 160
Decrease/(increase) in funding requirements		7 110	5 266	1 902

\# *The financial results of the group have, from the beginning of the 2000 financial year, been prepared in accordance with International Financial Reporting Standards (IFRS). Various changes to the group accounting policies have been implemented since the adoption of IFRS. Comparative figures are restated to the extent it is practicable.*

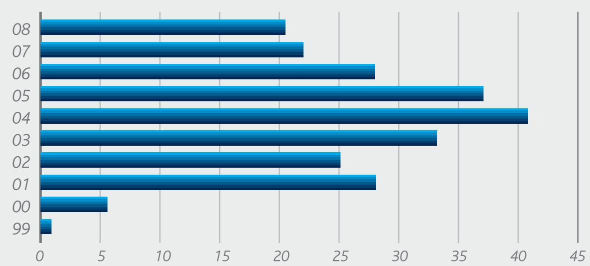
* *Five year compound growth percentage per annum (based on rand figures).*

2005 Rm	2004 Rm	2003 Rm	2002 Rm	2001 Rm	2000 Rm	1999 Rm
39 618	38 003	30 574	30 594	25 241	17 200	14 521
18 088	9 811	12 213	8 256	4 273	1 673	1 527
1 053	1 280	1 627	1 457	906	515	–
3 324	2 386	2 108	1 894	1 281	1 256	908
26 095	21 866	23 097	23 529	19 742	9 021	7 300
88 178	73 346	69 619	65 730	51 443	29 665	24 256
44 006	35 400	33 818	31 587	23 244	17 715	15 131
–	–	–	–	–	–	1 028
18 745	16 308	14 277	10 579	8 429	777	1 123
25 427	21 638	21 524	23 564	19 770	11 173	6 974
88 178	73 346	69 619	65 730	51 443	29 665	24 256
69 239	60 151	64 555	59 590	40 768	25 762	19 180
14 386	9 168	11 767	14 671	10 547	6 292	3 701
184	117	60	31	11	6	–
(438)	(249)	(58)	(54)	34	(189)	75
14 132	9 036	11 769	14 648	10 592	6 109	3 776
(4 573)	(3 175)	(4 007)	(4 905)	(3 512)	(1 994)	(1 203)
9 559	5 861	7 762	9 743	7 080	4 115	2 573
9 449	5 795	7 674	9 705	7 053	4 096	2 541
110	66	88	38	27	19	32
9 559	5 861	7 762	9 743	7 080	4 115	2 573
21 081	14 859	15 986	19 241	15 277	8 793	5 063
(2 179)	292	11	216	(1 195)	(1 010)	(895)
18 902	15 151	15 997	19 457	14 082	7 783	4 168
169	230	178	247	253	204	384
(1 523)	(1 384)	(1 286)	(863)	(509)	(387)	(309)
(3 753)	(3 963)	(5 527)	(4 749)	(2 972)	(1 267)	(1 105)
13 795	10 034	9 362	14 092	10 854	6 333	3 138
(2 856)	(2 745)	(2 835)	(2 325)	(1 655)	(1 114)	(980)
10 939	7 289	6 527	11 767	9 199	5 219	2 158
(12 616)	(11 418)	(10 968)	(8 742)	(4 095)	(2 171)	(2 348)
–	(555)	(155)	(565)	(8 350)	(2 827)	(346)
299	1 085	402	878	(291)	242	8
(1 378)	(3 599)	(4 194)	3 338	(3 537)	463	(528)

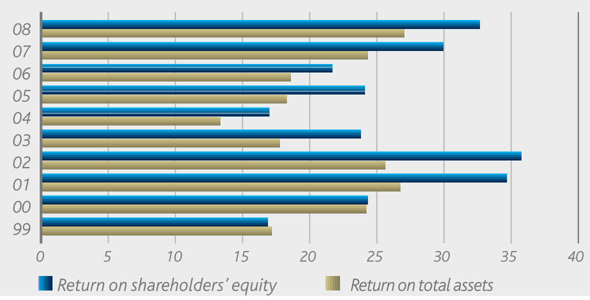
key performance indicators

Liquidity	Measures the group's ability to meet its maturing obligations and unexpected cash needs in the short-term
Current ratio	Current assets / Current liabilities
Quick ratio	Current assets – inventories / Current liabilities
Cash ratio	Cash and cash equivalents / Current liabilities – bank overdraft
Debt leverage	Measures the group's ability to meet capital and interest payments over the long-term
Total liabilities to shareholders' equity	Non-current liabilities + current liabilities / Shareholders' equity
Total borrowings to shareholders' equity	Long-term debt + short-term debt + bank overdraft (total borrowings) / Shareholders' equity
Net borrowings to shareholders' equity (gearing)	Total borrowings – cash / Shareholders' equity
Debt coverage	Cash generated by operating activities / Total borrowings
Finance expense cover	Net profit before finance expenses and taxation / Finance expenses paid
Profitability	Measures the financial performance of the group
Return on shareholders' equity	Attributable earnings / Average shareholders' equity
Return on total assets	Net profit before finance expenses and taxation / Average non-current assets + average current assets
Return on total operating assets	Net profit before finance expenses and taxation / Average non-current operating assets + average current assets
Return on net assets	Net profit before finance expenses and taxation / Average total assets – average total liabilities
Gross margin	Gross profit / Turnover
Operating margin	Operating profit / Turnover

Net borrowings to shareholders' equity (gearing) *(%)*

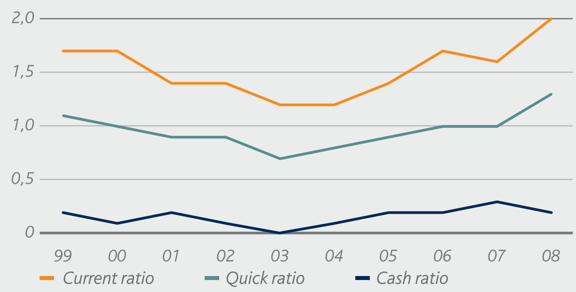


Profitability *(%)*

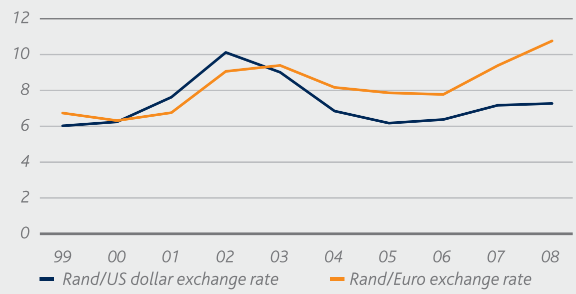


	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
– :1	**2,0**	1,6	1,7	1,4	1,2	1,2	1,4	1,4	1,7	1,7
– :1	**1,3**	1,0	1,0	0,9	0,8	0,7	0,9	0,9	1,0	1,1
– :1	**0,2**	0,3	0,2	0,2	0,1	–	0,1	0,2	0,1	0,2
– %	**79,9**	90,6	95,4	101,0	108,3	106,8	109,0	121,9	66,9	49,5
– %	**26,3**	31,7	34,7	42,8	46,7	42,8	34,1	36,8	8,5	5,9
– %	**20,5**	22,0	28,0	37,1	40,8	33,2	25,1	28,1	5,6	0,9
– times	**1,7**	1,5	1,3	1,0	0,9	1,1	1,8	1,7	5,2	4,4
– times	**14,5**	14,8	10,1	9,7	6,8	9,3	17,3	21,2	16,8	13,2
– %	**32,5**	29,8	21,6	24,0	16,9	23,7	35,6	34,5	24,2	16,8
– %	**26,9**	24,2	18,5	18,2	13,3	17,7	25,5	26,6	24,1	17,1
– %	**31,2**	30,8	23,6	22,0	15,7	20,9	28,5	28,7	25,6	18,3
– %	**48,9**	46,2	36,5	37,1	27,4	36,7	54,5	52,6	38,1	26,9
– %	**42,6**	38,9	41,1	39,0	35,5	39,0	41,6	37,8	31,9	29,0
– %	**26,0**	26,1	20,9	20,8	15,2	18,2	24,6	25,9	24,4	19,3

Liquidity ratios



Exchange rates



key performance indicators continued

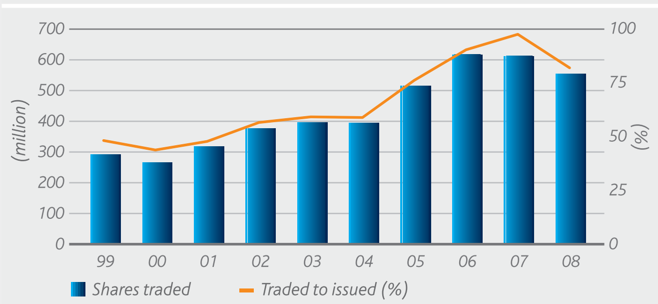
Efficiency	Measures the effectiveness and intensity of the group's management of its resources
Net asset turnover ratio	$\frac{\text{Turnover}}{\text{Average total assets – average total liabilities}}$
Net operating asset turnover ratio	$\frac{\text{Turnover}}{\text{Average total operating assets – average total liabilities}}$
Depreciation to cost of property, plant and equipment	$\frac{\text{Depreciation}}{\text{Cost of property, plant and equipment}}$
Net working capital to turnover	$\frac{\text{(Inventories + trade receivables + other receivables and prepaid expenses) – (trade payables and accrual expenses + other payables)}}{\text{Turnover}}$
Shareholders' returns	Measures key financial variables on a per share basis
Attributable earnings per share	$\frac{\text{Attributable earnings}}{\text{Weighted average number of shares in issue after the share repurchase programme}}$
Headline earnings per share	$\frac{\text{Headline earnings (refer note 42)}}{\text{Weighted average number of shares in issue after the share repurchase programme}}$
Dividend per share	Interim dividend per share paid + final dividend per share declared
Dividend cover	$\frac{\text{Attributable earnings per share + STC on prior year final dividend – STC on current year final dividend}}{\text{Interim dividend paid per share + final dividend declared per share}}$
Net asset value per share	$\frac{\text{Shareholders' equity}}{\text{Total number of shares in issue after the share repurchase programme}}$
Annual increase/(decrease) in turnover	$\frac{\text{Turnover – prior year turnover}}{\text{Prior year turnover}}$
Employee cost to turnover	$\frac{\text{Total employee cost}}{\text{Turnover}}$
Depreciation and amortisation to turnover	$\frac{\text{Total depreciation of property, plant and equipment + amortisation of goodwill, negative goodwill and intangible assets}}{\text{Turnover}}$
Effective tax rate	$\frac{\text{Taxation}}{\text{Profit before tax}}$
Employee statistics	
Number of employees (at year end)	
Paid to employees	
Average paid to employees	
Economic indicators	
Average crude oil price (Brent)	
Rand/US dollar exchange rate	– closing – average
Rand/euro exchange rate	– closing – average

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
– times	**1,8**	1,7	1,7	1,7	1,7	2,0	2,2	2,0	1,5	1,3
– times	**2,5**	2,9	3,0	2,7	2,5	2,9	2,8	2,3	1,7	1,4
– %	**4,1**	3,8	4,5	4,8	5,8	5,9	6,0	4,5	5,9	5,2
– %	**21,4**	18,5	20,2	18,2	17,8	17,4	21,3	27,1	20,8	18,6
– SA rand	**37,30**	27,35	16,78	15,39	9,50	12,59	15,84	11,24	6,20	4,09
– US dollar	**5,11**	3,80	2,62	2,48	1,38	1,39	1,56	1,47	0,99	0,67
– SA rand	**38,09**	25,37	22,98	17,29	9,10	12,56	15,79	12,47	6,66	4,02
– US dollar	**5,22**	3,52	3,59	2,78	1,32	1,39	1,56	1,63	1,06	0,66
– SA rand	**13,00**	9,00	7,10	5,40	4,50	4,50	4,50	3,20	2,20	1,51
– US dollar	**1,65**	1,27	1,01	0,84	0,71	0,58	0,44	0,39	0,30	0,25
– times	**2,8**	3,0	2,3	2,9	2,1	2,8	3,5	3,5	3,2	2,7
– SA rand	**128,44**	100,55	84,45	70,94	57,31	55,03	51,42	37,44	30,60	26,65
– %	**32,4**	19,1	19,0	15,1	(6,8)	8,3	46,2	58,2	34,3	15,1
– %	**11,1**	11,9	11,6	12,7	14,8	14,0	13,3	12,2	15,3	17,0
– %	**4,0**	4,1	5,2	5,9	8,3	7,0	6,8	6,0	7,6	7,3
– %	**30,1**	31,7	38,2	32,4	35,1	34,0	33,5	33,2	32,7	31,9
	33 928	31 860	31 460	30 004	30 910	31 150	31 100	30 800	26 300	24 300
– R million	**14 443**	11 695	9 551	8 782	8 877	9 199	8 033	5 029	3 943	3 265
– R thousand	**426**	367	304	293	287	295	258	163	150	134
– US$/bbl	**95,51**	63,95	62,45	46,17	31,30	27,83	23,24	28,38	24,03	12,60
– :1	**7,83**	7,04	7,17	6,67	6,21	7,50	10,27	8,02	6,93	6,06
– :1	**7,30**	7,20	6,41	6,21	6,88	9,03	10,13	7,65	6,28	6,06
– :1	**12,34**	9,53	9,17	8,07	7,57	8,63	10,19	6,89	6,54	6,34
– :1	**10,77**	9,40	7,80	7,89	8,19	9,41	9,08	6,79	6,35	6,77

Shareholders	
Number of shareholders – beneficial (at year end) Number of shareholders – registered (at year end) *The increase in the number of shareholders, when compared to the 2002 and prior years' disclosure, is due to disclosing the beneficial ownership since 2003 compared to the registered ownership in previous years.*	
Share performance	Measures the annual movement of the shareholding in the group
Shares in issue*	
Shares repurchased	
Sasol Inzalo share transaction	
Net shares in issue#	
Weighted average shares in issue#	
Market capitalisation	Closing market price per share x shares in issue (before share repurchase)
JSE Limited statistics	Measures the performance of the group's shares listed on the JSE
Shares traded†	
Traded to issued	
Value of share transactions	
Market price per share year end high low	
Key market performance ratio's	Measures the performance of the group's shares
Earnings yield	$\frac{\text{Attributable earnings per share}}{\text{Closing market price per share}}$
Dividend yield	$\frac{\text{Dividends per share}}{\text{Closing market price per share}}$
Price to net asset value	$\frac{\text{Closing market price per share}}{\text{Net asset value per share}}$
NYSE statistics∅	Measures the performance of the group's shares listed on the NYSE
Shares traded	
Value of share transactions	
Market price per share year end high low	

* Before share repurchase programme and including shares issued as part of Sasol Inzalo share transaction
\# After share repurchase programme and excluding shares issued as part of Sasol Inzalo share transaction
† Includes share repurchase programme
∅ As quoted on NYSE (American Depositary Shares) since 9 April 2003

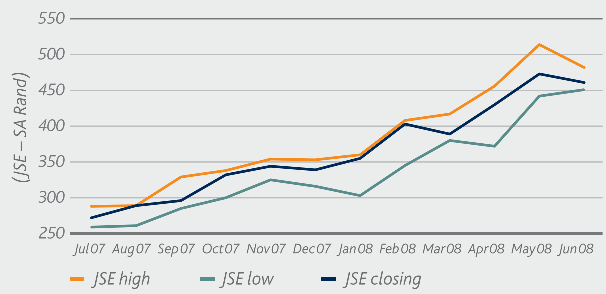
Shares traded – JSE



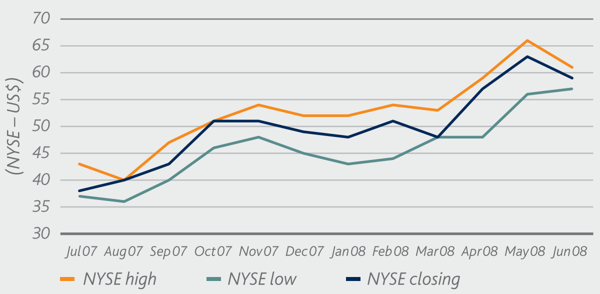
Share performance against JSE all share indices (as percentage of 1999)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
	52 580	42 591	40 336	35 315	36 496	41 165	7 944	11 273	13 245	15 018
– million	676,7	627,7	683,0	676,9	671,3	668,8	666,9	665,0	606,8	606,1
– million	37,1	14,9	60,1	60,1	60,1	59,7	57,9	47,1	27,8	–
– million	44,2	–	–	–	–	–	–	–	–	–
– million	595,4	612,8	622,9	616,8	611,2	609,1	609,0	617,9	579,0	606,1
– million	601,0	622,6	620,0	613,8	610,0	609,3	612,5	627,3	604,4	605,8
– R million	311 959	166 968	187 825	122 379	64 512	55 878	73 356	50 540	28 307	25 396
– million	555,0	612,6	617,5	515,5	395,5	396,2	377,5	317,7	265,6	292,2
– %	82,0	97,6	90,4	76,2	58,9	59,2	56,6	47,8	43,8	48,2
– R million	198 348	151 088	141 206	67 930	36 941	38 111	35 997	19 073	12 001	6 835
– Rand	461,00	266,00	275,00	180,80	96,10	83,55	110,00	76,00	46,65	41,90
– Rand	514,00	278,49	279,00	181,50	111,50	121,50	135,20	81,00	55,00	44,00
– Rand	259,49	215,00	183,00	103,40	75,10	75,50	62,50	43,20	34,00	20,40
– %	8,09	10,28	6,10	8,51	9,89	15,07	14,40	14,79	13,29	9,76
– %	2,82	3,38	2,58	2,99	4,68	5,39	4,09	4,21	4,72	3,60
– :1	3,76	2,65	3,26	2,55	1,68	1,52	2,14	2,03	1,52	1,57
– million	174,6	147,9	107,2	65,9	16,7	2,4				
– US$ million	8 665	5 034	3 856	1 467	239	–				
– US$	38,40	37,54	38,64	26,98	15,73	11,28				
– US$	66,09	37,54	46,10	28,77	16,50	12,30				
– US$	35,66	32,20	27,30	15,75	10,35	10,30				

Average share price – JSE



Average share price – NYSE



Sasol Limited **group**

shareholders' information

Shareholders' diary

Financial year end	30 June 2008
Annual general meeting	28 November 2008

Dividends

Interim dividend	
– rand per share	R3,65
– paid	14 April 2008
Final dividend	
– rand per share	R9,35
– date declared	8 September 2008
– last date to trade cum dividend	3 October 2008
– payable	13 October 2008

share ownership

at 30 June 2008

Public and non-public shareholding of Sasol ordinary shares	*Number of shareholders*	*% of shareholders*	*Number of shares*	*% of shares*
Public	52 531	99,9	591 953 538	88,7
Non-public	49	0,1	75 295 878	11,3
– Directors and their associates	5		412 615	
– Directors of subsidiary companies	38		471 057	
– Sasol Investment Company (Pty) Limited	1		37 093 117	
– Sasol Inzalo Employee Trust	1		23 339 310	
– Sasol Inzalo Management Trust	1		1 892 376	
– Sasol Inzalo Foundation	1		9 461 882	
– Sasol Employee Share Savings Trust	1		530 313	
– Sasol Pension Fund	1		2 095 208	
	52 580	100,0	667 249 416	100,0

Major categories of shareholders

	Number of shares (millions)	*% of shares*
Category		
Pension and provident funds	184,5	27,7
Growth funds and unit trusts	147,3	22,1
American depositary shares*	54,4	8,2
Treasury shares	37,1	5,6
Insurance companies	37,1	5,6
Managed and investment funds	35,6	5,3
Employees	34,7	5,2
Private investors	31,3	4,7

* *Held by the Bank of New York Mellon as Depositary and listed on the New York Stock Exchange.*

Major shareholders

Pursuant to Section 140A of the South African Companies Act, the following beneficial shareholdings exceeding 5% in aggregate, as at 30 June 2008, were disclosed or established from enquiries:

	Number of shares (millions)	*% of shares*
Public Investment Corporation Limited	114,2	17,1
Industrial Development Corporation of South Africa Limited	53,3	8,0
Sasol Investment Company (Pty) Limited	37,1	5,6

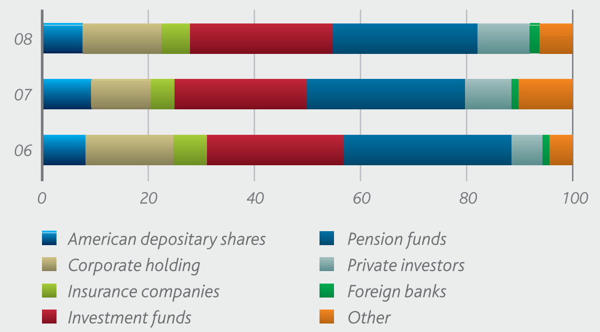
Furthermore the directors have ascertained that some of the shares registered in the names of nominee holders are managed by various fund managers and that, at 30 June 2008, the following fund managers were responsible for managing investments of 2% or more of the share capital of Sasol Limited.

Fund Manager	*Number of shares (millions)*	*% of shares*
PIC Equities*	95,0	14,2
Capital International Inc. (USA)	41,8	6,3
Old Mutual Asset Managers	30,1	4,5
Sasol Inzalo Employee Trust	23,3	3,5
Allan Gray Invesment Council	18,9	2,8
Stanlib Limited	17,3	2,6
Sanlam Investment Management	16,1	2,4

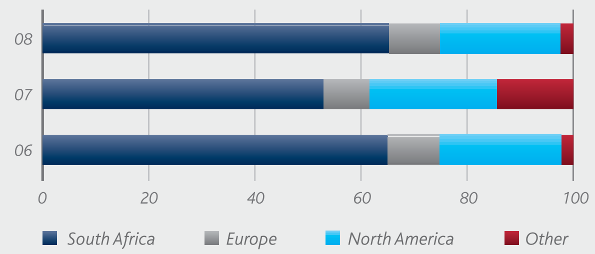
* *The Public Investment Corporation Limited is the beneficial owner of the shares held by PIC Equities and this nominee shareholding is included in the 114,2 million shares held by the Public Investment Corporation Limited, as mentioned in the section on major shareholders.*

Beneficial holding disclosures

Beneficial ownership by fund type (%)



Beneficial ownership by geographic region (%)



Sasol Limited **group**

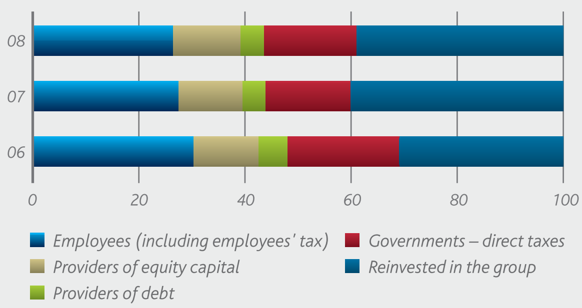
value added statement

Value added is defined as the value created by the activities of a business and its employees and in the case of Sasol is determined as turnover less the cost of purchased materials and services. The value added statement reports on the calculation of value added and its application among the stakeholders in the group. This statement shows the total wealth created and how it was distributed, taking into account the amounts retained and reinvested in the group for the replacement of assets and development of operations.

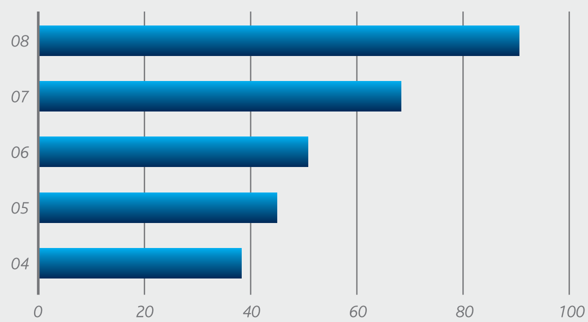
for the year ended 30 June

		2008 Rm		2007 Rm		2006 Rm		2005 Rm		2004 Rm
Turnover		129 943		98 127		82 395		69 239		60 151
Less purchased materials and services		(76 472)		(56 789)		(51 356)		(41 989)		(37 085)
Value added		53 471		41 338		31 039		27 250		23 066
Finance income		989		1 230		475		333		307
Wealth created		54 460		42 568		31 514		27 583		23 373
	%		%		%		%		%	
Employees (including employees' tax)	26,5	14 443	27,5	11 695	30,3	9 551	31,8	8 782	38,0	8 877
Providers of equity capital	12,6	6 877	12,0	5 133	12,2	3 836	10,8	2 966	12,0	2 811
Providers of debt	4,5	2 427	4,4	1 874	5,6	1 755	5,5	1 526	5,9	1 384
Governments – direct taxes	17,5	9 521	16,0	6 793	21,0	6 620	15,7	4 326	14,7	3 421
Reinvested in the group	38,9	21 192	40,1	17 073	30,9	9 752	36,2	9 983	29,4	6 880
Wealth distribution	100,0	54 460	100,0	42 568	100,0	31 514	100,0	27 583	100,0	23 373
Employee statistics										
Number of employees at year end		33 928		31 860		31 460		30 004		30 910
		Rand		Rand		Rand		Rand		Rand
Turnover per employee		3 829 963		3 079 944		2 619 040		2 307 659		1 946 005
Value added per employee		1 576 014		1 297 489		986 618		908 212		746 231
Wealth created per employee		1 605 164		1 336 095		1 001 716		919 311		756 163

Wealth distribution (%)



Wealth created per share (Rand)



Sasol Limited **group**

monetary exchanges with governments

	2008 Rm	2007 Rm	2006 Rm	2005 Rm	2004 Rm
Direct taxes	**9 521**	6 793	6 620	4 326	3 421
South African normal tax	**8 497**	6 016	5 644	3 211	2 834
foreign tax	**387**	248	421	736	257
Secondary Taxation on Companies	**637**	529	555	379	330
Employees' tax	**2 564**	2 044	1 872	1 769	1 643
Indirect taxes	**13 112**	11 748	7 818	6 595	4 653
customs, excise and fuel duty	**11 855**	10 873	8 090	7 424	4 866
property tax	**75**	84	66	65	66
RSC levies	**5**	6	141	110	97
net VAT (received)/paid	**(152)**	163	(651)	(1 153)	(600)
other	**1 329**	622	172	149	224
Net monetary exchanges with governments	**25 197**	20 585	16 310	12 690	9 717
South Africa	**23 182**	19 027	15 591	11 462	8 959
Germany	**490**	711	753	692	633
United States of America	**193**	152	122	55	45
Other	**1 332**	695	(156)	481	80

approval of the financial statements

The directors are required by the South African Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group and Sasol Limited (company) as at the end of the financial year and the results of their operations and cash flows for the financial year, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board, JSE listing requirements and applicable legislation. The group's external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and incorporate disclosure in line with the accounting policies of the group. The consolidated annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management and the internal auditors that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The directors have reviewed the group's forecast financial performance for the year to 30 June 2009 as well as the longer term budget and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue as a going concern for the foreseeable future.

The consolidated annual financial statements, set out on pages 40 to 199, and Sasol Limited's (company) annual financial statements, set out on pages 200 to 214, which have been prepared on the going concern basis, were approved by the board of directors on 5 September 2008 and were signed on their behalf by:

Pieter Cox	**Pat Davies**	**Christine Ramon**
Chairman	*Chief executive*	*Chief financial officer*

5 September 2008

certificate of the company secretary

In my capacity as the company secretary, I hereby confirm, in terms of the South African Companies Act, 1973, that for the year ended 30 June 2008 Sasol Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Nereus Joubert
5 September 2008

Sasol Limited **group**

report of the independent auditor

To the members of Sasol Limited

We have audited the consolidated annual financial statements and the annual financial statements of Sasol Limited, which comprise the statements of financial position at 30 June 2008, and the income statements, the statements of comprehensive income, the statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 40 to 214.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Sasol Limited at 30 June 2008, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and in the manner required by the Companies Act of South Africa.

KPMG Inc.
Registered Auditor

Per **LP Fourie**
Chartered Accountant (SA)
Registered Auditor
Director

5 September 2008

85 Empire Road
Parktown
2193

Sasol Limited **group**

directors' report

(Company registration number 1979/003231/06)

The directors have pleasure in presenting their report for the year ended 30 June 2008.

Nature of business

Sasol Limited, the holding company of the group, is incorporated and domiciled in the Republic of South Africa and was listed on the JSE on 31 October 1979 and on the New York Stock Exchange (NYSE) on 9 April 2003.

Sasol is an integrated energy and chemicals company based in South Africa and operating throughout the world. Sasol manufactures and markets liquid fuels, gas and chemicals.

Sasol mines coal in South Africa. Through Sasol Synfuels, this coal, along with Mozambican natural gas, is converted into fuels and chemical feedstock using proprietary Fischer-Tropsch technology.

The group also has chemical manufacturing and marketing operations in Europe, Asia and the Americas. The larger chemical portfolios include monomers, polymers, solvents, olefins, surfactants, surfactant intermediates, comonomers, waxes, phenolics and nitrogenous products.

Sasol produces crude oil offshore Gabon and intend to increase its oil and gas production in selected regions around the world, including Mozambique and West Africa. In South Africa, Sasol refines crude oil into liquid fuels and retails liquid fuels and lubricants produced in the Natref refinery and by Sasol Synfuels through a network of Sasol-and Exel-branded retail convenience centres. The group also sells liquid fuels to other distributors in South Africa and export fuels to a few sub-Saharan African countries.

Natural gas is produced in Mozambique for supply to customers and as feedstock for some of the group's fuel and chemical production in South Africa.

In January 2007, Sasol started up its first international joint-venture gas-to-liquids (GTL) plant in Qatar. A second GTL plant is under construction in Nigeria, for planned commissioning in 2011. These two GTL plants incorporate the proprietary Sasol Slurry Phase Distillate™ process.

The nature of the businesses of the significant operating subsidiaries and incorporated joint ventures is set out on pages 212 to 214.

Financial results

Profit attributable to shareholders of R22 417 million for the year was 32% higher (2007 – 64% higher) than the R17 030 million of the previous year. Earnings per share, after taking into account the share repurchase programme, increased by 36% (2007 – 63%) from R27,35 per share to R37,30 per share.

As set out in note 1, certain comparative information has been reclassified.

Subsidiaries, joint ventures and associates

Subsidiaries

On 17 September 2007, Sasol Nitro disposed of 50% of its investment in Sasol Dyno Nobel (Pty) Limited in South Africa and realised a profit of R114 million.

With effect from 1 January 2008, Sasol Wax GmbH acquired the remaining 50% of Merkur Vaseline GmbH & Co KG in Germany.

With effect from 1 January 2008, Sasol Chemical Industries Limited acquired the remaining 40% of Peroxide Chemicals (Pty) Limited in South Africa for a purchase consideration of R5 million.

With effect from 14 March 2008, Sasol Wax USA Corporation acquired the remaining 50% of Lux International Corporation in the United States.

With effect from 31 March 2008, Sasol Oil (Pty) Limited acquired the remaining 30% of Tosas Holdings (Pty) Limited in South Africa for a purchase consideration of R110 million.

On 30 April 2008, Chemcity (Pty) Limited disposed of its Cirebelle business in South Africa, realising a profit of R2 million.

Joint ventures

On 13 November 2007, Sasol Chemical Industries Limited disposed of its joint venture investment in African Amines (Pty) Limited in South Africa and realised a loss of R3 million.

On 24 January 2008, Sasol Solvents, a division of Sasol Chemical Industries Limited acquired the remaining 50% interest in Sasol Dia Acrylates (Pty) Limited after Sasol Solvents and Mitsubishi Chemical Corporation decided to dissolve their acrylates joint venture. The purchase consideration amounted to US$29,25 million (R229 million).

Associates

On 10 July 2007, Sasol Wax disposed of its investment in Paramelt RMC BV, operating in the Netherlands, realising a profit of R129 million.

In August 2007, Sasol Investment Company (Pty) Limited disposed of its investment in FFS Refiners (Pty) Limited in South Africa, realising a profit of R108 million.

Share capital

New shares issued

The company converted 47 309 410 of its authorised but unissued ordinary no par value shares into 28 385 646 Sasol preferred ordinary shares of no par value and 18 923 764 Sasol BEE ordinary shares of no par value during the year.

34 693 568 ordinary shares and 9 461 882 preferred ordinary shares were issued as part of the Sasol Inzalo share transaction. For further information, refer note 44.

A further 4 589 700 ordinary shares were issued during the year in terms of the Sasol Share Incentive Scheme.

Share repurchase programme

At the general meeting held on 30 November 2007, shareholders authorised Sasol Limited to acquire up to 10% of Sasol Limited's issued share capital. Except for the related transaction costs, the repurchase of these shares had no effect on the consolidated financial results of the group.

During the year, a wholly-owned subsidiary, Sasol Investment Company (Pty) Limited, acquired 22 173 525 Sasol Limited ordinary shares, at a weighted average price of R329,23 per share, representing 3,5% of Sasol's issued share capital, before the Sasol Inzalo share transaction. We have repurchased a total of 37 093 117 ordinary shares at a weighted average price of R295,73 per share since the inception of the programme.

Shareholders' equity has been reduced by the cost of these shares. No dividends are paid outside the group in respect of these shares.

Shares held in reserve

The 480 283 202 authorised but unissued ordinary shares of the company continue to be held in reserve.

Note 44 provides further details regarding the share capital of Sasol Limited.

American depositary shares

At 30 June 2008, the company had in issue through The Bank of New York Mellon as depositary bank, and listed on the NYSE 54 351 434 (2007 – 61 100 607) American depositary shares (ADS). Each ADS represents one ordinary share.

Sasol Share Incentive Scheme

In terms of the Sasol Share Incentive Scheme 18 005 500 shares (2007 – 22 865 200 shares) are under the control of the directors for purposes of enabling Sasol Limited to allot shares and to grant options in respect of ordinary shares to present and future employees, including executive directors of Sasol Limited, its subsidiaries and employees seconded to joint ventures. Following the introduction of the Sasol Share Appreciation Rights Scheme (SAR scheme), no further options are expected to be issued in terms of the Sasol Share Incentive Scheme. Unimplemented share options will not be affected by the SAR Scheme. Note 45.1 to the consolidated annual financial statements provides further details regarding the Sasol Share Incentive Scheme.

Sasol Share Appreciation Rights Scheme

In March 2007, the group introduced the SAR scheme. This scheme replaces the Sasol Share Incentive Scheme. The SAR scheme allows certain senior employees to earn a long-term cash incentive calculated with reference to the increase in the Sasol Limited share price between the offer date of the share appreciation rights to vesting and exercise of such rights. No shares are issued in terms of this scheme and all amounts payable in terms of the scheme will be settled in cash.

Sasol Inzalo Employee Trust and Sasol Inzalo Management Trust (Employee Share Option Scheme)

In terms of the Employee Share Option Scheme, 23 339 310 and 1 892 376 shares are under the control of the Sasol Inzalo Employee Trust and the Sasol Inzalo Management Trust, respectively. The shares are held for the purposes of enabling Sasol Limited to allot and grant options in respect of ordinary shares to present and future employees below managerial level and Sasol black managers and black executives in terms of the Sasol Inzalo share transaction. Note 45.3 to the consolidated financial statements provides further details regarding the Employee Share Option Scheme.

Dividends

An interim dividend of R3,65 per ordinary share (2007 – R3,10 per ordinary share) was paid on 14 April 2008. A final dividend in respect of the year ended 30 June 2008 of R9,35 per ordinary share (2007 – R5,90 per ordinary share) was declared on 5 September 2008.

The total dividend per ordinary share for the year amounted to R13,00 per share (2007 – R9,00 per share).

The estimated total cash flow of the final dividend of R9,35 per share, payable on 13 October 2008 is R5 760 million.

The board of directors is satisfied that the capital remaining after payment of the final dividend is sufficient to support the current operations and to facilitate future development of the business.

Directors

There were no changes to the directors during the current financial year. Mr S Montsi resigned as a non-executive director with effect from 1 August 2008. On 8 September 2008, Sasol Limited announced that Mr PV Cox will be retiring as the chairman of the Sasol Limited board after the annual general meeting on 28 November 2008. Mrs TH Nyasulu will be replacing Mr Cox as the chairman on that date.

The composition of the board of directors is given on pages 6 and 7 of the annual review. The remuneration and fees of Sasol Limited's directors is set out on pages 44 to 55.

Auditors

KPMG Inc. continued in office as auditors of Sasol Limited and its subsidiaries. At the annual general meeting of 28 November 2008, shareholders will be requested to appoint KPMG Inc. auditors of Sasol Limited for the 2009 financial year and it will be noted that Mr A van der Lith will be the individual registered auditor that will undertake the audit.

Subsequent events

The following non-adjusting events occurred subsequent to 30 June 2008. These are more fully described in note 61 of the consolidated annual financial statements:

- Acquisition of Exelem Aviation (Pty) Limited.
- Conclusion of the black funded and cash invitations of the Sasol Inzalo share transaction on 9 July 2008.
- Conclusion of a crude oil hedge on 1 August 2008 in respect of approximately 30% of Sasol Synfuels' production and 550 000 barrels of oil from Sasol Petroleum International's West African production.
- Conclusion of Heads of Agreement related to reduction of 37,5% interest in Escravos GTL project.

Secretary

The company secretary of Sasol Limited is Dr NL Joubert. His business and postal addresses appear on page 215.

Special resolutions

The following special resolutions were registered during the financial year.

Effective date	Resolution
Sasol Limited	
30 November 2007	To replace the memorandum and articles of association of the company with the English language translation thereof in order to enable the company to communicate more effectively with shareholders.
30 November 2007	To insert a new article to allow the company to communicate with shareholders by way of electronic media, to allow electronic proxies and to retain documents by way of electronic means.
30 November 2007	To authorise the directors to approve the purchase by the company, or by any of its subsidiaries, of up to 10% of the company's shares, subject to the provisions of the Companies Act and the rules and requirements of the JSE Limited.
16 May 2008	Amendment of articles of association to add terms of Sasol preferred ordinary shares and Sasol BEE ordinary shares.
16 May 2008	Creation of Sasol preferred ordinary shares.
16 May 2008	Creation of Sasol BEE ordinary shares.
16 May 2008	Amendment of the capital clause in the company's memorandum.
16 May 2008	Issue of ordinary shares at a price lower that the stated capital divided by the number of ordinary shares in issue to the Sasol Inzalo Management Trust.
16 May 2008	Issue of ordinary shares to Sasol Inzalo Management Trust of which directors of the company may be beneficiaries.
16 May 2008	Issue of ordinary shares to Sasol Inzalo Management Trust in which Black managers, other than Black directors, may be beneficiaries.
16 May 2008	Issue of ordinary shares to Sasol Inzalo Management Trust in which future Black managers who may be employed by a member of the Sasol Group may be beneficiaries.
16 May 2008	Future repurchase of ordinary shares from the trustees of the Sasol Inzalo Management Trust.
16 May 2008	Issue of ordinary shares at a price lower than the stated capital divided by the number of ordinary shares in issue to the trustees of the Sasol Inzalo Employee Trust.
16 May 2008	Issue of ordinary shares to the trustees of the Sasol Inzalo Employee Trust in which managers who are employed by a member of the Sasol Group may be beneficiaries.
16 May 2008	Issue of ordinary shares to the trustees of the Sasol Inzalo Employee Trust in which future managers who will be employed by a member of the Sasol Group may be beneficiaries.
16 May 2008	Future repurchase of ordinary shares from the trustees of the Sasol Inzalo Employee Trust.

Effective date	Resolution
16 May 2008	Issue ordinary shares at a price lower than the stated capital divided by the number of ordinary shares in issue to the trustees of the Sasol Inzalo Foundation.
16 May 2008	Future repurchase of ordinary shares from the trustees of the Sasol Inzalo Foundation.
16 May 2008	Provision of financial assistance in terms of section 38 (2A) of the Companies Act to Sasol Inzalo Groups Funding (Pty) Limited.
16 May 2008	Provision of financial assistance in terms of section 38 (2A) of the Companies Act to the trustees of the Sasol Inzalo Groups Facilitation Trust.
16 May 2008	Provision of financial assistance in terms of section 38 (2A) of the Companies Act to the trustees of the Sasol Inzalo Public Facilitation Trust.
16 May 2008	Provision of funding and/or the furnishing of security by the Company to Sasol Inzalo Public Funding (Pty) Limited in which directors of the company may be indirectly interested.
16 May 2008	Provision of funding and/or furnishing of security by the Company to Sasol Inzalo Public Funding (Pty) Limited in which a Black manager employed by a member of the Sasol Group may be indirectly interested.
16 May 2008	Provision of funding and/or furnishing of security by the Company to Sasol Inzalo Public Funding (Pty) Limited in which a manager employed by a member of the Sasol Group (other than those referred to in a special resolution number 28 contained in the notice of general meeting) may be indirectly interested.
16 May 2008	Provision of financial assistance in terms of section 38 (2A) of the Companies Act to Sasol Inzalo Public Funding (Pty) Limited.
16 May 2008	Provision of financial assistance in terms of section 38 (2A) of the Companies Act to the trustees of the Sasol Inzalo Management Trust.
16 May 2008	Provision of financial assistance in terms of section 38 (2A) of the Companies Act to the trustees of the Sasol Inzalo Employee Trust.
16 May 2008	Provision of financial assistance in terms of section 38(2A) of the Companies Act to the trustees of the Sasol Inzalo Foundation.

Significant operating subsidiaries

Sasol Financing (Pty) Limited

27 February 2008	Amendment of article 49 of the company's articles of association to amend the borrowing powers.
27 February 2008	Issue of guarantees in favour of subscribers for C preference shares in Sasol Inzalo Groups Funding (Pty) Limited and Sasol Inzalo Public Funding (Pty) Limited.
19 May 2008	Provision of financial assistance in terms of section 38(2A) of the Companies Act for the subscription of shares in Sasol Limited.

Sasol Limited **group**

remuneration report

The compensation committee

This committee has functioned as a sub-committee of the Sasol Limited board since 1989. It focuses its activities on the group's remuneration policy, the determination of levels of remuneration and annual and long-term incentive plans.

The mandate of the compensation committee is to:

- provide guidance on the evaluation of the performance of executive directors;
- review and recommend to the board the remuneration of executive directors;
- review and approve proposals for general salary and wage adjustments in the group;
- approve principles on which short-term incentives for all staff are based;
- approve the formulae on which all grants pursuant to the Sasol group's long-term incentive schemes to staff are based; and
- approve the overall cost of remuneration increases awarded to staff.

The terms of reference of the compensation committee are on the Sasol website at www.sasol.com.

During the year the members of the compensation committee were: Messrs HG Dijkgraaf, BP Connellan, PV Cox, S Montsi and Mrs E le R Bradley. Mr HG Dijkgraaf, an independent non-executive director, is chairman of the committee. Mr S Montsi resigned as a member with effect from 1 August 2008. In line with the recommendations of the 2002 King Report on Corporate Governance for South Africa, the chief executive attends the meetings of the committee at the request of the committee, but he (and other members of management) are requested to leave the meeting prior to decisions being taken.

The compensation committee considers external market surveys on remuneration matters and the interests of shareholders when deliberating on the remuneration of directors and senior management.

In applying agreed remuneration principles, the compensation committee is committed to principles of accountability, transparency and good governance, as well as to ensuring that the reward arrangements are linked to individual and group performance and that they are in support of the business strategy.

Group remuneration philosophy and policy

Recognising that the group operates in an international environment and that its performance depends on the quality of its people, the Sasol remuneration philosophy:

- plays an integral part in supporting and achieving Sasol's defined strategic objectives;
- is designed to motivate and reinforce individual and team performance;
- embraces fair and defensible differentiation;
- is applied equitably, fairly and consistently in relation to job responsibility, the employment market and personal performance; and
- integrates financial and non-financial rewards and benefits.

Sasol's remuneration policy was reviewed during 2008 to ensure that it remains appropriate for the needs of the group. The global remuneration policy, as adopted by the compensation committee, aspires to a holistic approach to remuneration, which is competitive and flexible, thereby enhancing the retention of employees. The key objectives of the global remuneration policy are to:

- support the attainment of Sasol's defined strategic objectives;
- attract, retain and motivate key and talented people;
- ensure that Sasol offers competitive and flexible remuneration in the markets Sasol operates in;
- encourage superior performance, rewarding individual, team and business performance; and
- create a values-driven organisational culture by supporting Sasol's core values of customer focus, winning with people, excellence in all we do, continuous improvement, integrity and safety.

Sasol's application of remuneration practices in all businesses and functions in South Africa and internationally:

- aims to provide competitive market-related rewards in the specific labour markets in which Sasol's employees are employed;
- determines the value proposition of the various positions within job families or functions;
- ensures that performance management influences the remuneration components and incentives; and
- applies good governance to remuneration practices within approved structures.

Policy on directors' fees and remuneration

The directors are appointed to the Sasol Limited board based on their ability to contribute competencies and experience appropriate to achieving the group's objectives as an international business. The purpose of the policy in respect of directors' fees and remuneration is to ensure that executive directors and senior managers receive remuneration that is appropriate to their scope of responsibility and contribution to the group's operating and financial performance, taking into account industry norms and external market and country benchmarks.

In applying the remuneration principles adopted, the compensation committee aims to encourage long-term performance and the continuous alignment of such performance with the strategic direction and specific value drivers of the business.

Executive directors

At present, the remuneration of executive directors of Sasol Limited consists of two components: a fixed component and a variable component comprising an annual executive performance incentive and long-term incentives in terms of the Sasol Share Incentive Scheme and/or the Sasol Share Appreciation Rights Scheme. Both fixed and variable components are designed to ensure that a substantial portion of the remuneration package is linked to the achievement of the company's strategic objectives and improved group business performance thereby aligning incentives awarded to improving shareholder value. The Share Appreciation Rights Scheme was implemented with effect from March 2007 and will replace the Sasol Share Incentive Scheme in time.

A portion of the approved cash salary and the annual performance incentive elements of the executive directors' remuneration are determined and paid in terms of separate employment agreements concluded between Sasol Holdings (Netherlands) BV and the respective executive directors for services rendered outside South Africa. The remuneration paid by Sasol Holdings (Netherlands) BV is calculated with reference to the time spent by these directors on services performed offshore for Sasol Holdings (Netherlands) BV.

Fixed remuneration

Following established practice, the fixed packages of the executive directors are reviewed annually in October. Adjustments to the fixed packages are determined with reference to the scope and nature of an individual's role and his or her performance and experience. The fixed packages are also compared with the upper-quartile pay levels of other South African companies of comparable size and complexity, to ensure market competitiveness and performance excellence. The review also takes into account any change in the scope of the role performed by the individual, changes required to meet the principles of the remuneration policy and market competitiveness.

In addition to a basic cash salary, executive directors receive benefits that include membership of the group's medical health care scheme, vehicle benefits, vehicle insurance and security services.

Retirement and risk benefits, including life cover and death-in-service benefits are provided to executive directors subject to the rules of the Sasol Pension Fund. During the year, contributions calculated as a percentage of the pensionable income are paid to contributory retirement schemes established and/or approved by the group and subject to the rules of the pension fund. The rate of contribution for each executive director is calculated on the basis of the assumption that executive directors will retire at the age of 60 years.

The basic cash salaries of executive directors were reviewed with effect from 1 October 2007. The basic cash salaries for the financial year are set out in the table below:

Executive directors

	2008 salary R'000	2007 salary R'000	Change from 2007 %	2006 salary R'000
LPA Davies	**5 758**	4 945	16%	4 515
VN Fakude[1]	**2 925**	2 498	17%	1 727
AM Mokaba[1]	**3 386**	2 788	21%	441
TS Munday[2]	**n/a**	4 161	n/a	3 796
KC Ramon[1]	**2 948**	2 486	19%	383

1. Ms Fakude was appointed as executive director with effect from 1 October 2005. Dr Mokaba and Ms Ramon were appointed as executive directors with effect from 1 May 2006.

2. Mr Munday retired as an employee at the end of June 2007 after stepping down as director of Sasol Limited on 31 December 2006.

Annual performance incentive

In addition to salary and benefits, each executive director participates in an executive performance incentive scheme determined annually by the compensation committee. This incentive scheme is designed to reward and motivate the achievement of agreed group financial, business unit financial (where applicable), business unit strategic and performance objectives linked to the key performance areas of their respective management portfolios.

The approved principles of the executive performance incentive scheme for the year 1 July 2007 to 30 June 2008 comprise group, business and strategic performance criteria and metrics. Group performance is based on attributable earnings per share growth in excess of inflation. Improved group business results determine 60% of the executive directors' incentive bonuses and 70% of the incentive bonuses of the chief executive. The balance of the incentive bonuses are determined by the extent to which key strategic business and other objectives are achieved. In total, the chief executive may earn an annual incentive bonus of up to 100% of fixed remuneration, and the executive directors up to 70%.

The performance criteria and metrics of the various Sasol businesses vary depending on business-specific strategic value drivers and key objectives as approved by the relevant subsidiary or divisional boards. Financial targets relate mainly to operating profit improvements and fixed cash cost savings. Focused value drivers derived from group business objectives include targets agreed for safety (in all businesses) and employment equity (for businesses based in South Africa) to ensure continued focus on these important business objectives.

At its meeting of 7 September 2007, the compensation committee considered an overall assessment of the performance of the executives participating in the incentive plan against the agreed group financial targets and the levels of achievement against their strategic and other key performance objectives within their respective areas of accountability. The annual incentives for the 2007 financial year were subsequently approved by the board at its meeting of 7 September 2007.

Long-term incentive plans applicable to executive directors

Executive directors participate in the Sasol Share Incentive Scheme, which has been replaced by the Share Appreciation Rights Scheme (SAR scheme) with effect from 1 March 2007. Although no new share option grants will be made in terms of the Sasol Share Incentive Scheme, existing unimplemented share options are unaffected by the introduction of the SAR scheme. These schemes are designed to recognise the contributions of senior staff to the value added to the group's financial position and performance and to retain key employees. Within the limits imposed by the company's shareholders, the board and the JSE, share appreciation rights are, subject to certain performance criteria, granted to executive directors and senior staff in proportion to their contribution to the business and the group's performance. The award of share appreciation rights also depends on pre-determined factors and performance criteria.

The purpose of the SAR scheme is to provide qualifying employees the opportunity to receive long-term incentive remuneration payments based on the increase in value of Sasol shares over certain prescribed periods of time. The SAR scheme does not entitle participants to any rights to Sasol shares. In terms of the scheme, participants are awarded conditional rights to claim a future cash amount calculated with reference to the increase in the market value on the JSE of a Sasol ordinary share between the date of the grant of the right and the exercise of the right.

Options (in terms of the Share Incentive Scheme) or share appreciation rights (in terms of the SAR scheme) vest as follows:

- two years – first third
- four years – second third
- six years – final third

Options and share appreciation rights are exercisable up to a maximum of nine years from the date of allocation.

On retirement at normal retirement age the share options or share appreciation rights vest immediately and can be exercised before the expiry of the nine year period referred to above. On resignation, share options or rights which have not yet vested will lapse unless decided otherwise by the Sasol Limited board or the appropriate delegated authority (trustees of the Sasol Share Incentive Scheme or SAR scheme committee). Share options or rights which have vested may be taken up before the last day of service.

The trustees of the Sasol Share Trust granted share options in terms of the Sasol Share Incentive Scheme up to 28 February 2007. Thereafter, from 1 March 2007, share appreciation rights in terms of the SAR scheme were granted by the scheme committee of the SAR scheme in the following circumstances:

- upon promotion of an employee to the qualifying level for share appreciation rights; and
- upon appointment to the group on the qualifying level subject to satisfactory performance over a period of six months following the appointment.

In addition, the scheme committee has the power to approve the award of annual supplementary share appreciation rights to existing participants of the scheme. The formulae in terms of which such awards are made are approved by the scheme committee. The scheme committee consists of the members of the compensation committee.

In terms of the current formulae the number of shares on which share appreciation right incentive payments are calculated, is based on the following:

- for promotions and new appointments the number of shares is determined by a multiple of the total annual cash salary of a participant divided by the moving average share price over 24 months, prior to the grant of the share appreciation right; and
- for supplementary share appreciation rights, the number of shares is determined, amongst others, by an individual performance rating factor and the extent to which the company's profit growth targets have been met. An individual participant's performance is based on an assessment of the participants' annually agreed performance targets. The company performance factor is determined when the company's profit growth exceeds the current level of inflation, thereby ensuring that executives are rewarded for achieving real growth in earnings as compared to the consumer price index.

Share option and share appreciation right grants made during the year under review were based on the approved formula of a ten times multiple of annual total cash remuneration for the chief executive subject to the application of both the individual and company performance factors. The executive directors appointed during the 2007 financial year were granted share options on the approved formula of seven times annual total cash remuneration.

Participation in the Sasol Inzalo Management Scheme

On 16 May 2008, Sasol shareholders approved the Sasol Inzalo black economic empowerment (BEE) transaction. As part of this transaction, senior black management, including black executive directors and members of the group executive committee, participate in the Sasol Inzalo Management Scheme and were awarded rights to Sasol ordinary shares. The rights entitle the employees from the inception of the scheme to receive Sasol ordinary shares at the end of ten years, being the tenure of the transaction, subject to Sasol's right to repurchase some of the shares issued to The Sasol Inzalo Management Trust (Management Trust) in accordance with a pre-determined repurchase formula. The formula takes into account the underlying value of the shares on 18 March 2008, the dividends not received by the Management Trust as a result of the pre-conditions attached to those shares and the price of Sasol ordinary shares at the end of the ten years.

The rights also entitle the holder thereof, from inception of the scheme, to receive, in proportion to their respective rights, ordinary dividends received by the Management Trust on the Sasol ordinary shares during the ten year period. The Management Trust subscribed for the ordinary shares on the pre-condition that it will receive only 50% of the ordinary dividends paid on the Sasol ordinary shares.

On retirement at normal retirement age, early retirement, dismissal due to operational requirements or on leaving the employ of Sasol due to ill health during the tenure of the Sasol Inzalo transaction, the black managers will retain their entire allocation of rights until the end of the ten year period, subject to Sasol's repurchase right referred to above. The nominated beneficiaries or heirs of those black managers, who die at any time during the transaction period, will succeed to their entire allocation of rights. On resignation within the first three years of having been granted these rights, all rights will be forfeited. On resignation after three years or more from being granted the rights, the black managers will forfeit 10% of their rights for each full year or part thereof remaining from the date of resignation until the end of the transaction period. Black managers who leave the employ of Sasol during the ten year period by reason of dismissal, for reasons other than operational requirements, will forfeit their rights to Sasol ordinary shares.

The table below sets out the short-term incentives paid during 2008. The short-term incentives awarded are based on the group results for the 2007 financial year and calculated as a percentage of the total fixed remuneration approved for the pay cycle.

2008 Executive directors	Total fixed remuneration used for calculating incentive R'000	Annual incentive R'000	Annual incentive as a percentage of fixed remuneration %
LPA Davies	6 314	6 314	100%
VN Fakude	3 299	2 309	70%
AM Mokaba	3 635	2 545	70%
TS Munday[1]	5 450	4 360	80%
KC Ramon	3 198	2 239	70%

1. Mr Munday retired as an employee on 30 June 2007 and received the annual incentive in respect of the 2007 financial year during the 2008 financial year.

Remuneration and other payments received by executive directors and former executive directors for the 2008 financial year were as follows:

Executive directors	Salary R'000	Annual incentives[1] R'000	Retirement funding R'000	Other benefits R'000	Total 2008 R'000	Total 2007 R'000
LPA Davies	5 758	6 314	1 060	497	13 629	12 084
VN Fakude	2 925	2 309	589	448	6 271	4 758
AM Mokaba	3 386	2 545	681	631	7 243	3 958
TS Munday[2]	–	4 360	–	16 165	20 525	9 760
KC Ramon	2 948	2 239	593	352	6 132	3 547
PV Cox[3]	n/a	n/a	n/a	n/a	n/a	1 038
Total	**15 017**	**17 767**	**2 923**	**18 093**	**53 800**	**35 145**

1. Incentives awarded, based on the group results for the 2007 financial year.
2. Mr Munday retired as an employee with effect from 1 July 2007.
3. Annual incentive paid to Mr Cox as executive director for the period 1 July 2005 to 30 September 2005 and calculated as a percentage of fixed remuneration as at 30 September 2005.

Benefits and payments made in the 2008 financial year disclosed in the table above as "other benefits" include:

Executive directors	Vehicle benefits R'000	Medical benefits R'000	Vehicle insurance fringe benefits R'000	Security benefits R'000	Exchange fluctuation rate[1] R'000	Other R'000	Total other benefits 2008 R'000	Total other benefits 2007 R'000
LPA Davies	382	24	3	13	75	–	497	504
VN Fakude	298	30	3	104	13	–	448	387
AM Mokaba	298	27	2	298	5	1	631	349
TS Munday	–	–	–	27	–	16 138[2]	16 165	807
KC Ramon	298	29	3	9	13	–	352	344
Total	**1 276**	**110**	**11**	**451**	**106**	**16 139**	**18 093**	**2 391**

1. Rand equivalent of exchange rate fluctuations on cash salary and incentives of offshore components.
2. Payments made to Mr Munday include a payment of R16 million in respect of a restraint of trade which became effective after his retirement on 1 July 2007 and proceeds of a retirement policy payable on retirement (R138 000).

Executive directors' service contracts

Executive directors are not employed on fixed-term contracts and have standard employment service agreements with notice periods of up to 12 months.

An executive director is required to retire from executive management and the board at the age of 60, unless requested by the board to extend his or her term.

The appointment and re-election dates of executive directors are outlined below:

Executive directors	*Employment date in the group of companies*	*Date first appointed to the board*	*Date last re-elected as a director*	*Due date for re-election*[1]
LPA Davies	1 August 1975	28 August 1997	23 November 2006	28 November 2008
VN Fakude	1 October 2005	1 October 2005	30 November 2007	27 November 2009
AM Mokaba	1 May 2006	1 May 2006	23 November 2006	28 November 2008
KC Ramon	1 May 2006	1 May 2006	23 November 2006	28 November 2008

1. In terms of the company's articles of association, one-third of the serving directors shall retire at the annual general meeting of the company or, if the total number of serving directors who shall retire does not constitute a multiple of three, the number of directors who shall retire shall be the number, adjusted upwards, that is the closest to one-third. In addition, directors who are appointed during the year by the board shall retire at the annual general meeting. Directors appointed for the first time after 27 October 1997, will retire (in spite of re-election in the interim) and are eligible for re-election on the date on which five years from their initial appointment or re-appointment expires.

Group executive committee

The fixed remuneration of members of the group executive committee other than executive directors was reviewed by the compensation committee at its meeting held on 7 September 2007. The fixed salaries were compared with the upper-quartile pay levels of other South African companies, based on the scope and nature of each individual's role and his or her performance and experience.

Similar to the executive directors, the members of the group executive committee participate in the annual executive performance incentive scheme referred to above and in the long-term incentive schemes. The schemes are designed to recognise the contributions and value added to the group's financial position and performance. These schemes also play an important role in retaining key employees. Share appreciation rights are granted under similar terms as detailed above.

The aggregate remuneration of members of the group executive committee for the year (excluding that of the executive directors as disclosed separately above) was as follows:

Group executive committee	*Salary*[2] *R'000*	*Annual incentives*[1,2] *R'000*	*Retirement funding R'000*	*Other benefits*[2] *R'000*	***Total 2008 R'000***	*Total 2007 R'000*
Total	**28 333**	**11 715**	**3 408**	**11 031**	**54 487**	**35 200**
Number of members[3]					**7**	8

1. Refers to incentives awarded, based on the company results for the 2007 financial year.

2. Other benefits include vehicle benefits, medical benefits, vehicle insurance fringe benefits and exchange rate fluctuations.

3. One member resigned as a group executive committee member with effect from 1 March 2008.

Non-executive directors

Non-executive directors are appointed to the Sasol Limited board based on their ability to contribute competencies and experience appropriate to achieving the group's objectives as an international business. The board recommends the fees payable to the chairman and non-executive directors for approval by the shareholders. The annual fees payable to non-executive directors for the period commencing 1 July 2007 were approved by the shareholders at the annual general meeting (AGM) of members of 30 November 2007. Fees are reviewed periodically and compared to conditions prevailing in the market. The fees are approved for an annual period commencing on 1 July each year. The revised fees of the non-executive directors will be submitted to the shareholders for approval at the next AGM scheduled to be held on 28 November 2008.

Fee increases are only implemented after formal approval by shareholders.

Annual non-executive directors' fees are as follows for the following periods:

		2008		2007	
		Member Rand	Chairman Rand	Member Rand	Chairman Rand
Chairman of the board, inclusive of fees payable for attendance or membership of board committees and directorships of the company and of subsidiary and divisional boards	PV Cox (chairman from 1 January 2006)		3 750 000		3 658 351
Sasol Limited board	South African non-executive director	286 000		260 000	
	Non-resident non-executive director	US$99 000		US$90 000	
Audit committee		143 000	286 000	130 000	260 000
Compensation committee		88 000	176 000	80 000	160 000
Risk and safety, health and environment committee		88 000	176 000	80 000	160 000
Nomination and governance committee		88 000	176 000	80 000	160 000
Subsidiary or divisional boards		143 000	286 000	130 000	260 000
Sasol Share Incentive Scheme trustees		114 400	57 200	104 000	52 000

The chairmen of board committees are paid double the meeting fees of a member of such a committee. Fees for ad hoc committee meetings of the board are R12 100 per meeting. Executive directors do not receive directors' fees.

A non-executive director is required to retire at the end of the calendar year in which the director turns 70, unless the board, subject to the articles of association and by unanimous resolution on a year-to-year basis, extends the director's term of office until the end of the year in which he or she turns 73.

Details of the non-executive directors' appointments are listed below:

Non-executive directors	*Date first appointed to the board*	*Date last re-elected as a director*	*Date of resignation*	*Due date for re-election*[2]
E le R Bradley	23 February 1998	23 November 2007	n/a	n/a[1]
BP Connellan	1 November 1997	23 November 2006	n/a	28 November 2008
PV Cox	1 January 1996	23 November 2006	n/a	28 November 2008
HG Dijkgraaf	16 October 2006	23 November 2006	n/a	27 November 2009
MSV Gantsho	1 June 2003	23 November 2006	n/a	28 November 2008
A Jain	1 July 2003	30 November 2007	n/a	28 November 2008
IN Mkhize	1 January 2005	30 November 2007	n/a	27 November 2009
S Montsi	1 March 1997	30 November 2007	31 July 2008	n/a
TH Nyasulu	1 June 2006	23 November 2006	n/a	28 November 2008
JE Schrempp	21 November 1997	23 November 2006	n/a	28 November 2008
TA Wixley	8 March 2007	30 November 2007	n/a	27 November 2009

1. *In terms of the company's articles of association, a director should retire at the end of the year that he or she reaches the age of 70 years, unless directors vote unanimously otherwise. Mrs Bradley has not made herself available for re-appointment after the end of the 2008 calendar year.*
2. *In terms of the company's articles of association, one-third of the serving directors shall retire at the annual general meeting of the company or, if the total number of serving directors who shall retire does not constitute a multiple of three, the number of directors who shall retire shall be the number, adjusted upwards, that is the closest to one-third. In addition, directors who are appointed during the year shall retire at the annual general meeting.*
3. *Mr Cox has not made himself available for re-appointment at the annual general meeting.*

Non-executive directors' remuneration for the year was as follows:

Non-executive directors	*Board meeting fees*[4] *R'000*	*Committee fees*[4] *R'000*	*Share incentive trustee R'000*	***Total 2008 R'000***	*Total 2007 R'000*
E le R Bradley	322	368	57	**747**	581
WAM Clewlow[1]	n/a	n/a	n/a	**n/a**	319
BP Connellan	322	523	86	**931**	809
PV Cox (Chairman)	3 233[2]	517	–	**3 750**	3 658
MSV Gantsho	322	168	–	**490**	495
A Jain[3]	747	–	–	**747**	423
IN Mkhize	322	88	–	**410**	676
S Montsi	322	365	57	**744**	373
TH Nyasulu	322	100	–	**422**	676
JE Schrempp[3]	742	155	–	**897**	351
HG Dijkgraaf[3]	828	232	–	**1 060**	821
TA Wixley	322	191	–	**513**	141
Total	7 804	2 707	200	**10 711**	9 323

1. *Retired as a non-executive director of Sasol Limited with effect from 1 January 2007.*
2. *Includes R2 661 000 paid by subsidiaries.*
3. *Board meeting fees paid in US dollars. Rand equivalent of US$99 000 at actual exchange rates.*
4. *Includes fees for ad hoc meetings attended during the year.*

Long-term incentive plans

The interests of the directors in shares of the company in the form of share options are shown in the tables below. During the year to 30 June 2008 the highest and lowest closing market prices for the company's shares were R518,00 (on 22 May 2008) and R252,52 (on 6 August 2007), respectively, and the market price on 30 June 2008 was R461,00.

No variations have been made to the terms and conditions of the options, including the performance conditions to which the granting of options is subject to, during the relevant period.

Share options implemented during 2008 – directors

	Balance at beginning of year (number)	Share options implemented	Balance at end of year[2]
Executive directors			
LPA Davies	649 900	13 600	**636 300**
VN Fakude	121 900	40 000	**81 900**
AM Mokaba	94 000	–	**94 000**
KC Ramon	81 700	–	**81 700**
Non-executive directors			
PV Cox[1]	176 700	60 000	**116 700**
Total share options	1 124 200	113 600	**1 010 600**

1. The share options were granted to Mr Cox when he was still an executive director.
2. No share options were granted during the period under review as a result of the replacement of the Sasol Share Incentive Scheme with the SAR scheme with effect from 1 March 2007.

Share appreciation rights granted during 2008 – directors

	Granted	Average offer price per share (Rand)	Grant date	Balance at end of year
Executive directors				
LPA Davies	55 200	294,50	12 Sep 2007	**55 200**
VN Fakude	17 100	294,50	12 Sep 2007	**17 100**
Total share appreciation rights	72 300			**72 300**

Sasol Inzalo Management Scheme rights granted during 2008 – directors

	Rights granted	Value of underlying share (Rand)[1]	Grant date	Balance at end of year
Executive directors				
VN Fakude	25 000	366,00	3 June 2008	**25 000**
AM Mokaba	25 000	366,00	3 June 2008	**25 000**
KC Ramon	25 000	366,00	3 June 2008	**25 000**
Total Sasol Inzalo Management Scheme rights	75 000			**75 000**

1. The value of the underlying share of R366,00 is the 60 day volume weighted average price of Sasol ordinary shares to 18 March 2008.
The shares were issued to the Sasol Inzalo Management Trust at R0,01 per share.

Share options implemented and share appreciation rights granted during 2008 – group executive committee[1]

	Balance at beginning of year (number)	Effect of change in composition of group executive committee	Granted	Average offer price per share (Rand)	Grant date	Share options implemented	**Balance at end of year**
Share options[2]	695 300	–	–	–	–	135 700	**559 600**
Share appreciation rights	58 400	(25 500)	124 100	294,50	12 Sep 2007	–	**157 000**

1. *Excluding the executive directors disclosed separately in the table above.*
2. *Includes share options issued to individuals during the year before they became members of the group executive committee.*

Share options implemented – directors

	Implementation dates	Share options implemented (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on implementation of share options **2008 R'000**	Gain on implementation of share options 2007 R'000
Executive directors						
LPA Davies	17 April 2008	13 600	42,30	439,00	**5 395**	8 762
VN Fakude					**6 258**	–
	25 October 2007	30 000	219,50	331,60	**3 363**	
	22 May 2008	10 000	219,50	509,01	**2 895**	
TS Munday					**–**	22 922
Non-executive directors						
PV Cox[1]	17 April 2008[2]	60 000	111,20	449,48	**20 297**	3 601
Total		113 600			**31 950**	35 285

1. *The share options implemented were granted to Mr Cox when he was an executive director.*
2. *The shares were retained by the director after implementation of the share options. The gain on the implementation of these share options was determined using the closing share price on the date of implementation. These holdings have been disclosed in the beneficial shareholding table.*

Share options implemented – group executive committee[1]

	Share options implemented (Rand)	Gain on implementation of share options **2008 R'000**	Gain on implementation of share options 2007 R'000
Group executive committee[2]	135 700	**38 406**	38 416

1. *Excluding the executive directors disclosed separately in the table above.*
2. *Included in the total share options implemented are the gains on the implementation of 15 700 share options on which the shares were retained by members. A gain of R4 144 735 on the implementation of these share options was determined using the closing share price on the date of implementation.*

Share options outstanding at the end of the year vest during the following periods:

	Already vested (number)	Within one year (number)	One to two years (number)	Two to five years (number)	**Total (number)**
Executive directors					
LPA Davies	277 800	42 600	141 100	174 800	**636 300**
VN Fakude	600	–	40 600	40 700	**81 900**
AM Mokaba	–	31 300	–	62 700	**94 000**
KC Ramon	–	27 200	–	54 500	**81 700**
Non executive directors					
PV Cox[1]	116 700	–	–	–	**116 700**
Total	395 100	101 100	181 700	332 700	**1 010 600**

1. The share options were granted to Mr Cox when he was an executive director.

Share appreciation rights outstanding at the end of the year vest during the following periods:

	One to two years (number)	Two to five years (number)	More than five years (number)	**Total (number)**
Executive directors				
LPA Davies	18 400	18 400	18 400	**55 200**
VN Fakude	5 700	5 700	5 700	**17 100**
Total	24 100	24 100	24 100	**72 300**

Share options and share appreciation rights outstanding at the end of the year vest during the following periods:

	Already vested (number)	Within one year (number)	One to two years (number)	Two to five years (number)	More than five years (number)	**Total (number)**
Group executive committee[1]						
Share options	188 600	99 000	103 900	168 100	–	**559 600**
Share appreciation rights	–	19 500	41 400	67 500	28 600	**157 000**

1. Excluding the executive directors disclosed separately in the table above.

Beneficial shareholding

The aggregate beneficial shareholding at 30 June 2008 of the directors of the company and the group executive committee and their associates (none of which have a holding greater than 1%) in the issued ordinary share capital of the company are detailed below.

	2008			2007		
Beneficial shareholding	***Number of shares***	***Number of share options[2]***	***Total beneficial shareholding***	*Number of shares*	*Number of share options[2]*	*Total beneficial shareholding*
Executive directors						
LPA Davies	**21 912[1]**	**277 800**	**299 712**	41 906[1]	260 700	302 606
VN Fakude	**–**	**600**	**600**	–	–	–
Non-executive directors						
E le R Bradley	**97 494[4]**	**–**	**97 494**	298 000	–	298 000
BP Connellan	**10 500**	**–**	**10 500**	10 500	–	10 500
PV Cox[3]	**281 409**	**116 700**	**398 109**	261 409	176 700	438 109
TA Wixley	**1 300**	**–**	**1 300**	1 300	–	1 300
Total	**412 615**	**395 100**	**807 715**	613 115	437 400	1 050 515

1. Includes units held in the Sasol Share Savings Trust.
2. Including share options which have vested or which vest within sixty days of 30 June 2008.
3. The share options implemented were granted to Mr Cox when he was an executive director.
4. Mrs Bradley's share ownership was restated to reflect only those shares in respect of which she or her associates have beneficial ownership.

	2008			2007		
Beneficial shareholding	***Number of shares[1]***	***Number of share options[2]***	***Total beneficial shareholding***	*Number of shares[1]*	*Number of share options[2]*	*Total beneficial shareholding*
Group executive committee[3]	**108 274**	**188 600**	**296 874**	78 095	195 400	273 495

1. Includes units held in the Sasol Share Savings Trust.
2. Including share options which have vested or which vest within sixty days of 30 June 2008.
3. Excluding the executive directors disclosed separately in the table above.

Following the implementation of the Sasol Inzalo BEE transaction, the following black directors and their associates became shareholders in Sasol to the extent indicated in the table below on 8 September 2008. The Sasol BEE ordinary shares rank pari passu with Sasol ordinary shares in all respects except that they are not listed and cannot be traded for the first two years and will have limited trading rights for a period of eight years thereafter. Sasol Inzalo Public Limited (Sasol Inzalo) indirectly held 2,3% of the issued capital of Sasol on 8 September 2008 in the form of unlisted preferred ordinary shares. The Sasol Inzalo ordinary shares cannot be traded for the first three years and will have limited trading rights for a period of seven years thereafter.

	Number of Sasol BEE ordinary shares	*Number of Sasol Inzalo ordinary shares*
Executive directors		
KC Ramon	–	40 474
Non-executive directors		
IN Mkhize	313	18 626
TH Nyasulu	–	1 450
Total	313	60 823

Interest of directors in contracts

The directors of the company declare their interest in any transactions with the company in terms of the Companies Act from time to time. In accordance with the requirements of the South African Companies Act of 1973, Sasol Limited maintains a register of directors' interests in contracts.

Ms TH Nyasulu, a non-executive director of the company, is also a director of Sasol Oil (Pty) Limited, a subsidiary of Sasol Limited, and Tshwarisano LFB Investment (Pty) Limited, and indirectly holds 1,275% of the shares of Sasol Oil through her 5,1% indirect holding in Tshwarisano LFB Investment (Pty) Limited.

Succession planning and leadership development

The Sasol board places considerable emphasis on succession planning at the executive and senior management level as well as for board members. Detailed and extensive planning is conducted through the chairman's office in consultation with the nomination and governance committee. Reports are regularly submitted to the board on the group's management development and employment equity programmes as they impact directly on the sustainability of the business.

The company has a comprehensive and focused succession management and career development plan in place for Sasol's senior leadership. A profile of each senior executive has been compiled, based on a combination of structured assessments and discussions around past, current and future experience and development.

This integrated succession management process forms part of the group's talent management framework that supports the link between the company's long-term management strategy and its ten year capital and people plans.

accounting policies and financial reporting terms

Sasol Limited is the holding company of the Sasol group (the group) and is domiciled in the Republic of South Africa. The following principal accounting policies were applied by the group for the financial year ended 30 June 2008. Except as otherwise disclosed, these policies are consistent in all material respects with those applied in previous years.

Financial reporting terms

These definitions of financial reporting terms are provided to ensure clarity of meaning as certain terms may not always have the same meaning or interpretation in all countries.

Group structures	
Associate	An entity, other than a subsidiary or joint venture, in which the group, holding a material long-term interest, has significant influence over financial and operating policies.
Business unit	An operation engaged in providing similar goods or services that are different to those provided by other operations. The primary business units are: ***South African energy cluster*** • Sasol Mining • Sasol Gas • Sasol Synfuels • Sasol Oil • Other ***International energy cluster*** • Sasol Synfuels International • Sasol Petroleum International ***Chemical cluster*** • Sasol Polymers • Sasol Solvents • Sasol Olefins & Surfactants • Other chemical businesses including: – Sasol Wax – Sasol Nitro – Merisol – Sasol Infrachem ***Classified as 'other businesses' in the segment report:*** • Sasol Technology • Sasol Financing • Corporate head office functions In the notes to the financial statements, where items classified as "other businesses" are material, the amounts attributable to these businesses have been specified.
Company	A legal business entity registered in terms of the applicable legislation of that country.
Entity	Sasol Limited, a subsidiary, joint venture, associate or special purpose entity.
Foreign operation	An entity whose activities are based or conducted in a country or currency other than those of the reporting entity (Sasol Limited).
Group	The group comprises Sasol Limited, its subsidiaries and its interest in joint ventures, associates and special purpose entities.
Joint venture	An economic activity over which the group exercises joint control established under a contractual arrangement.

Group structures *(continued)*	
Operation	A component of the group: • that represents a separate major line of business or geographical area of operation; and • is distinguished separately for financial and operating purposes.
Subsidiary	Any entity over which the group has the power to exercise control.
Special purpose entity	An entity established to accomplish a narrow and well defined objective, including the facilitation of the group's black economic empowerment transactions.

General accounting terms	
Acquisition date	The date on which control in subsidiaries, special purpose entities, joint control in joint ventures and significant influence in associates commences.
Assets under construction	A non-current asset which includes expenditure capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment, intangible assets and exploration assets.
Cash generating unit	The smallest identifiable group of assets which can generate cash inflows independently from other assets or groups of assets.
Commissioning date	The date that an item of property, plant and equipment, whether acquired or constructed, is brought into use.
Consolidated group financial statements	The financial results of the group which comprise the financial results of Sasol Limited and its subsidiaries, special purpose entities,the proportionate interest in the financial results of joint ventures and its interest in associates.
Construction contract	A contract specifically negotiated with a third party for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.
Control	The ability, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefit from its activities. When assessing the ability to control an entity, the existence and effect of potential voting rights that are presently exercisable or convertible are taken into account.
Discontinued operation	An operation that, pursuant to a single plan, has been disposed of or abandoned or is classified as an operation held for sale.
Discount rate	The rate used for purposes of determining discounted cash flows defined as the yield on AAA credit rated bonds (for entities outside South Africa) and relevant South African Government bonds (for South African entities) that have maturity dates approximating the term of the related cash flows. This pre-tax interest rate reflects the current market assessment of the time value of money. To the extent that, in determining the cash flows, the risks specific to the asset or liability are taken into account in determining those cash flows, they are not included in determining the discount rate.
Disposal date	The date on which control in subsidiaries, special purpose entities, joint control in joint ventures and significant influence in associates ceases.
Exploration assets	Capitalised expenditure relating to the exploration for and evaluation of mineral resources (coal, oil and gas).
Fair value	The value for which an asset could be exchanged or a liability settled in a market related transaction.
Financial results	Comprise the financial position (assets, liabilities and equity), results of operations (revenue and expenses) and cash flows of an entity and of the group.
Functional currency	The currency of the primary economic environment in which the entity operates.
Long-term	A period longer than twelve months from the reporting date.
Mineral assets	Capitalised expenditure relating to producing coal, oil and gas properties including development costs and previously capitalised exploration assets.

General accounting terms *(continued)*	
Other comprehensive income	Comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement and includes the effect of translation of foreign operations, cash flow hedges, available-for-sale financial assets and changes in revaluation reserves.
Presentation currency	The currency in which financial results of an entity are presented.
Qualifying asset	An asset that necessarily takes a substantial period (normally in excess of twelve months) of time to get ready for its intended use.
Recoverable amount	The amount that reflects the greater of the fair value less costs to sell and value in use that can be attributed to an asset as a result of its ongoing use by the entity. In determining the value in use, expected future cash flows are discounted to their present values using the discount rate.
Related party	Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management of Sasol Limited.
Revenue	Comprises turnover, dividends received and interest received.
Share-based payment	A transaction in which an entity issues equity instruments, share options or incurs a liability to pay cash based on the price of the entity's equity instruments to another party as compensation for goods received or services rendered.
Significant influence	The ability, directly or indirectly, to participate in, but not exercise control over, the financial and operating policy decisions of an entity so as to obtain economic benefit from its activities.
Turnover	Comprises revenue generated by operating activities and includes sales of products, services rendered, license fees and royalties net of indirect taxes, rebates and trade discounts.

Financial instrument terms	
Available-for-sale financial asset	A financial asset that has been designated as available-for-sale or a financial asset other than those classified as loans and receivables, held-to-maturity investments or derivative instruments.
	An investment intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, is classified as a non-current available-for-sale financial asset.
Cash and cash equivalents	Comprise cash on hand, demand deposits and other short-term highly liquid investments with a maturity period of three months or less at date of purchase.
Cash flow hedge	A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.
Derivative instrument	A financial instrument: • whose value changes in response to movements in a specified interest rate, commodity price, foreign exchange rate or similar variable; • that requires minimal initial net investment; and • whose terms require or permit settlement at a future date.
Effective interest rate	The derived rate that discounts the expected future cash flows to the current net carrying amount of the financial asset or financial liability.
Equity instrument	Any financial instrument (including investments) that evidences a residual interest in the assets of an enterprise after deducting all of its liabilities.
Financial asset	Cash or cash equivalents, a right to receive cash, an equity instrument or a right to exchange a financial instrument under favourable conditions.
Financial liability	A contractual obligation to pay cash or transfer other benefits or an obligation to exchange a financial instrument under unfavourable conditions. This includes debt.

Financial instrument terms *(continued)*	
Financial guarantee	A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of the debt instrument.
Held-to-maturity investment	A financial asset with a fixed maturity and fixed or determinable future payments, that management has the positive intent and ability to hold to maturity. Such a financial asset is classified as a non-current asset, except when it has a maturity within twelve months from the reporting date, in which case it is classified as a current asset.
Loans and receivables	A financial asset with fixed or determinable repayments that are not quoted in an active market, other than: ● a derivative instrument; or ● an available-for-sale financial asset.
Monetary asset	An asset which will be settled in a fixed or determinable amount of money.
Monetary liability	A liability which will be settled in a fixed or determinable amount of money.
Transaction date	The date an entity commits itself to purchase or sell a financial instrument.

Statement of compliance

The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board and applicable legislation. The consolidated financial statements were approved for issue by the Board of Directors on 5 September 2008 and are subject to approval by the Annual General Meeting of shareholders on 28 November 2008.

During the current financial year, the following accounting standards, interpretations and amendments to published accounting standards were adopted:

- IAS 1 (Amendment), Presentation of Financial Statements (added disclosures about an entity's capital); and
- IFRS 7 Financial Instruments: Disclosures.

The following accounting standards, interpretations and amendments to published accounting standards were adopted prior to their effective dates:

- IAS 1 (Amendment), Presentation of Financial Statements (includes adjusted presentation of owner changes in equity and of comprehensive income);
- IAS 1 (Amendment), Presentation of Financial Statements and IAS 32, Financial Instruments: Presentation (Puttable Financial Instruments and Obligations Arising on Liquidation);
- IFRS 2 (Amendment), Share-based Payment (Vesting Conditions and Cancellations);
- IFRIC 12, Service Concession Arrangements; and
- IFRIC 14, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

These newly adopted standards did not significantly impact our financial results.

The following accounting standards, interpretations and amendments to published accounting standards which are relevant to Sasol but not yet effective, have not been adopted in the current year:

- IAS 23 (Revised), Borrowing Costs;
- IAS 27 (Amendment), Consolidated and Separate Financial Statements;
- IFRS 3 (Revised), Business Combinations;
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation;
- IAS 39 (Amendment), Eligible Hedged Items;
- IFRS 1 and IAS 27 (Amendment), Cost of an Investment in a Subsidiary, Jointly Controlled Entity of Associate;
- IFRS 5 (Amendment), Non-current Asset Held for Sale and Discontinued Operations; and
- Various improvements to IFRSs.

Principal accounting policies

Basis of preparation of financial results

The consolidated financial statements are prepared using the historic cost convention except that, as set out in the accounting policies below, certain items, including derivatives and available-for-sale financial assets, are stated at fair value.

The consolidated financial statements are prepared on the going concern basis.

Except as otherwise disclosed, these accounting policies are consistent with those applied in previous years.

These accounting policies are consistently applied throughout the group.

Basis of consolidation of financial results

The consolidated financial statements reflect the financial results of the group. All financial results are consolidated with similar items on a line by line basis except for investments in associates, which are included in the group's results as set out below.

Inter-company transactions, balances and unrealised gains and losses between entities are eliminated on consolidation. To the extent that a loss on a transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss of a non-current asset, that loss is charged to the income statement.

In respect of joint ventures and associates, unrealised gains and losses are eliminated to the extent of the group's interest in these entities. Unrealised gains and losses arising from transactions with associates are eliminated against the investment in the associate.

Subsidiaries The financial results of subsidiaries are consolidated into the group's results from acquisition date until disposal date. The existence of potential voting rights that are currently exercisable or convertible are also considered when assessing whether the group controls another entity.

Special purpose entities The financial results of special purpose entities (SPE) are consolidated into the group's results from the date that the group controls the SPE until the date that control ceases. Control is based on an evaluation of the substance of the SPE's relationship with the group and the SPE's risks and rewards.

Joint ventures The proportionate share of the financial results of joint ventures are consolidated into the group's results from acquisition date until disposal date.

Associates The financial results of associates are included in the group's results according to the equity method from acquisition date until the disposal date.

Under this method, subsequent to the acquisition date, the group's share of profits or losses of associates is charged to the income statement as equity accounted earnings and its share of movements in equity reserves is recognised as other comprehensive income, except where the movement in equity reserves relates to the group in its capacity as owner where it is recognised in the statement of changes in equity. All cumulative post-acquisition movements in the equity of associates are adjusted against the cost of the investment. When the group's share of losses in associates equals or exceeds its interest in those associates, the group does not recognise further losses, unless the group has incurred a legal or constructive obligation or made payments on behalf of those associates.

Goodwill relating to associates is included in the carrying value of those associates.

The total carrying value of associates, including goodwill, is evaluated annually for impairment or when conditions indicate that a decline in fair value below the carrying amount is other than temporary. If impaired, the carrying value of the group's share of the underlying assets of associates is written down to its estimated recoverable amount in accordance with the accounting policy on impairment and charged to the income statement as part of equity accounted earnings of those associates.

Associates whose financial year ends are within three months of 30 June are included in the consolidated financial statements using their most recently audited financial results. Adjustments are made to the associates' financial results for material transactions and events in the intervening period.

Foreign currency translation

Items included in the financial results of each entity are measured using the functional currency of that entity. The consolidated financial results are presented in rand, which is Sasol Limited's functional and presentation currency.

Foreign currency transactions Income and expenditure transactions are translated into the functional currency of the entity at the rate of exchange ruling at the transaction date. To the extent that transactions occur regularly throughout the year, they are translated at the average rate of exchange for the year since this is deemed to provide a good approximation of the actual exchange rates at which those transactions occurred.

Monetary assets and liabilities are translated into the functional currency of the entity at the rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the translation and settlement of monetary assets and liabilities are recognised in the income statement, except when they relate to cash flow hedging activities in which case these gains and losses are recognised as other comprehensive income and are included in the hedge accounting reserve.

Foreign operations The financial results of all entities that have a functional currency different from the presentation currency of their parent entity are translated into the presentation currency. Income and expenditure transactions of foreign operations are translated at the average rate of exchange for the year except for significant individual transactions which are translated at the exchange rate ruling at that date. All assets and liabilities, including fair value adjustments and goodwill arising on acquisition, are translated at the rate of exchange ruling at the reporting date. Differences arising on translation are recognised as other comprehensive income and are included in the foreign currency translation reserve.

On consolidation, differences arising from the translation of the net investment in a foreign operation are recognised as other comprehensive income and are included in the foreign currency translation reserve.

On disposal of part or all of the operation, the proportionate share of the related cumulative gains and losses previously recognised in the foreign currency translation reserve through the statement of comprehensive income are included in determining the profit or loss on disposal of that operation recognised in the income statement.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Land is not depreciated.

The cost of self-constructed assets includes expenditure on materials, direct labour and an allocated proportion of project overheads. Cost also includes the estimated costs of dismantling and removing the assets and site rehabilitation costs to the extent that they relate to the construction of the asset as well as gains or losses on qualifying cash flow hedges attributable to that asset. Costs capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment are classified as part of assets under construction.

Finance expenses, net of finance income, are capitalised on qualifying assets.

When plant and equipment comprises major components with different useful lives, these components are accounted for as separate items. Expenditure incurred to replace or modify a significant component of plant is capitalised and any remaining book value of the component replaced is written off in the income statement. All other expenditure is charged to the income statement.

Property, plant and equipment, other than mineral assets, is depreciated to its estimated residual value on a straight-line basis over its expected useful life. Mineral assets are depreciated in accordance with the policy set out below on exploration, evaluation and development. The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually. The depreciation rates applied are provided on page 95.

Exploration, evaluation and development

Oil and gas The successful efforts method is used to account for oil and gas exploration and evaluation activities.

Geological and geophysical costs, expenditure relating to dry exploratory wells and the costs of carrying and retaining undeveloped properties are charged to the income statement as incurred.

On completion of an exploratory well, the entity will be able to determine if it has found oil and gas reserves. The classification of these reserves as proved depends on whether major capital expenditure to develop the property can be justified as a result of sufficient quantities of additional proved oil and gas reserves being identified.

Oil and gas reserves are classified as proved when, upon analysis of geological and engineering data, it appears with reasonable certainty that these reserves could be recoverable in the future under existing economic and operating conditions.

The cost of exploratory wells through which potential proved oil and gas reserves are discovered are capitalised as exploration assets in assets under construction. These costs remain capitalised pending the determination of whether proved oil and gas reserves have been found. The following conditions must be met for these costs to remain capitalised:

- Sufficient oil and gas reserves exist to justify the capital expenditure required for the completion of the well as a producing well;
- Drilling of additional exploratory wells is under way or firmly planned for the near future; and
- Sufficient progress is being made in assessing the oil and gas reserves and the economic and operating viability of developing the property.

Progress in this regard is reassessed at least annually to ensure sufficient justification for carrying such exploration and evaluation expenditure as an asset. If the above conditions are not met or if information is obtained that raises doubt about the economic or operating viability, the costs are charged to the income statement.

Expenditure incurred to drill and equip development wells on proved properties are capitalised as mineral assets in property, plant and equipment.

Depreciation of exploration assets and mineral assets on producing oil and gas properties is based on the units-of-production method calculated using estimated proved developed oil and gas reserves, on a field-by-field basis. Depreciation of property acquisition costs, capitalised as part of mineral assets in property, plant and equipment, is based on the units-of-production method calculated using estimated proved oil and gas reserves, on a field-by-field basis.

Coal mining Coal mining exploration and evaluation expenditure is charged to the income statement until completion of a final feasibility study supporting proved and probable coal reserves. Expenditure incurred subsequent to proved and probable coal reserves being identified is capitalised as exploration assets in assets under construction.

Expenditure on producing mines or development properties is capitalised when excavation or drilling is incurred to extend reserves or further delineate existing proved and probable coal reserves. All development expenditure incurred after the commencement of production is capitalised to the extent that it gives rise to probable future economic benefits.

Life-of-mine coal assets are depreciated using the units-of-production method. A unit is considered to be produced once it has been removed from underground and taken to the surface, passed the bunker and has been transported by conveyor over the scale of the shaft head. The calculation is based on proved and probable reserves assigned to that specific mine (accessible reserves) or complex which benefits from the utilisation of those assets. Inaccessible reserves are excluded from the calculation. Other coal mining assets are depreciated on the straight-line method over their estimated useful lives.

Business combinations

The purchase method is used when a business is acquired. A business may comprise an entity, group of entities or an unincorporated operation including its operating assets and associated liabilities.

On acquisition date, fair values are attributed to the identifiable assets, liabilities and contingent liabilities. Minority interest at acquisition date is determined as the minority shareholders' proportionate share of the fair value of the net assets of subsidiaries acquired.

Fair values of the total of all identifiable assets and liabilities included in the business combination are determined by reference to market values of those or similar items, where available, or by discounting expected future cash flows using the discount rate to present values. To the extent that these identifiable assets and liabilities, were already owned by the group, the adjustment to fair values related to these assets and liabilities is recognised directly in the statement of changes in equity.

The cost of acquisition is the fair value of the group's contribution to the business combination in the form of assets transferred, shares issued or liabilities assumed at the acquisition date plus costs directly attributable to the acquisition.

On acquisition date, goodwill is recognised when the cost of the acquisition exceeds the fair value of the group's interest in the net identifiable assets of the entity acquired. Goodwill is tested at each reporting date for impairment.

The profit or loss realised on disposal or termination of an entity is calculated after taking into account the carrying value of any related goodwill.

To the extent that the fair value of the net identifiable assets of the entity acquired exceeds the cost of acquisition, the excess is charged to the income statement on acquisition date.

Other intangible assets

Intangible assets, other than goodwill (refer policy above on business combinations), are stated at cost less accumulated amortisation and impairment.

These intangible assets are recognised if it is probable that future economic benefits will flow to the entity from the intangible assets and the costs of the intangible assets can be reliably measured.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and estimated remaining useful lives are reviewed at least annually. Amortisation rates applied are provided on page 103.

Intangible assets with indefinite useful lives are not amortised but are tested at each reporting date for impairment. The assessment that the estimated useful lives of these assets are indefinite is reviewed at least annually.

Research and development Research expenditure is charged to the income statement when incurred.

Development expenditure relating to the production of new or substantially improved products or processes is capitalised if the costs can be measured reliably, the products or processes are technically feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. All remaining development expenditure is charged to the income statement.

Cost includes expenditure on materials, direct labour and an allocated proportion of project overheads.

Software Purchased software and the direct costs associated with the customisation and installation thereof are capitalised.

Expenditure on internally-developed software is capitalised if it meets the criteria for capitalising development expenditure.

Other software development expenditure is charged to the income statement when incurred.

Patents and trademarks Expenditure on purchased patents and trademarks is capitalised. Expenditure incurred to extend the term of the patents or trademarks is capitalised. All other expenditure is charged to the income statement when incurred.

Emission rights Emission rights (allowances) received from a government or a government agency and expenditure incurred on purchasing allowances are capitalised as indefinite life intangible assets at the quoted market price on acquisition date and are subject to an annual impairment test.

Non-current asset or disposal group held for sale

A non-current asset or disposal group (a business grouping of assets and their related liabilities) is designated as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification as held for sale of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the non-current asset or disposal group, an active divestiture programme has been initiated, the non-current asset or disposal group is marketed at a price reasonable to its fair value and the disposal will be completed within one year from classification.

Upon classification of a non-current asset or disposal group as held for sale it is reviewed for impairment. The impairment charged to the income statement is the excess of the carrying value of the non-current asset or disposal group over its expected fair value less costs to sell.

No depreciation is provided on non-current assets from the date they are classified as held for sale.

If a non-current asset or disposal group is classified as held for sale, but the criteria for classification as held for sale are no longer met, the disclosure of such non-current asset or disposal group as held for sale is ceased.

On ceasing such classification, the non-current assets are reflected at the lower of:

- the carrying amount before classification as held for sale adjusted for any depreciation or amortisation that would have been recognised had the assets not been classified as held for sale; or
- the recoverable amount at the date the classification as held for sale ceases. The recoverable amount is the amount at which the asset would have been recognised after the allocation of any impairment loss arising on the cash generating unit as determined in accordance with the group's policy on impairment of non-financial assets.

Any adjustments required to be made on reclassification are recognised in the income statement on reclassification, and included in income from continuing operations.

Where the disposal group was also classified as a discontinued operation, the subsequent classification as held for use also requires that the discontinued operation be included in continuing operations. Comparative information relating to the classification as a discontinued operation is restated accordingly.

Impairment of non-financial assets

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable, to determine whether there is any indication of impairment. An impairment test is performed on all goodwill, intangible assets not yet in use and intangible assets with indefinite useful lives at each reporting date.

The impairment charged to the income statement is the excess of the carrying value over the recoverable amount.

Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash inflows independently, the recoverable amount is determined for the larger cash-generating unit to which the asset belongs.

With the exception of goodwill, a previously recognised impairment will be reversed insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the income statement.

Exploration assets are tested for impairment when development of the property commences or whenever facts and circumstances indicate impairment. An impairment is recognised for the amount by which the exploration assets' carrying amount exceeds their recoverable amount. For the purpose for assessing impairment, the relevant exploration assets are included in the existing cash-generating units of producing properties that are located in the same geographic region.

Financial assets

The group classifies its financial assets into the following categories:

- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets; and
- derivative instruments (set out below).

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets at the time of the initial recognition and re-evaluates such designation at least at each reporting date.

Financial assets are recognised on transaction date when the group becomes a party to the contracts and thus obtains rights to receive economic benefits and are derecognised when these rights no longer exist.

Financial assets are stated initially on transaction date at fair value including transaction costs. Held-to-maturity financial assets and loans and receivables are subsequently stated at amortised cost using the effective interest rate method. Available-for-sale financial assets are subsequently stated at fair value at the reporting date.

Unrealised gains and losses arising from revaluation of available-for-sale financial assets are recognised as other comprehensive income and included in the investment fair value reserve. On disposal or impairment of available-for-sale financial assets, cumulative unrealised gains and losses previously recognised in other comprehensive income are included respectively in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is recognised in the income statement.

The fair values of financial assets are based on quoted bid prices or amounts derived using a discounted cash flow model. Fair values for unlisted equity securities are estimated using methods reflecting the specific economic circumstances of the investee which would affect the market value of those securities. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Premiums or discounts arising from the difference between the fair value of a financial asset and the amount receivable at maturity date are charged to the income statement based on the effective interest rate method.

An assessment is performed at each reporting date to determine whether objective evidence exists that a financial asset is impaired. In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value of the asset below its cost is considered an indicator of impairment. If any such evidence exists, the cumulative loss is removed as other comprehensive income from the investment fair value reserve and recognised in the income statement. Impairments charged to the income statement on available-for-sale financial assets are not reversed.

Derivative financial instruments and hedging activities

All derivative financial instruments are initially recognised at fair value and are subsequently stated at fair value at the reporting date. Attributable transaction costs are recognised in the income statement when incurred. Resulting gains or losses on derivative instruments, excluding designated and effective hedging instruments, are recognised in the income statement.

The group is exposed to market risks from changes in interest rates, foreign exchange rates and commodity prices. The group uses derivative instruments to hedge its exposure to these risks. To the extent that a derivative instrument has a maturity period of longer than one year, the fair value of these instruments will be reflected as a non-current asset or liability.

The group's criteria for a derivative instrument to be designated as a hedging instrument require that:

- the hedge transaction is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk;
- the effectiveness of the hedge can be reliably measured throughout the duration of the hedge;
- there is adequate documentation of the hedging relationship at the inception of the hedge; and
- for cash flow hedges, the forecasted transaction that is the subject of the hedge must be highly probable.

Where a derivative instrument is designated as a cash flow hedge of an asset, liability or highly probable forecasted transaction, the effective part of any gain or loss arising on the derivative instrument is recognised as other comprehensive income and is classified as a cash flow hedge accounting reserve until the underlying transaction occurs. The ineffective part of any gain or loss is recognised in the income statement.

If the forecasted transaction results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is transferred from the cash flow hedge accounting reserve, as other comprehensive income, to the underlying asset or liability on the transaction date. Other cash flow hedge gains or losses are recognised in the income statement at the same time as the hedged transaction occurs.

When forward exchange contracts are entered into as fair value hedges, no hedge accounting is applied. All gains and losses on such contracts are recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost includes expenditure incurred in acquiring, manufacturing and transporting the inventory to its present location. Manufacturing costs include an allocated portion of production overheads which are directly attributable to the cost of manufacturing such inventory. The allocation is determined based on the greater of normal production capacity and actual production. The costs attributable to any inefficiencies in the production process are charged to the income statement as incurred.

Cost is determined as follows

• Crude oil and other raw materials	First-in-first-out valuation method (FIFO)
• Process, maintenance and other materials	Weighted average purchase price
• Work-in-progress	Manufacturing costs incurred
• Manufactured products including consignment inventory	Manufacturing costs according to FIFO

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Trade and other receivables

Trade and other receivables are recognised at fair value and subsequently stated at amortised cost. An impairment is recognised when there is evidence that an entity will not be able to collect all amounts due according to the original terms of the receivable. The amount of the impairment is charged to the income statement.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying value which is deemed to be fair value. Bank overdrafts are offset against cash and cash equivalents in the statement of cash flows.

Cash restricted for use

Cash which is subject to restrictions on its use is stated separately at carrying value in the statement of financial position.

Share capital

Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable issue costs.

Share repurchase programme

When Sasol Limited's shares are repurchased by a subsidiary, the amount paid, including directly attributable costs, is disclosed as a deduction from shareholders' equity. Where such shares are subsequently reissued, any consideration received is included in the statement of changes in equity.

Debt

Debt, which constitutes a financial liability, includes short-term and long-term debt. Debt is initially recognised at fair value, net of transaction costs incurred and is subsequently stated at amortised cost. Debt is classified as short-term unless an entity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Debt is derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the income statement as finance expenses based on the effective interest rate method.

Leases

Finance leases Leases where the group assumes substantially all the benefits and risks of ownership, are classified as finance leases. Finance leases are capitalised as property, plant and equipment at the lower of fair value or the present value of the minimum lease payments at the inception of the lease with an equivalent amount being stated as a finance lease liability as part of debt.

The capitalised amount is depreciated over the asset's useful life. Lease payments are allocated between capital repayments and finance expenses using the effective interest rate method.

The land and buildings elements of a lease are considered separately for the purpose of lease classification.

Operating leases Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are charged to the income statement over the lease term on a basis representative of the pattern of use.

Provisions

A provision is recognised when the group has a legal or constructive obligation arising from a past event that will probably be settled, and a reliable estimate of the amount can be made.

Long-term provisions are determined by discounting the expected future cash flows to their present value. The increase in discounted long-term provisions as a result of the passage of time is recognised as a finance expense in the income statement.

Environmental rehabilitation provisions Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the group's environmental policy taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the construction of an asset, they are capitalised as part of the cost of those assets. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to the income statement.

Decommissioning costs of plant and equipment The estimated present value of future decommissioning costs, taking into account current environmental and regulatory requirements, is capitalised as part of property, plant and equipment, to the extent that they relate to the construction of the asset, and the related provisions are raised. These estimates are reviewed at least annually. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to the income statement.

Ongoing rehabilitation expenditure Ongoing rehabilitation expenditure is charged to the income statement.

Employee benefits

Short-term employee benefits Short-term employee benefits are those that are paid within twelve months after the end of the period in which the services have been rendered. Remuneration to employees is charged to the income statement. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Pension benefits The group operates or contributes to defined contribution pension plans and defined benefit pension plans for its employees in certain of the countries in which it operates. These plans are generally funded through payments to trustee-administered funds as determined by annual actuarial calculations.

Defined contribution pension plans Contributions to defined contribution pension plans are charged to the income statement as incurred.

Defined benefit pension plans The group's net obligation in respect of defined benefit pension plans is actuarially calculated separately for each plan by deducting the fair value of plan assets from the gross obligation for post-retirement benefits. The gross obligation is determined by estimating the future benefit attributable to employees in return for services rendered to date.

This future benefit is discounted using the discount rate to determine its present value. Independent actuaries perform this calculation annually using the projected unit credit method.

Improvements to a defined benefit pension plan relating to past service are charged to the income statement as an expense on a straight-line basis over the period during which the benefits vest.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of the plan assets (the corridor), that portion is charged to the income statement over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Where the plan assets exceed the gross obligation, the asset recognised is limited to the total of unrecognised net actuarial losses, unrecognised past service costs related to improvements to the defined benefit pension plan and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Surpluses and deficits in the various plans are not offset.

Defined benefit post-retirement healthcare benefits The group provides post-retirement healthcare benefits to certain of its retirees. The entitlement of these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued on a systematic basis over the expected remaining period of employment, using the accounting methodology described in respect of defined benefit pension plans above. Independent actuaries perform the calculation of this obligation annually.

Share-based payments The group has equity-settled and cash-settled share-based compensation plans. The equity-settled schemes allow certain employees the option to acquire ordinary shares in Sasol Limited over a prescribed period. Such equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is charged as employee costs, with a corresponding increase in equity, on a straight-line basis over the period that the employees become unconditionally entitled to the options, based on management's estimate of the shares that will vest and adjusted for the effect of non market-based vesting conditions. These share options are not subsequently revalued.

The cash-settled scheme allows certain senior employees the right to participate in the performance of the Sasol Limited share price, in return for services rendered, through the payment of cash incentives which are based on the market price of the Sasol Limited share. These rights are recognised as a liability at fair value in the statement of financial position until the date of settlement. The fair value of these rights is determined at each reporting date and the unrecognised cost amortised to the income statement as employee costs over the period that the employees provide services to the company.

Fair value is measured using the Black Scholes, Binomial tree and Monte-Carlo option pricing models where applicable. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations such as volatility, dividend yield and the vesting period. The fair value takes into account the terms and conditions on which these incentives are granted and the extent to which the employees have rendered service to the reporting date.

Deferred income

Incentives received are recognised on a systematic basis in the income statement over the periods necessary to match them with the related costs which they are intended to compensate.

Incentives related to non-current assets are stated on the statement of financial position as deferred income and are charged to the income statement on a basis representative of the pattern of use of the asset to which the incentive relates.

Black economic empowerment (BEE) transactions

To the extent that an entity grants shares or share options in a BEE transaction and the fair value of the cash and other assets received is less than the fair value of the shares or share options granted, such difference is charged to the income statement in the period in which the transaction becomes effective. Where the BEE transaction includes service conditions the difference will be charged to the income statement over the period of these service conditions. A restriction on the transfer of the shares or share options is taken into account in determining the fair value of the share or share option.

Taxation

The income tax charge is determined based on net income before tax for the year and includes deferred tax and Secondary Taxation on Companies.

Current tax The current tax charge is the calculated tax payable on the taxable income for the year using enacted or substantively enacted tax rates and any adjustments to tax payable in respect of prior years.

Deferred tax Deferred tax is provided for using the liability method, on all temporary differences between the carrying values of assets and liabilities for accounting purposes and the amounts used for tax purposes and on any tax losses. No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill;
- the initial recognition (other than in a business combination) of an asset or liability to the extent that neither accounting nor taxable profit is affected on acquisition; and
- investments in subsidiaries to the extent they will probably not reverse in the foreseeable future.

The provision for deferred tax is calculated using enacted or substantively enacted tax rates at the reporting date that are expected to apply when the asset is realised or liability settled. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be realised.

The provision of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of its assets and liabilities.

Secondary Taxation on Companies (STC) STC is recognised as part of the current tax charge in the income statement when the related dividend is declared. When dividends received in the current year can be offset against future dividend payments to reduce the STC liability, a deferred tax asset is recognised to the extent of the future reduction in STC.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost.

Revenue

Revenue is recognised net of indirect taxes, rebates and trade discounts and consists primarily of the sale of products, services rendered, license fees, royalties, dividends received and interest received.

Revenue is recognised when the following criteria are met:

- evidence of an arrangement exists;
- delivery has occurred or services have been rendered and the significant risks and rewards of ownership have been transferred to the purchaser;
- transaction costs can be reliably measured;
- the selling price is fixed or determinable; and
- collectability is reasonably assured.

The timing of revenue recognition is as follows. Revenue from:

- the sale of products is recognised when the group no longer retains continuing managerial involvement associated with ownership or effective control;
- services rendered is based on the stage of completion of the transaction, based on the proportion that costs incurred to date bear to the total cost of the project;
- license fees and royalties is recognised on an accrual basis;
- dividends received is recognised when the right to receive payment is established; and
- interest received is recognised on a time proportion basis using the effective interest rate method.

The group enters into exchange agreements with the same counterparties for the purchase and sale of inventory that are entered into in contemplation of one another. When the items exchanged are similar in nature, these transactions are combined and accounted for as a single exchange transaction. The exchange is recognised at the carrying amount of the inventory transferred.

Further descriptions of the recognition of revenue for the various reporting segments are included under the accounting policy on segmental reporting.

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with that construction contract are recognised as revenue and expenses, respectively, by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is generally based on physical progress, man-hours or costs incurred, based on the appropriate method for the type of contract.

To the extent that the outcome of a construction contract cannot be reliably measured, revenue is recognised only to the extent that contract costs incurred are likely to be recovered.

Any expected loss on a construction contract is charged immediately to the income statement.

Contract costs relating to future activity on a contract are recognised as an asset provided it is likely that they will be recovered.

Finance expenses

Finance expenses are capitalised against qualifying assets as part of property, plant and equipment.

Such finance expenses are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction is interrupted for an extended period or when the asset is substantially complete. Further finance expenses are charged to the income statement.

Where funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of finance expenses eligible for capitalisation on that asset is the actual finance expenses incurred on the borrowing during the period less any investment income on the temporary investment of those borrowings.

Where funds are made available from general borrowings and used for the purpose of acquiring or constructing qualifying assets, the amount of finance expenses eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on these assets. The capitalisation rate is the weighted average of the interest rates applicable to the borrowings of the group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining qualifying assets. The amount of finance expenses capitalised will not exceed the amount of borrowing costs incurred.

Dividends payable

Dividends payable and the related taxation thereon are recognised as a liability in the period in which they are declared.

Segment information

Reporting segments

The group has nine main reportable segments that comprise the structure used by the Group Executive Committee (GEC) to make key operating decisions and assess performance. The group's reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market. Each business utilises different technology, manufacturing and marketing strategies.

The group evaluates the performance of its reportable segments based on operating profit. The group accounts for inter-segment sales and transfers as if the sales and transfers were entered into under the same terms and conditions as would have been entered into in a market related transaction.

The financial information of the group's reportable segments is reported to the GEC for purposes of making decisions about allocating resources to the segment and assessing its performance.

The group has formed significant joint ventures to promote Sasol technology and products internationally. The group is promoting and marketing its gas-to-liquids (GTL) technology for converting remote or flared natural gas into new-generation, low-emission GTL diesel, GTL naphtha and other products. It is envisaged that Sasol Synfuels International (SSI) through the recent development of the GTL plants in Qatar and Nigeria will contribute to the growing of a global GTL business in the future.

Whilst Sasol Petroleum International (SPI), like SSI, does not meet the quantitative criteria for disclosure as a separate segment, it is expected to become a significant contributor to the group's performance in future years as the upstream supplier of resources for the group's GTL and CTL activities.

Consequently the GEC has chosen to include SSI and SPI as reportable operating segments even though SSI and SPI do not meet any of the quantitative thresholds as the GEC believes that such information would be useful to the users of the financial statements.

South African energy cluster

Sasol Mining

Sasol Mining's activities include the mining and supply of coal to other segments including Sasol Synfuels, other entities and to third parties.

Sasol Mining sells coal under both long-term and short-term contracts at a price determinable from the agreements. Turnover is recognised upon delivery of the coal to the customer, which, in accordance with the related contract terms is the point at which the title and risks and rewards of ownership pass to the customer, prices are fixed or determinable and collectability is reasonably assured. Shipping and handling costs are included in turnover when billed to customers in conjunction with the sale of the product.

The related costs of sales are recognised in the same period as the supply of the coal and include any shipping and handling costs incurred. All inter-segment sales are conducted at market related prices.

Sasol Gas

Sasol Gas' activities include the marketing of clean-burning pipeline gas sourced from Sasol Synfuels and natural gas from the Mozambican gas fields.

Sasol Gas sells gas under long-term contracts at a price determinable from the supply agreements. Turnover is recognised at the intake flange of the customer where it is metered, which is the point at which the title and risks and rewards of ownership passes to the customer, and where prices are determinable and collectability is reasonably assured. Gas analysis and tests of the specifications and content are performed prior to delivery.

Transportation and handling costs are included in turnover when billed to customers in conjunction with the sale of a product. The related costs of sales are recognised in the same period as the turnover.

Sasol Synfuels

Sasol Synfuels' activities include the production, using natural gas, from Sasol Gas, and synthesis gas derived from coal, supplied by Sasol Mining, using in-house technology to convert this into a wide range of liquid fuels intermediates and petrochemicals. Sasol Synfuels also provides chemical feedstock to, amongst others Sasol Polymers and Sasol Solvents.

Sasol Synfuels sells synthetic fuels, chemical feedstock and industrial pipeline gas under contracts at prices determinable from the agreements. Turnover is recognised for the liquid fuel intermediates and petrochemicals when the title and risks and rewards of ownership pass to the customer, which is when the product has passed over the appropriate weigh bridge or flow meter, prices are fixed or determinable and collectability is reasonably assured.

Sasol Oil

Sasol Oil is responsible for the group's crude oil refining activities and for blending and marketing of all liquid fuels and lubricants.

Sasol Oil sells liquid fuels products under both short-term and long-term agreements for both retail sales and commercial sales including sales to other oil companies. The prices are regulated and fixed by South African law for retail sales, and the prices are fixed and determinable according to the specific contract with periodic price adjustments for commercial sales and sales to other oil companies. Laboratory tests of the fuel specifications and content are performed prior to delivery. Turnover is recognised under the following arrangements:

- Commercial sales transactions and sales to other oil companies: when product is delivered to the customer site, which is the point where the risks and rewards of ownership and title of the product transfer to the customer, and collectability is reasonably assured.
- Dealer-owned supply agreements and franchise agreements: upon delivery of the product to the customer, which is the point where the risks and rewards of ownership of the product transfer to the customer. Title under these contracts is retained to enable recovery of the goods in the event of customer default on payment. The title to the goods does not enable the group to dispose of the product or rescind the transaction, and cannot prevent the customer from selling the product.

Turnover for the supply of fuel is based on measurement through a flow-meter into customers' tanks. Shipping and handling costs are included in turnover when billed to customers in conjunction with the sale of a product. The related costs of sales are recognised in the same period as the turnover.

Other

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

International energy cluster

Sasol Synfuels International (SSI)

SSI is responsible for developing, implementing and managing international business ventures based on Sasol's Fischer-Tropsch synthesis technology. SSI is also involved in the development of GTL fuels and production of other chemical products from GTL derived feedstock.

SSI is currently involved in the establishment of two GTL production facilities in Qatar and Nigeria and is conducting feasibility studies for both GTL and coal-to-liquids (CTL) facilities at various other locations around the world.

Turnover is derived from the sale of goods produced by the operating facilities and is recognised when, in accordance with the related contract terms, the title and risks and rewards of ownership pass to the customer, prices are fixed or determinable and collectability is reasonably assured. Shipping and handling costs are included in turnover when billed to customers in conjunction with the sale of the products. Turnover is also derived from the rendering of engineering services to external partners in joint ventures upon the proof of completion of the service.

Sasol Petroleum International (SPI)

SPI develops and manages upstream interests in oil and gas exploration and production in Mozambique, South Africa, Gabon, Equatorial Guinea and Nigeria. It produces gas from Mozambique's Temane field and oil in Gabon through its share in the offshore Etame field.

SPI sells natural gas under a long-term contract to Sasol Gas and oil to customers under long-term contracts at a price determinable from the agreements. Turnover is recognised at the intake flange of the customer where it is metered, which is the point at which the title and risks and rewards of ownership passes to the customer, and where prices are determinable and collectability is reasonably assured.

Chemical cluster

Sasol Polymers

Sasol Polymers focuses on the production of monomers, polypropylene, polyethylene, vinyls and other chemical products through its respective businesses.

Sasol Solvents

Sasol Solvents primarily manufactures and markets globally a range of oxygenated solvents, comonomers and chemical intermediates to various industries.

Sasol Olefins & Surfactants

Sasol Olefins & Surfactants manufactures and markets globally a diverse range of surfactants, surfactant intermediates, alcohols, monomers and inorganic speciality chemicals.

Other chemical businesses

Other chemical businesses include Sasol Wax (production and marketing of wax and wax related products), Sasol Nitro (production and marketing of ammonia and ammonia derivative products), Merisol (manufacturing and marketing of phenolics and cresylics) and Sasol Infrachem (manufacturing of synthesis gas).

The businesses in the chemical cluster sell much of their products under contracts at prices determinable from such agreements. Turnover is recognised upon delivery to the customer which in accordance with the related contract terms, is the point at which the title and risks and rewards of ownership transfer to the customer, prices are determinable and collectability is reasonably assured. Turnover on consignment sales is recognised on consumption by the customer, when title and the risks and rewards of ownership pass to the customer, prices are determinable and collectability is reasonably assured. Product quality is safeguarded through quality assurance programmes.

The date of delivery related to the above Chemical cluster is determined in accordance with the contractual agreements entered into with customers which are briefly summarised as follows:

Delivery terms	Title and risks and rewards of ownership pass to the customer
Ex-Tank sales	When products are loaded into the customer's vehicle or unloaded from the seller's storage tanks.
Carriage Paid To (CPT)	On delivery of products to a specified location (main carriage is paid for by the seller).
Free on Board (FOB)	When products are loaded into the transport vehicle – customer is responsible for shipping and handling costs.
Cost Insurance Freight (CIF) and Cost Freight Railage (CFR)	When products are loaded into the transport vehicle – seller is responsible for shipping and handling costs which are included in the selling price.
Proof of Delivery (POD)	When products are delivered to and signed for by the customer.
Consignment Sales	As and when products are consumed by the customer.

Other Businesses

Other businesses include the group's treasury, research and development activities and central administration activities.

Convenience translation from rand to US dollars

The presentation currency of the group is rand.

Supplementary US dollar information is provided for convenience only.

The conversion to US dollars is performed as follows:

- assets and liabilities are translated at the closing rate of exchange on the reporting date;
- income and expenses are translated at average rates of exchange for the years presented;
- shareholders' equity, other than attributable earnings for the year, is translated at the closing rate on each reporting date; and
- the resulting translation differences are included as other comprehensive income in shareholders' equity.

Critical accounting estimates and judgements

Management of the group makes estimates and assumptions concerning the future in applying its accounting policies. The resulting accounting estimates may, by definition, not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the notes to the financial statements where applicable.

Management continually evaluate estimates and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Comparative figures

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results as set out in the affected notes to the financial statements.

During the year under review the group reclassified amounts previously included in long-term receivables as part of property, plant and equipment, having risks and rewards more closely aligned to those incidental to ownership.

Sasol Italy has reviewed its post retirement pension benefit obligations and has reclassified the amounts related to post retirement pension benefit obligations from long-term provisions to post-retirement benefit obligations.

Certain additional disclosure has been provided in respect of the current year. To the extent practicable, comparative information has also been provided.

statement of financial position

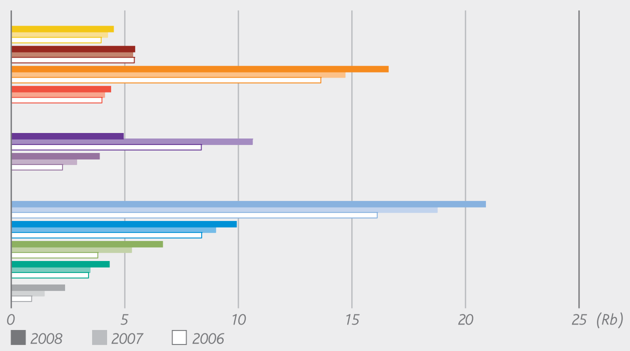
at 30 June

	Note	2008 Rm	2007 Rm	2006 Rm
Assets				
Property, plant and equipment	3	**66 273**	50 611	39 929
Assets under construction	4	**11 693**	24 611	23 176
Goodwill	5	**874**	586	266
Other intangible assets	6	**964**	629	775
Investments in securities	7	**557**	472	394
Investments in associates	8	**830**	692	636
Post-retirement benefit assets	9	**571**	363	80
Long-term receivables and prepaid expenses	10	**1 385**	1 585	917
Long-term financial assets	11	**689**	296	251
Deferred tax assets	23	**1 453**	845	691
Non-current assets		**85 289**	80 690	67 115
Investments in securities	7	**78**	70	72
Assets held for sale	12	**3 833**	334	12 115
Inventories	13	**20 088**	14 399	8 003
Trade receivables	14	**22 838**	14 733	10 402
Other receivables and prepaid expenses	15	**2 407**	2 184	1 585
Short-term financial assets	16	**330**	22	180
Cash restricted for use	17	**814**	646	584
Cash	17	**4 435**	5 987	3 102
Current assets		**54 823**	38 375	36 043
Total assets		**140 112**	119 065	103 158
Equity and liabilities				
Shareholders' equity		**76 474**	61 617	52 605
Minority interest		**2 521**	1 652	379
Total equity		**78 995**	63 269	52 984
Long-term debt	18	**15 682**	13 359	15 021
Long-term financial liabilities	19	**37**	53	–
Long-term provisions	20	**4 491**	3 668	3 463
Post-retirement benefit obligations	21	**4 578**	3 781	2 461
Long-term deferred income	22	**376**	2 765	1 698
Deferred tax liabilities	23	**8 446**	8 304	6 156
Non-current liabilities		**33 610**	31 930	28 799
Liabilities in disposal groups held for sale	12	**142**	35	5 479
Short-term debt	24	**3 496**	5 621	2 721
Short-term financial liabilities	25	**67**	383	514
Short-term provisions	26	**2 819**	2 693	1 875
Short-term portion of deferred income	22	**167**	44	10
Tax payable	27	**1 522**	1 465	1 899
Trade payables and accrued expenses	28	**14 694**	9 376	6 602
Other payables	29	**3 686**	3 704	1 833
Bank overdraft	17	**914**	545	442
Current liabilities		**27 507**	23 866	21 375
Total equity and liabilities		**140 112**	119 065	103 158

business segment information

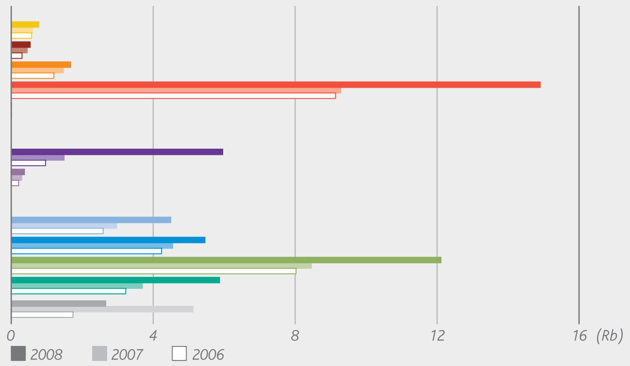
Non-current assets*

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	30 909	28 395	27 001
Mining	4 498	4 241	3 958
Gas	5 437	5 348	5 419
Synfuels	16 597	14 697	13 632
Oil	4 377	4 109	3 992
International energy cluster	8 811	13 481	10 626
Synfuels International	4 933	10 615	8 369
Petroleum International	3 878	2 866	2 257
Chemical cluster	41 766	36 517	31 710
Polymers	20 880	18 754	16 113
Solvents	9 911	8 999	8 384
Olefins & Surfactants†	6 660	5 295	3 811
Other	4 315	3 469	3 402
Other businesses	2 350	1 452	898
Total	83 836	79 845	70 235



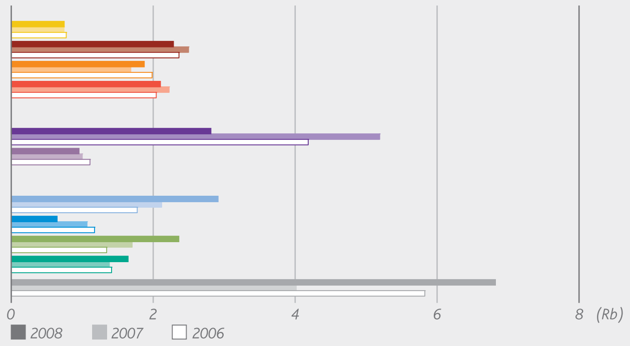
Current assets

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	17 895	11 799	11 214
Mining	776	596	574
Gas	533	450	303
Synfuels	1 675	1 467	1 200
Oil	14 906	9 286	9 137
Other	5	–	–
International energy cluster	6 331	1 785	1 157
Synfuels International	5 959	1 488	951
Petroleum International	372	297	206
Chemical cluster	27 935	19 668	18 074
Polymers	4 496	2 968	2 587
Solvents	5 458	4 550	4 235
Olefins & Surfactants†	12 111	8 454	8 025
Other	5 870	3 696	3 227
Other businesses	2 662	5 123	1 739
Total	54 823	38 375	32 184



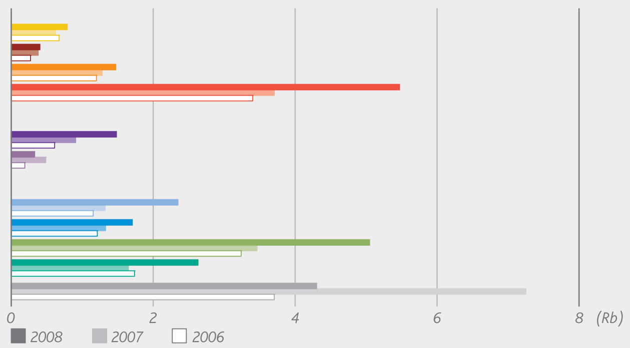
Non-current liabilities*

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	7 007	7 149	7 162
Mining	746	743	772
Gas	2 285	2 498	2 363
Synfuels	1 874	1 684	1 984
Oil	2 102	2 224	2 043
International energy cluster	3 768	6 191	5 293
Synfuels International	2 813	5 191	4 184
Petroleum International	955	1 000	1 109
Chemical cluster	7 567	6 271	5 728
Polymers	2 914	2 119	1 775
Solvents	646	1 067	1 173
Olefins & Surfactants†	2 361	1 703	1 367
Other	1 646	1 382	1 413
Other businesses	6 822	4 015	5 827
Total	25 164	23 626	24 010



Current liabilities*

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	8 135	5 991	5 549
Mining	788	624	675
Gas	404	380	271
Synfuels	1 472	1 281	1 200
Oil	5 471	3 706	3 403
International energy cluster	1 812	1 394	802
Synfuels International	1 482	908	611
Petroleum International	330	486	191
Chemical cluster	11 735	7 766	7 344
Polymers	2 349	1 324	1 155
Solvents	1 706	1 329	1 213
Olefins & Surfactants†	5 049	3 463	3 239
Other	2 631	1 650	1 737
Other businesses	4 303	7 250	3 706
Total	25 985	22 401	17 401



* Excludes tax and deferred tax.
† In the segment report for 2006, for comparative purposes, the assets and liabilities of Sasol O&S are included in the line items to which they relate.

Sasol Limited **group**

income statement

for the year ended 30 June

	Note	*2008* *Rm*	*2007* *Rm*	*2006* *Rm*
Turnover	*30*	**129 943**	98 127	82 395
Cost of sales and services rendered	*31*	**(74 634)**	(59 997)	(48 547)
Gross profit		**55 309**	38 130	33 848
Other operating income	*32*	**635**	639	533
Marketing and distribution expenditure		**(6 931)**	(5 818)	(5 234)
Administrative expenditure		**(6 697)**	(6 094)	(4 316)
Other operating expenditure		**(8 500)**	(1 236)	(7 619)
Other expenses		**(8 800)**	(1 004)	(7 862)
Translation gains/(losses)	*33*	**300**	(232)	243
Operating profit	*34*	**33 816**	25 621	17 212
Finance income	*37*	**735**	825	341
Share of profit of associates (net of tax)	*38*	**254**	405	134
Finance expenses	*39*	**(1 148)**	(1 148)	(571)
Profit before tax		**33 657**	25 703	17 116
Taxation	*40*	**(10 129)**	(8 153)	(6 534)
Profit		**23 528**	17 550	10 582
Attributable to				
Owners of Sasol Limited		**22 417**	17 030	10 406
Minority interests in subsidiaries		**1 111**	520	176
		23 528	17 550	10 582
		Rand	Rand	Rand
Per share information				
Earnings per share	*42*	**37,30**	27,35	16,78
Diluted earnings per share	*42*	**36,78**	27,02	16,51

statement of comprehensive income

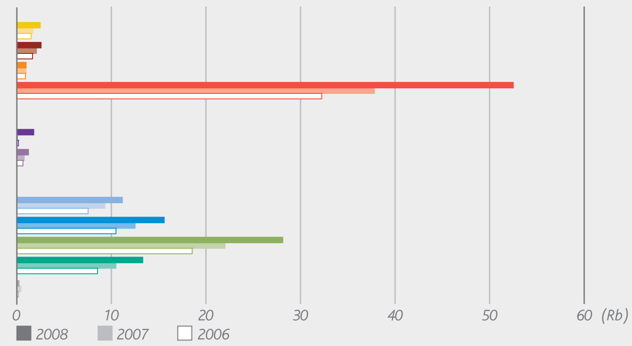
for the year ended 30 June

	Note	*2008* *Rm*	*2007* *Rm*	*2006* *Rm*
Profit for year		**23 528**	17 550	10 582
Other comprehensive income				
Effect of translation of foreign operations	*43*	**3 452**	(258)	1 152
Effect of cash flow hedges	*43*	**261**	–	430
Investments available-for-sale	*43*	**(1)**	–	–
Tax on other comprehensive income	*43*	**(60)**	–	(65)
Other comprehensive income, net of tax	*43*	**3 652**	(258)	1 517
Total comprehensive income		**27 180**	17 292	12 099
Attributable to				
Owners of Sasol Limited		**26 062**	16 772	11 912
Minority interests in subsidiaries		**1 118**	520	187
		27 180	17 292	12 099

business segment information

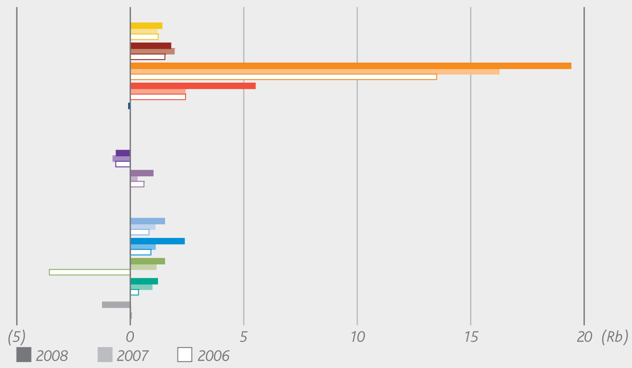
External turnover*

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	58 515	42 561	36 338
Mining	2 470	1 694	1 517
Gas	2 563	2 075	1 663
Synfuels	982	976	915
Oil	52 500	37 816	32 243
International energy cluster	3 016	842	810
Synfuels International	1 788	65	161
Petroleum International	1 228	777	649
Chemical cluster	68 187	54 296	45 097
Polymers	11 162	9 305	7 537
Solvents	15 585	12 509	10 485
Olefins & Surfactants	28 125	22 012	18 545
Other	13 315	10 470	8 530
Other businesses	225	428	150
Total	129 943	98 127	82 395



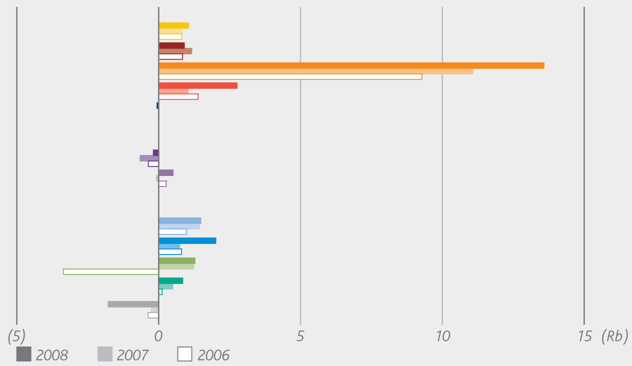
Operating profit/(losses)

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	28 048	21 775	18 684
Mining	1 393	1 171	1 227
Gas	1 785	1 936	1 526
Synfuels	19 416	16 251	13 499
Oil	5 507	2 417	2 432
Other	(53)	–	–
International energy cluster	383	(463)	(42)
Synfuels International	(621)	(763)	(642)
Petroleum International	1 004	300	600
Chemical cluster	6 605	4 292	(1 477)
Polymers	1 511	1 089	822
Solvents	2 382	1 104	908
Olefins & Surfactants	1 512	1 140	(3 567)
Other	1 200	959	360
Other businesses	(1 220)	17	47
Total	33 816	25 621	17 212



Contribution to attributable earnings

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	18 251	14 090	12 323
Mining	1 053	814	813
Gas	904	1 163	842
Synfuels	13 582	11 076	9 278
Oil	2 765	1 037	1 390
Other	(53)	–	–
International energy cluster	318	(726)	(100)
Synfuels International	(189)	(653)	(366)
Petroleum International	507	(73)	266
Chemical cluster	5 627	3 921	(1 446)
Polymers	1 485	1 443	985
Solvents	2 015	742	806
Olefins & Surfactants	1 279	1 241	(3 360)
Other	848	495	123
Other businesses	(1 779)	(255)	(371)
Total	22 417	17 030	10 406



* Excludes inter-segment sales.

statement of financial position *(US dollar convenience translation)*

at 30 June

	2008 US$m	2007 US$m	2006 US$m
Assets			
Property, plant and equipment	**8 464**	7 189	5 569
Assets under construction	**1 493**	3 496	3 232
Goodwill	**112**	84	37
Other intangible assets	**123**	89	108
Investments in securities	**71**	67	55
Investments in associates	**106**	98	89
Post-retirement benefit assets	**73**	52	11
Long-term receivables and prepaid expenses	**177**	225	128
Long-term financial assets	**88**	42	35
Deferred tax assets	**186**	120	96
Non-current assets	**10 893**	11 462	9 360
Investments in securities	**10**	10	10
Assets held for sale	**490**	48	1 690
Inventories	**2 565**	2 045	1 116
Trade receivables	**2 917**	2 093	1 451
Other receivables and prepaid expenses	**307**	310	221
Short-term financial assets	**42**	3	25
Cash restricted for use	**104**	92	81
Cash	**566**	850	433
Current assets	**7 001**	5 451	5 027
Total assets	**17 894**	16 913	14 387
Equity and liabilities			
Shareholders' equity	**9 767**	8 752	7 337
Minority interest	**322**	235	53
Total equity	**10 089**	8 987	7 390
Long-term debt	**2 003**	1 898	2 095
Long-term financial liabilities	**5**	8	–
Long-term provisions	**573**	521	483
Post-retirement benefit obligations	**585**	537	343
Long-term deferred income	**48**	393	237
Deferred tax liabilities	**1 079**	1 179	858
Non-current liabilities	**4 293**	4 536	4 016
Liabilities in disposal groups held for sale	**18**	5	764
Short-term debt	**446**	799	379
Short-term financial liabilities	**8**	54	72
Short-term provisions	**360**	383	261
Short-term portion of deferred income	**21**	6	1
Tax payable	**194**	208	265
Trade payables and accrued expenses	**1 877**	1 332	921
Other payables	**471**	526	256
Bank overdraft	**117**	77	62
Current liabilities	**3 512**	3 390	2 981
Total equity and liabilities	**17 894**	16 913	14 387
Exchange rate			
Converted at closing rate of Rand per 1US$	**7,83**	7,04	7,17

Sasol Limited **group** – supplementary information

income statement *(US dollar convenience translation)*

for the year ended 30 June

	2008 US$m	2007 US$m	2006 US$m
Turnover	**17 801**	13 629	12 854
Cost of sales and services rendered	**(10 224)**	(8 333)	(7 574)
Gross profit	**7 577**	5 296	5 280
Other operating income	**87**	89	83
Marketing and distribution expenditure	**(950)**	(808)	(817)
Administrative expenditure	**(917)**	(846)	(673)
Other operating expenditure	**(1 165)**	(172)	(1 188)
Other expenses	**(1 206)**	(140)	(1 226)
Translation gains/(losses)	**41**	(32)	38
Operating profit	**4 632**	3 559	2 685
Finance income	**101**	115	53
Share of profit of associates (net of tax)	**35**	56	21
Finance expenses	**(157)**	(160)	(89)
Profit before tax	**4 611**	3 570	2 670
Taxation	**(1 388)**	(1 132)	(1 019)
Profit	**3 223**	2 438	1 651
Attributable to			
Owners of Sasol Limited	**3 071**	2 366	1 624
Minority interests in subsidiaries	**152**	72	27
	3 223	2 438	1 651
	US$	US$	US$
Per share information			
Earnings per share	**5,11**	3,80	2,62
Diluted earnings per share	**5,04**	3,75	2,58
Exchange rate			
Converted at average rate of Rand per 1US$	**7,30**	7,20	6,41

Sasol Limited **group**

statement of changes in equity

for the year ended 30 June

	Share capital (note 44) Rm	Share-based payment reserve (note 45) Rm	Foreign currency translation reserve (note 46) Rm	Investment fair value reserve Rm
Balance at 30 June 2005	**3 203**	**611**	**(1 336)**	**2**
Shares issued on implementation of share options	431	–	–	–
Share-based payment expense	–	169	–	–
Change in shareholding of subsidiaries	–	–	–	–
Total comprehensive income for year	–	–	1 147	–
Dividends paid	–	–	–	–
Balance at 30 June 2006	**3 634**	**780**	**(189)**	**2**
Shares issued on implementation of share options	332	–	–	–
Cancellation of shares	(338)	–	–	–
Repurchase of shares	–	–	–	–
Share-based payment expense	–	186	–	–
Change in shareholding of subsidiaries	–	–	4	–
Total comprehensive income for year	–	–	(258)	–
Dividends paid	–	–	–	–
Balance at 30 June 2007	**3 628**	**966**	**(443)**	**2**
Shares issued on implementation of share options	475	–	–	–
Shares issued on Sasol Inzalo share transaction	16 161	–	–	–
Costs on implementation of Sasol Inzalo share transaction	(88)	–	–	–
Repurchase of shares	–	–	–	–
Share-based payment expense	–	1 574	–	–
Acquisition of businesses (refer note 54)	–	–	–	–
Change in shareholding of subsidiaries	–	–	–	–
Total comprehensive income for year	–	–	3 449	(1)
Dividends paid	–	–	–	–
Balance at 30 June 2008	**20 176**	**2 540**	**3 006**	**1**

Cash flow hedge accounting reserve Rm	Sasol Inzalo share transaction (note 45) Rm	Share repurchase programme (note 47) Rm	Retained earnings Rm	**Shareholders' equity Rm**	Minority interest Rm	**Total equity Rm**
(335)	**–**	**(3 647)**	**45 255**	**43 753**	**253**	**44 006**
–	–	–	–	**431**	–	**431**
–	–	–	–	**169**	–	**169**
–	–	–	–	**–**	14	**14**
359	–	–	10 406	**11 912**	187	**12 099**
–	–	–	(3 660)	**(3 660)**	(75)	**(3 735)**
24	**–**	**(3 647)**	**52 001**	**52 605**	**379**	**52 984**
–	–	–	–	**332**	–	**332**
–	–	3 647	(3 309)	**–**	–	**–**
–	–	(3 669)	–	**(3 669)**	–	**(3 669)**
–	–	–	–	**186**	–	**186**
–	–	–	–	**4**	1 161	**1 165**
–	–	–	17 030	**16 772**	520	**17 292**
–	–	–	(4 613)	**(4 613)**	(408)	**(5 021)**
24	**–**	**(3 669)**	**61 109**	**61 617**	**1 652**	**63 269**
–	–	–	–	**475**	–	**475**
–	(16 161)	–	–	**–**	–	**–**
–	–	–	–	**(88)**	–	**(88)**
–	–	(7 300)	–	**(7 300)**	–	**(7 300)**
–	–	–	–	**1 574**	–	**1 574**
–	–	–	(100)	**(100)**	–	**(100)**
–	–	–	–	**–**	306	**306**
197	–	–	22 417	**26 062**	1 118	**27 180**
–	–	–	(5 766)	**(5 766)**	(555)	**(6 321)**
221	**(16 161)**	**(10 969)**	**77 660**	**76 474**	**2 521**	**78 995**

statement of cash flows

for the year ended 30 June

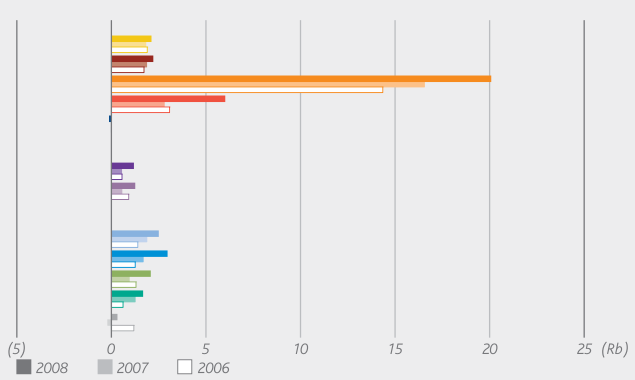
	Note	2008 Rm	2007 Rm	2006 Rm
Cash receipts from customers		**123 452**	97 339	80 229
Cash paid to suppliers and employees		**(88 712)**	(68 907)	(55 694)
Cash generated by operating activities	48	**34 740**	28 432	24 535
Finance income received	51	**957**	1 059	444
Finance expenses paid	39	**(2 405)**	(1 816)	(1 745)
Tax paid	27	**(9 572)**	(7 251)	(5 389)
Cash available from operating activities		**23 720**	20 424	17 845
Dividends paid	52	**(5 766)**	(4 613)	(3 660)
Cash retained from operating activities		**17 954**	15 811	14 185
Additions to non-current assets		**(10 855)**	(12 045)	(13 296)
Additions to property, plant and equipment	3	**(2 167)**	(1 544)	(978)
Additions to assets under construction	4	**(8 671)**	(10 479)	(12 291)
Additions to other intangible assets	6	**(17)**	(22)	(27)
Non-current assets sold	53	**184**	193	542
Repurchase of participation right in GTL project	41	**(34)**	–	–
Acquisition of businesses	54	**(431)**	(285)	(147)
Cash/(overdraft) acquired on acquisition of businesses	54	**19**	–	(113)
Disposal of businesses	55	**693**	2 200	587
(Cash)/overdraft disposed of on disposal of businesses	55	**(31)**	33	(1)
Purchase of investments		**(42)**	(79)	(62)
Proceeds from sale of investments		**–**	–	16
(Increase)/decrease in long-term receivables		**(347)**	(562)	191
Cash utilised in investing activities		**(10 844)**	(10 545)	(12 283)
Share capital issued on implementation of share options		**475**	332	431
Costs on implementation of Sasol Inzalo share transaction		**(88)**	–	–
Share repurchase programme		**(7 300)**	(3 669)	–
Contributions from minority shareholders		**185**	–	–
Dividends paid to minority shareholders		**(555)**	(408)	(75)
Proceeds from long-term debt	18	**3 806**	1 021	2 631
Repayments of long-term debt	18	**(4 588)**	(1 034)	(1 326)
Proceeds from short-term debt	24	**1 942**	1 918	973
Repayments of short-term debt	24	**(2 292)**	(1 053)	(3 911)
Cash effect of financing activities		**(8 415)**	(2 893)	(1 277)
Translation effects on cash and cash equivalents of foreign operations	46	**324**	(24)	(133)
(Decrease)/increase in cash and cash equivalents		**(981)**	2 349	492
Cash and cash equivalents at beginning of year		**6 088**	3 244	3 224
Net reclassification (to)/from held for sale		**(772)**	495	(472)
Cash and cash equivalents at end of year	17	**4 335**	6 088	3 244

sasol reaching new frontiers

business segment information

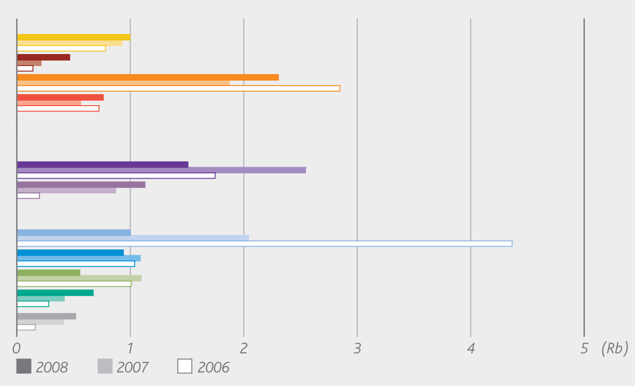
Cash flow from operations (refer note 49)

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	30 297	23 031	21 048
Mining	2 097	1 819	1 896
Gas	2 193	1 863	1 724
Synfuels	20 062	16 553	14 351
Oil	5 998	2 796	3 077
Other	(53)	–	–
International energy cluster	2 406	1 094	1 476
Synfuels International	1 168	540	561
Petroleum International	1 238	554	915
Chemical cluster	9 144	5 758	4 573
Polymers	2 483	1 874	1 396
Solvents	2 947	1 682	1 260
Olefins & Surfactants	2 060	945	1 301
Other	1 654	1 257	616
Other businesses	297	(192)	1 187
Total	42 144	29 691	28 284



Additions to property, plant and equipment, assets under construction and other intangible assets

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	4 531	3 578	4 495
Mining	997	927	782
Gas	466	214	142
Synfuels	2 305	1 874	2 847
Oil	762	563	724
Other	1	–	–
International energy cluster	2 637	3 415	1 947
Synfuels International	1 508	2 544	1 748
Petroleum International	1 129	871	199
Chemical cluster	3 168	4 642	6 692
Polymers	1 001	2 042	4 365
Solvents	939	1 087	1 039
Olefins & Surfactants	555	1 095	1 008
Other	673	418	280
Other businesses	519	410	162
Total	10 855	12 045	13 296

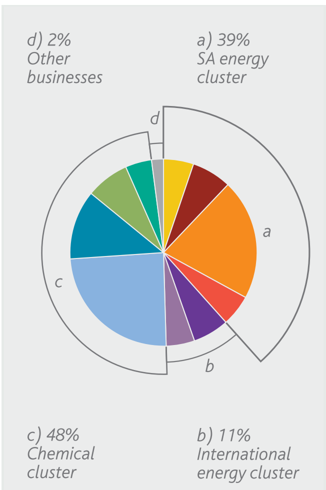


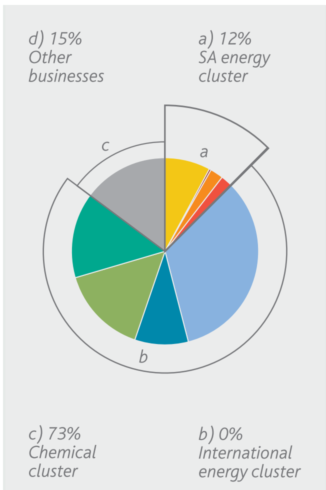
Sasol Limited **group**

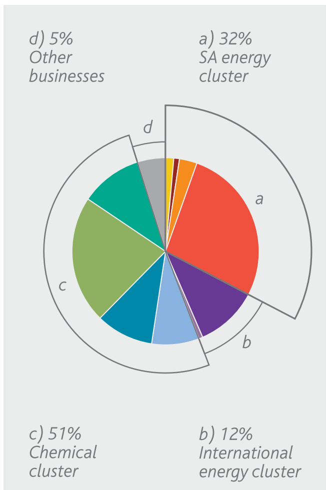
business segment information

	Property, plant and equipment, assets under construction and other intangible assets			Other non-current assets*			Current assets		
	2008 Rm	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm
South African energy cluster	**30 299**	27 974	26 653	**610**	421	348	**17 895**	11 799	11 214
Mining	**4 112**	3 912	3 705	**386**	329	253	**776**	596	574
Gas	**5 421**	5 324	5 383	**16**	24	36	**533**	450	303
Synfuels	**16 486**	14 655	13 606	**111**	42	26	**1 675**	1 467	1 200
Oil	**4 280**	4 083	3 959	**97**	26	33	**14 906**	9 286	9 137
Other	**–**	–	–	**–**	–	–	**5**	–	–
International energy cluster	**8 806**	12 822	10 062	**5**	659	564	**6 331**	1 785	1 157
Synfuels International	**4 928**	9 956	7 805	**5**	659	564	**5 959**	1 488	951
Petroleum International	**3 878**	2 866	2 257	**–**	–	–	**372**	297	206
Chemical cluster	**38 201**	33 911	30 030	**3 565**	2 606	1 680	**27 935**	19 668	18 074
Polymers	**19 239**	17 513	15 504	**1 641**	1 241	609	**4 496**	2 968	2 587
Solvents	**9 457**	8 647	8 059	**454**	352	325	**5 458**	4 550	4 235
Olefins & Surfactants†	**5 914**	4 771	3 539	**746**	524	272	**12 111**	8 454	8 025
Other	**3 591**	2 980	2 928	**724**	489	474	**5 870**	3 696	3 227
Other businesses	**1 624**	1 144	674	**726**	308	224	**2 662**	5 123	1 739
Total	**78 930**	75 851	67 419	**4 906**	3 994	2 816	**54 823**	38 375	32 184

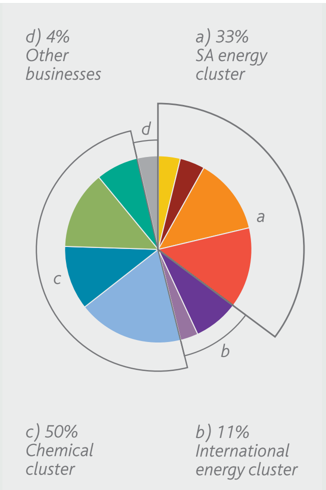
* *Excludes tax and deferred tax.*
† *In the segment report for 2006, for comparative purposes, the assets and liabilities of Sasol O&S are included in the line items to which they relate.*

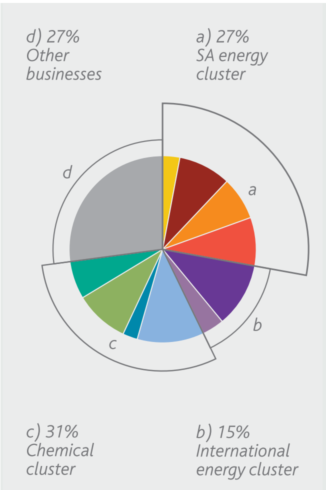


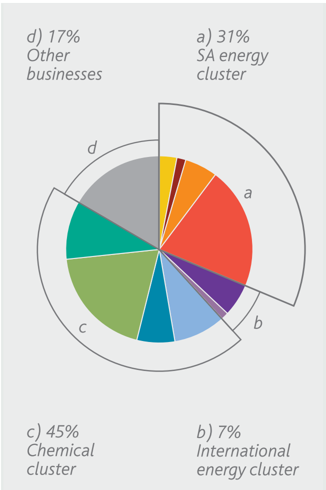




Total consolidated assets*			Non-current liabilities*			Current liabilities*			Total consolidated liabilities*		
2008 Rm	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm
48 804	40 194	38 215	**7 007**	7 149	7 162	**8 135**	5 991	5 549	**15 142**	13 140	12 711
5 274	4 837	4 532	**746**	743	772	**788**	624	675	**1 534**	1 367	1 447
5 970	5 798	5 722	**2 285**	2 498	2 363	**404**	380	271	**2 689**	2 878	2 634
18 272	16 164	14 832	**1 874**	1 684	1 984	**1 472**	1 281	1 200	**3 346**	2 965	3 184
19 283	13 395	13 129	**2 102**	2 224	2 043	**5 471**	3 706	3 403	**7 573**	5 930	5 446
5	–	–	**–**	–	–	**–**	–	–	**–**	–	–
15 142	15 266	11 783	**3 768**	6 191	5 293	**1 812**	1 394	802	**5 580**	7 585	6 095
10 892	12 103	9 320	**2 813**	5 191	4 184	**1 482**	908	611	**4 295**	6 099	4 795
4 250	3 163	2 463	**955**	1 000	1 109	**330**	486	191	**1 285**	1 486	1 300
69 701	56 185	49 784	**7 567**	6 271	5 728	**11 735**	7 766	7 344	**19 302**	14 037	13 072
25 376	21 722	18 700	**2 914**	2 119	1 775	**2 349**	1 324	1 155	**5 263**	3 443	2 930
15 369	13 549	12 619	**646**	1 067	1 173	**1 706**	1 329	1 213	**2 352**	2 396	2 386
18 771	13 749	11 836	**2 361**	1 703	1 367	**5 049**	3 463	3 239	**7 410**	5 166	4 606
10 185	7 165	6 629	**1 646**	1 382	1 413	**2 631**	1 650	1 737	**4 277**	3 032	3 150
5 012	6 575	2 637	**6 822**	4 015	5 827	**4 303**	7 250	3 706	**11 125**	11 265	9 533
138 659	118 220	102 419	**25 164**	23 626	24 010	**25 985**	22 401	17 401	**51 149**	46 027	41 411



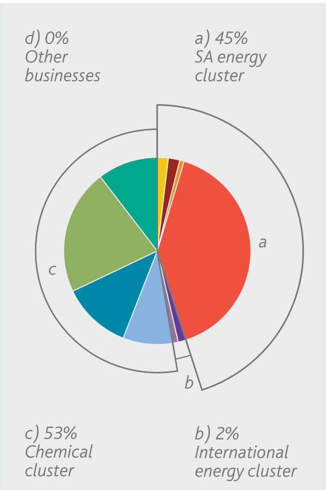


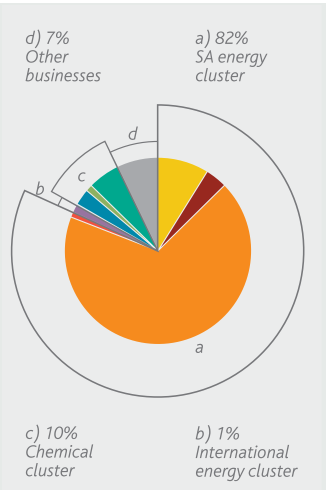


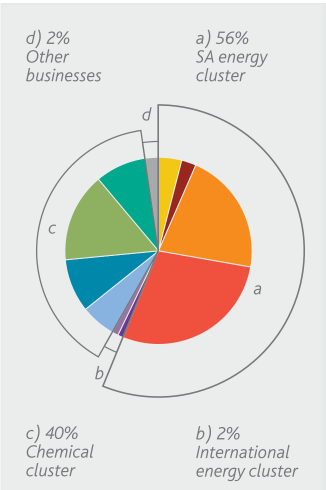
Sasol Limited **group**

business segment information

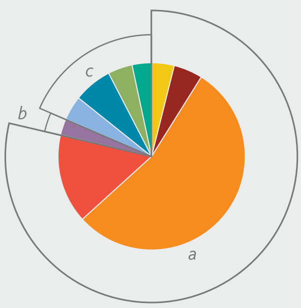
	External turnover			Intersegment turnover			Total turnover		
	2008 Rm	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm
South African energy cluster	**58 515**	42 561	36 338	**46 275**	34 458	30 773	**104 790**	77 019	67 111
Mining	**2 470**	1 694	1 517	**5 009**	4 348	3 949	**7 479**	6 042	5 466
Gas	**2 563**	2 075	1 663	**2 134**	1 627	1 546	**4 697**	3 702	3 209
Synfuels	**982**	976	915	**38 634**	28 108	24 734	**39 616**	29 084	25 649
Oil	**52 500**	37 816	32 243	**498**	375	544	**52 998**	38 191	32 787
Other	**–**	–	–	**–**	–	–	**–**	–	–
International energy cluster	**3 016**	842	810	**748**	623	588	**3 764**	1 465	1 398
Synfuels International	**1 788**	65	161	**5**	–	–	**1 793**	65	161
Petroleum International	**1 228**	777	649	**743**	623	588	**1 971**	1 400	1 237
Chemical cluster	**68 187**	54 296	45 097	**5 509**	4 584	4 186	**73 696**	58 880	49 283
Polymers	**11 162**	9 305	7 537	**142**	105	102	**11 304**	9 410	7 639
Solvents	**15 585**	12 509	10 485	**1 597**	1 257	1 181	**17 182**	13 766	11 666
Olefins & Surfactants	**28 125**	22 012	18 545	**655**	570	550	**28 780**	22 582	19 095
Other	**13 315**	10 470	8 530	**3 115**	2 652	2 353	**16 430**	13 122	10 883
Other businesses	**225**	428	150	**4 048**	2 416	1 301	**4 273**	2 844	1 451
Total	**129 943**	98 127	82 395	**56 580**	42 081	36 848	**186 523**	140 208	119 243

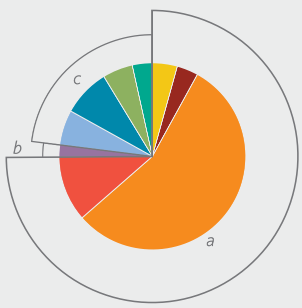






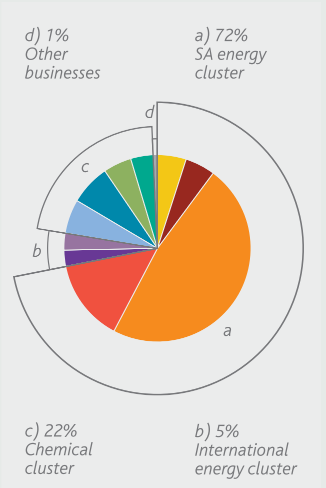
Translation gains/(losses)			Effect of remeasurement items (before tax) (refer note 41)			Operating profit/(losses)			Contribution to attributable earnings		
2008 Rm	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm
96	(160)	(39)	**(116)**	291	(73)	**28 048**	21 775	18 684	**18 251**	14 090	12 323
(7)	(11)	2	**(7)**	(13)	(16)	**1 393**	1 171	1 227	**1 053**	814	813
(6)	(8)	(10)	**(104)**	370	138	**1 785**	1 936	1 526	**904**	1 163	842
(5)	1	(35)	**(25)**	(64)	(187)	**19 416**	16 251	13 499	**13 582**	11 076	9 278
114	(142)	4	**20**	(2)	(8)	**5 507**	2 417	2 432	**2 765**	1 037	1 390
–	–	–	**–**	–	–	**(53)**	–	–	**(53)**	–	–
(2)	(47)	22	**(369)**	–	(82)	**383**	(463)	(42)	**318**	(726)	(100)
(16)	(15)	(18)	**(396)**	–	–	**(621)**	(763)	(642)	**(189)**	(653)	(366)
14	(32)	40	**27**	–	(82)	**1 004**	300	600	**507**	(73)	266
153	(46)	133	**(294)**	538	(4 107)	**6 605**	4 292	(1 477)	**5 627**	3 921	(1 446)
296	12	29	**12**	(9)	(17)	**1 511**	1 089	822	**1 485**	1 443	985
404	(1)	128	**(104)**	(146)	105	**2 382**	1 104	908	**2 015**	742	806
32	(48)	(11)	**27**	707	(4 143)	**1 512**	1 140	(3 567)	**1 279**	1 241	(3 360)
(579)	(9)	(13)	**(229)**	(14)	(52)	**1 200**	959	360	**848**	495	123
53	21	127	**81**	311	(10)	**(1 220)**	17	47	**(1 779)**	(255)	(371)
300	(232)	243	**(698)**	1 140	(4 272)	**33 816**	25 621	17 212	**22 417**	17 030	10 406

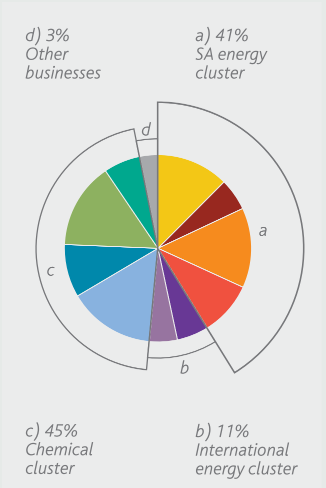




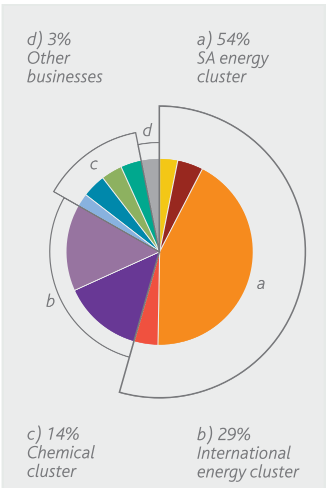
business segment information

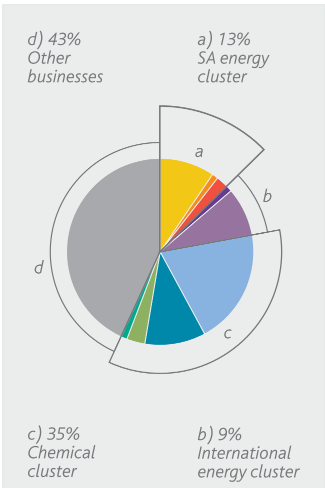
	Cash flow information								
	Cash flow from operations (refer note 49)			Depreciation and amortisation			Additions to non-current assets		
	2008 Rm	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm
South African energy cluster	**30 297**	23 031	21 048	**(2 146)**	(2 026)	(2 036)	**4 531**	3 578	4 495
Mining	**2 097**	1 819	1 896	**(650)**	(659)	(646)	**997**	927	782
Gas	**2 193**	1 863	1 724	**(289)**	(271)	(258)	**466**	214	142
Synfuels	**20 062**	16 553	14 351	**(720)**	(631)	(661)	**2 305**	1 874	2 847
Oil	**5 998**	2 796	3 077	**(487)**	(465)	(471)	**762**	563	724
Other	**(53)**	–	–	**–**	–	–	**1**	–	–
International energy cluster	**2 406**	1 094	1 476	**(537)**	(346)	(258)	**2 637**	3 415	1 947
Synfuels International	**1 168**	540	561	**(286)**	(90)	(17)	**1 508**	2 544	1 748
Petroleum International	**1 238**	554	915	**(251)**	(256)	(241)	**1 129**	871	199
Chemical cluster	**9 144**	5 758	4 573	**(2 365)**	(1 529)	(1 881)	**3 168**	4 642	6 692
Polymers	**2 483**	1 874	1 396	**(783)**	(544)	(404)	**1 001**	2 042	4 365
Solvents	**2 947**	1 682	1 260	**(477)**	(434)	(395)	**939**	1 087	1 039
Olefins & Surfactants	**2 060**	945	1 301	**(775)**	(219)	(768)	**555**	1 095	1 008
Other	**1 654**	1 257	616	**(330)**	(332)	(314)	**673**	418	280
Other businesses	**297**	(192)	1 187	**(164)**	(121)	(101)	**519**	410	162
Total	**42 144**	29 691	28 284	**(5 212)**	(4 022)	(4 276)	**10 855**	12 045	13 296

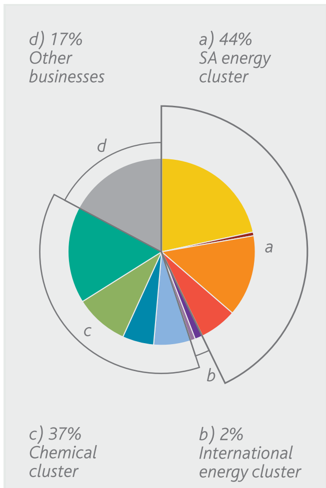




Capital commitments								
Property, plant and equipment			Other intangible assets			Number of employees		
2008 Rm	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm
13 575	9 501	4 029	**12**	16	28	**14 525**	13 754	15 132
781	654	676	**9**	10	6	**7 329**	6 904	7 084
1 110	1 410	212	**–**	–	–	**218**	217	194
10 656	6 864	2 682	**1**	6	21	**4 791**	4 586	6 135
1 028	573	459	**2**	–	1	**2 187**	2 047	1 719
–	–	–	**–**	–	–	**–**	–	–
7 198	5 902	5 791	**9**	1	26	**730**	855	548
3 448	3 414	4 095	**1**	1	15	**458**	629	364
3 750	2 488	1 696	**8**	–	11	**272**	226	184
3 398	2 747	4 504	**33**	13	8	**12 842**	12 242	13 147
559	753	2 210	**19**	3	2	**2 178**	1 815	2 393
1 021	946	1 411	**10**	–	–	**1 839**	1 754	1 781
912	443	762	**3**	7	–	**3 143**	3 279	3 527
906	605	121	**1**	3	6	**5 682**	5 394	5 446
782	387	242	**41**	8	–	**5 831**	5 009	2 633
24 953	18 537	14 566	**95**	38	62	**33 928**	31 860	31 460



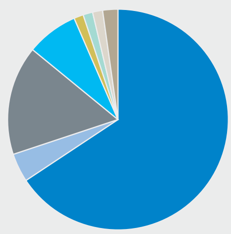


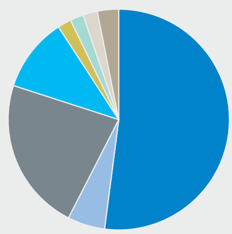


geographic segment information

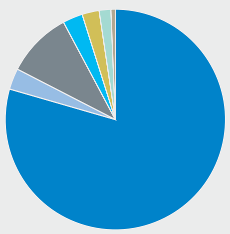
	Total turnover			External turnover		
	2008 Rm	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm
South Africa	**122 533**	91 490	78 203	**67 632**	50 908	42 909
Rest of Africa	**7 842**	6 373	5 164	**7 098**	5 747	5 150
Mozambique	**898**	899	188	**154**	275	174
Nigeria	**456**	142	190	**456**	140	190
Rest of Africa	**6 488**	5 332	4 786	**6 488**	5 332	4 786
Europe	**29 882**	23 060	18 545	**29 204**	22 448	17 836
Germany	**8 904**	7 060	5 313	**8 262**	6 513	4 909
Italy	**3 738**	3 154	2 533	**3 734**	3 153	2 533
Rest of Europe	**17 240**	12 846	10 699	**17 208**	12 782	10 394
North America	**14 148**	11 310	10 403	**14 094**	11 258	9 839
United States of America	**12 926**	10 398	9 578	**12 872**	10 346	9 048
Rest of North America	**1 222**	912	825	**1 222**	912	791
South America	**2 592**	1 387	1 249	**2 592**	1 387	1 249
Southeast Asia and Australasia	**2 628**	1 943	1 420	**2 548**	1 890	1 420
Middle East and India	**2 740**	1 695	1 565	**2 733**	1 672	1 536
Iran	**301**	103	104	**298**	82	91
Qatar	**154**	19	74	**151**	11	59
Rest of Middle East and India	**2 285**	1 573	1 387	**2 284**	1 579	1 386
Far East	**4 158**	2 950	2 694	**4 042**	2 817	2 456
	186 523	140 208	119 243	**129 943**	98 127	82 395

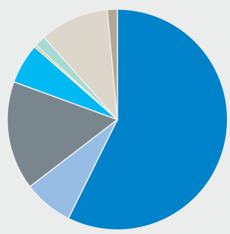
* *Excludes deferred tax.*

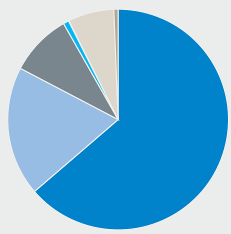


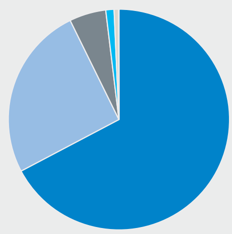


Operating profit/(loss)			Total consolidated assets*			Additions to non-current assets (by location of assets)			Capital commitments of non-current assets		
2008 Rm	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm	**2008 Rm**	2007 Rm	2006 Rm
26 877	22 259	18 541	**79 511**	70 320	62 915	**6 914**	6 538	8 619	**16 850**	11 804	6 790
1 044	701	1 254	**10 067**	12 580	9 397	**2 060**	2 775	1 476	**6 380**	5 370	5 274
462	(13)	483	**4 611**	4 254	3 381	**909**	536	84	**3 439**	2 192	1 384
(298)	(15)	(6)	**4 350**	7 288	5 096	**1 012**	2 046	1 290	**2 674**	2 986	3 783
880	729	777	**1 106**	1 038	920	**139**	193	102	**267**	192	107
3 263	1 757	(1 632)	**22 115**	14 944	13 173	**988**	832	730	**1 340**	764	590
114	190	(20)	**9 917**	7 527	6 752	**469**	590	560	**940**	208	435
115	1 108	(2 335)	**4 105**	2 615	1 981	**145**	158	161	**232**	168	124
3 034	459	723	**8 093**	4 802	4 440	**374**	84	9	**168**	388	31
991	691	(1 220)	**8 177**	6 551	5 752	**89**	400	380	**302**	76	280
905	779	(1 223)	**8 006**	6 418	5 546	**89**	400	380	**302**	76	280
86	(88)	3	**171**	133	206	**–**	–	–	**–**	–	–
849	(5)	(18)	**453**	225	223	**–**	1	–	**–**	–	–
581	214	171	**2 241**	1 626	1 344	**7**	7	3	**–**	–	–
(7)	(125)	64	**14 059**	10 798	8 505	**729**	1 343	2 054	**164**	480	1 692
(45)	(3)	24	**8 346**	5 804	4 124	**457**	774	1 590	**96**	332	1 190
(298)	(282)	(104)	**5 044**	4 472	3 847	**268**	564	462	**68**	148	501
336	160	144	**669**	522	534	**4**	5	2	**–**	–	1
218	129	52	**2 036**	1 176	1 110	**68**	149	34	**12**	81	2
33 816	25 621	17 212	**138 659**	118 220	102 419	**10 855**	12 045	13 296	**25 048**	18 575	14 628









changes to comparative information

at 30 June

	Note
Reclassification of comparative information	1
Accounting standards not yet effective	2

for the year ended 30 June	*2007 Rm*	*2006 Rm*
1 Reclassification of comparative information		

1.1 Reclassification from long-term provisions to post-retirement benefit obligations

The group has reclassified amounts from an employee fund in Italy, previously included in long-term provisions, as part of post-retirement benefit obligations, having risks and rewards more closely aligned to those of pension benefits. Management concluded that the classification of these amounts as post-retirement benefit obligations better reflects the underlying nature of the liability. The reclassification had no impact on earnings.

The effect of the reclassification in the statement of financial position is:

	2007 Rm	2006 Rm
Post-retirement benefit obligations		
Balance as previously reported	3 661	2 461
Effect of reclassification from long-term provisions	120	–
Restated balance	3 781	2 461
Long-term provisions		
Balance as previously reported	3 788	3 463
Effect of reclassification to post-retirement benefit obligations	(120)	–
Restated balance	3 668	3 463

The reclassification relates to the O&S business unit that was classified as held for sale at 30 June 2006. Therefore, the reclassification does not impact the balances at 30 June 2006.

for the year ended 30 June	2007 Rm	2006 Rm

1 Reclassification of comparative information (continued)

1.2 Reclassification from long-term receivables and prepaid expenses to property, plant and equipment

The group has reclassified amounts previously included in long-term receivables as part of property, plant and equipment, having risks and rewards more closely aligned to those incidental to ownership. Management concluded that the classification of these amounts as property, plant and equipment better reflects the underlying nature of the asset. The reclassification had no impact on earnings, other than the nature of the expense recognised being reclassified to that of depreciation on property, plant and equipment.

The effect of the reclassification in the statement of financial position is:

	2007 Rm	2006 Rm
Property, plant and equipment		
Cost as previously reported	99 159	68 694
Accumulated depreciation and impairment as previously reported	(48 644)	(28 868)
Carrying value as previously reported	50 515	39 826
Effect of reclassification from long-term receivables and prepaid expenses	103	111
Costs capitalised in previous years	150	150
Increase in depreciation in previous years	(47)	(39)
Reclassification to depreciation during current year	(7)	(8)
Restated balance	50 611	39 929
Cost	99 309	68 844
Accumulated depreciation and impairment	(48 698)	(28 915)
Long-term receivables and prepaid expenses		
Balance as previously reported	1 674	1 012
Effect of reclassification to property, plant and equipment	(89)	(95)
Long-term receivables and prepaid expenses in previous years	(96)	(103)
Short-term portion of long-term receivables in previous years	7	8
Restated balance	1 585	917

2 *Accounting standards not yet effective*

The following accounting standards, interpretations and amendments to published accounting standards which are relevant to the group but not yet effective, have not been adopted in the current year:

IAS 23 (Revised) Borrowing Costs

The effective date for adoption of this standard is for periods commencing on or after 1 July 2009. This standard will be adopted by the group for the year ending 30 June 2010. The standard will have minimal impact on the financial statements of the group as it is the group's current policy to capitalise borrowing costs on qualifying assets.

IAS 27 (Amendment) Consolidated and Separate Financial Statements

The effective date for adoption of this standard is for periods commencing on or after 1 July 2009. This standard will be adopted by the group for the year ending 30 June 2010. Management is in the process of considering the relevant financial implications. This standard is, however, expected to have a minimal impact on the group.

IFRS 3 (Revised) Business Combinations

The effective date for adoption of this standard is for periods commencing on or after 1 July 2009. This standard will be adopted by the group for the year ending 30 June 2010. All business combinations entered into after the effective date will be accounted for in accordance with this standard.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The effective date for adoption of this interpretation is for periods commencing on or after 1 October 2008. The interpretation will be adopted by the group for the year ending 30 June 2010. This interpretation is not expected to have a material impact on the group as the group does not currently have hedges on any net investments in foreign operations.

IAS 39 (Amendment) Eligible Hedged Items

The effective date for adoption of this standard is for periods commencing on or after 1 July 2009. This standard will be adopted by the group for the year ending 30 June 2010. This standard is not expected to have a material impact on the group as the group does not apply hedge accounting in the situations as described in the amendment.

IFRS 1 and IAS 27 (Amendment) Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The effective date for adoption of this standard is for periods commencing on or after 1 January 2009. This standard will be adopted by the group for the year ending 30 June 2010. The cost of subsidiaries, jointly controlled entities and associates acquired after the effective date will be accounted for in accordance with this standard.

IFRS 5 (Amendment) Non-current Assets Held for Sale and Discontinued Operations

The effective date for adoption of this standard is for periods commencing on or after 1 July 2009. This standard will be adopted by the group for the year ending 30 June 2009. Management is in the process of considering the relevant financial implications. This standard is, however, expected to have a minimal impact on the group.

Various improvements to IFRSs

A number of standards have been amended as part of the IASB's improvement project. Management is in the process of considering the relevant amendments to the standards and determining the financial implications and impact on the group.

Sasol Limited **group**

non-current assets

at 30 June

	Note	2008 Rm	2007 Rm	2006 Rm
Property, plant and equipment	3	**66 273**	50 611	39 929
Assets under construction	4	**11 693**	24 611	23 176
Goodwill	5	**874**	586	266
Other intangible assets	6	**964**	629	775
Investments in securities	7	**557**	472	394
Investments in associates	8	**830**	692	636
Post-retirement benefit assets	9	**571**	363	80
Long-term receivables and prepaid expenses	10	**1 385**	1 585	917
Long-term financial assets	11	**689**	296	251
Deferred tax assets	23	**1 453**	845	691
		85 289	80 690	67 115

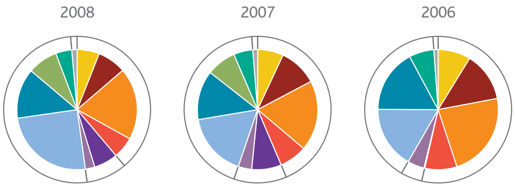
for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
3 Property, plant and equipment				
Cost				
Balance at beginning of year (adjusted for reclassification)	1	**99 309**	68 844	77 845
Acquisition of businesses	54	**(222)**	31	65
Additions		**2 111**	1 620	1 230
to enhance existing operations		**1 712**	1 225	844
to expand operations		**399**	395	386
Finance expenses capitalised	39	**6**	8	5
Transfer from assets under construction	4	**16 698**	10 121	8 946
Net transfer to other intangible assets	6	**(3)**	(6)	(5)
Transfer to inventories		**(148)**	(3)	(6)
Net reclassification from/(to) held for sale		**–**	19 550	(19 776)
Translation of foreign operations	46	**7 031**	441	2 534
Disposal of businesses	55	**(2)**	–	–
Disposals and scrapping		**(1 254)**	(1 297)	(1 994)
Balance at end of year		**123 526**	99 309	68 844
Comprising				
Land		**885**	716	257
Buildings and improvements		**6 946**	4 571	1 937
Retail convenience centres		**1 184**	1 094	1 004
Plant, equipment and vehicles		**104 108**	83 263	56 587
Mineral assets		**10 403**	9 665	9 059
		123 526	99 309	68 844

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
3 Property, plant and equipment (continued)				
Accumulated depreciation and impairment				
Balance at beginning of year (adjusted for reclassification)	1	**48 698**	28 915	38 116
Acquisition of businesses	54	**(322)**	–	38
Current year charge	34	**5 020**	3 743	3 973
Impairment of property, plant and equipment	41	**447**	19	897
Reversal of impairment of property, plant and equipment	41	**(381)**	–	–
Fair value write-down of disposal group held for sale		**–**	–	2 674
Reversal of fair value write-down of disposal group held for sale		**–**	(486)	–
Net transfer from/(to) other intangible assets	6	**2**	(4)	(4)
Transfer to inventories		**(51)**	(3)	–
Net reclassification from/(to) held for sale		**–**	17 084	(17 247)
Translation of foreign operations	46	**4 949**	481	1 749
Disposal of businesses	55	**–**	(2)	–
Disposals and scrapping		**(1 109)**	(1 049)	(1 281)
Balance at end of year		**57 253**	48 698	28 915
Comprising				
Land		**253**	178	–
Buildings and improvements		**3 352**	2 514	795
Retail convenience centres		**222**	172	127
Plant, equipment and vehicles		**48 417**	41 282	23 986
Mineral assets		**5 009**	4 552	4 007
		57 253	48 698	28 915
Carrying value				
Land		**632**	538	257
Buildings and improvements		**3 594**	2 057	1 142
Retail convenience centres		**962**	922	877
Plant, equipment and vehicles		**55 691**	41 981	32 601
Mineral assets		**5 394**	5 113	5 052
Balance at end of year		**66 273**	50 611	39 929

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm

3 *Property, plant and equipment (continued)*

Business segmentation



	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	**25 752**	22 071	21 396
Mining	**3 962**	3 508	3 499
Gas	**5 097**	5 222	5 294
Synfuels	**12 853**	9 589	9 160
Oil	**3 840**	3 752	3 443
International energy cluster	**5 928**	5 875	1 878
Synfuels International	**4 240**	4 036	79
Petroleum International	**1 688**	1 839	1 799
Chemical cluster	**33 660**	22 016	16 202
Polymers	**16 506**	8 665	6 707
Solvents	**8 922**	6 707	6 826
Olefins & Surfactants	**5 358**	4 038	–
Other	**2 874**	2 606	2 669
Other businesses	**933**	649	453
Total operations	**66 273**	50 611	39 929

2008	*Land Rm*	*Buildings and improvements Rm*	*Retail convenience centres Rm*	*Plant, equipment and vehicles Rm*	*Mineral assets Rm*	*Total Rm*
Cost						
Balance at beginning of year (adjusted for reclassification)	716	4 571	1 094	83 263	9 665	99 309
Acquisition of businesses	–	–	–	(222)	–	(222)
Additions	4	91	54	1 118	844	2 111
to enhance existing operations	4	86	–	778	844	1 712
to expand operations	–	5	54	340	–	399
Finance expenses capitalised	–	–	–	6	–	6
Reclassification of property, plant and equipment	18	96	–	(90)	(24)	–
Transfer from assets under construction	–	1 504	39	14 757	398	16 698
Net transfer to other intangible assets	–	–	–	–	(3)	(3)
Transfer to inventories	–	(2)	–	(11)	(135)	(148)
Translation of foreign operations	149	710	1	6 124	47	7 031
Disposal of businesses	–	–	–	(2)	–	(2)
Disposals and scrapping	(2)	(24)	(4)	(835)	(389)	(1 254)
Balance at 30 June 2008	885	6 946	1 184	104 108	10 403	123 526

2008	Land Rm	Buildings and improvements Rm	Retail convenience centres Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
3 Property, plant and equipment *(continued)*						
Accumulated depreciation and impairment						
Balance at beginning of year (adjusted for reclassification)	178	2 514	172	41 282	4 552	48 698
Acquisition of businesses	–	–	–	(322)	–	(322)
Current year charge	1	262	51	3 849	857	5 020
Impairment of property, plant and equipment	16	68	–	363	–	447
Reversal of impairment of property, plant and equipment	–	(14)	–	(367)	–	(381)
Reclassification of property, plant and equipment	5	51	–	(56)	–	–
Transfer from other intangible assets	–	–	–	2	–	2
Transfer to inventories	–	–	–	(1)	(50)	(51)
Translation of foreign operations	53	489	1	4 371	35	4 949
Disposals and scrapping	–	(18)	(2)	(704)	(385)	(1 109)
Balance at 30 June 2008	253	3 352	222	48 417	5 009	57 253
Carrying value at 30 June 2008	632	3 594	962	55 691	5 394	66 273
Carrying value at 30 June 2007	538	2 057	922	41 981	5 113	50 611

As the group has more than five items of land and buildings, a register is maintained in terms of paragraph 22(3) of Schedule 4 of the South African Companies Act. The register is available for inspection at the registered office of Sasol Limited.

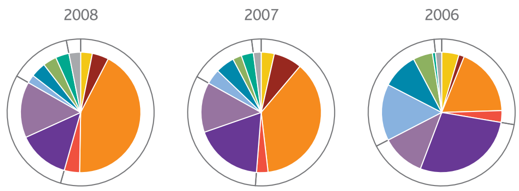
for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
3 *Property, plant and equipment* *(continued)*			
Additions to property, plant and equipment (cash flow)			
To enhance existing operations	**1 768**	1 149	709
current year additions	**1 712**	1 225	844
adjustments for non-cash items			
movement in environmental provisions capitalised	**56**	(76)	(135)
To expand operations	**399**	395	269
current year additions	**399**	395	386
adjustments for non-cash items			
mineral rights received	**–**	–	(117)
Per the statement of cash flows	**2 167**	1 544	978
Additional disclosures			
Leased assets			
Carrying value of capitalised leased assets (included in plant, equipment and vehicles)	**845**	856	840
cost	**1 228**	1 207	1 160
accumulated depreciation	**(383)**	(351)	(320)
Finance lease additions included in additions above	**55**	77	168
Replacement information			
Estimated replacement cost of property, plant and equipment	**343 602**	274 352	216 222
Cost of assets not replaceable	**2 845**	2 608	2 127
Cost price of fully depreciated and fully impaired assets still in use	**17 005**	13 419	9 649
Carrying value of assets committed as security for debt (refer note 18)	**12 966**	11 216	12 634
Depreciation rates			
Buildings and improvements	**2 – 5%**		
Retail convenience centres	**3 – 5%**		
Plant	**4 – 25%**		
Equipment	**10 – 33%**		
Vehicles	**20 – 33%**		
Mineral assets	**Life of related reserve base**		

The estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These depreciation rates represent management's current best estimate of the useful lives of the assets.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
3 Property, plant and equipment *(continued)*			
Capital commitments			
Capital commitments, excluding capitalised interest, include all projects for which specific board approval has been obtained up to the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:			
Authorised and contracted for	**24 258**	28 367	29 045
Authorised but not yet contracted for	**17 662**	11 697	6 853
Less expenditure to the end of year	**(16 967)**	(21 527)	(21 332)
	24 953	18 537	14 566
to enhance existing operations	**8 567**	8 822	
to expand operations	**16 386**	9 715	
Comprising			
Subsidiary companies	**21 755**	14 409	9 314
Proportionate share of joint ventures	**3 198**	4 128	5 252
as per joint venture disclosure	**675**		
Escravos GTL (EGTL)*	**2 523**		
	24 953	18 537	14 566

* Relates to the capital commitments of Sasol's 37,5% interest in EGTL that has been been classified as an asset held for sale (refer note 12).

Estimated expenditure			
Within one year	**16 973**	12 671	9 410
One to two years	**5 382**	4 105	3 582
Two to three years	**1 861**	1 095	1 400
Three to four years	**353**	291	67
Four to five years	**169**	136	63
More than five years	**215**	239	44
	24 953	18 537	14 566
Business segmentation			
South African energy cluster	**13 575**	9 501	4 029
Mining	**781**	654	676
Gas	**1 110**	1 410	212
Synfuels	**10 656**	6 864	2 682
Oil	**1 028**	573	459
International energy cluster	**7 198**	5 902	5 791
Synfuels International	**3 448**	3 414	4 095
Petroleum International	**3 750**	2 488	1 696
Chemical cluster	**3 398**	2 747	4 504
Polymers	**559**	753	2 210
Solvents	**1 021**	946	1 411
Olefins & Surfactants	**912**	443	762
Other	**906**	605	121
Other businesses	**782**	387	242
Total operations	**24 953**	18 537	14 566



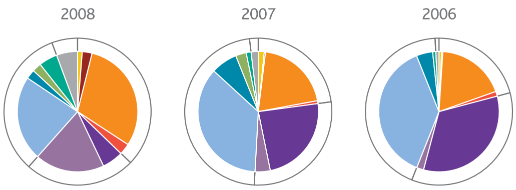
for the year ended 30 June		2008 Rm	2007 Rm	2006 Rm
3 Property, plant and equipment *(continued)*				
Significant commitments at 30 June 2008 include:				
Project	**Business unit**			
Mozambique natural gas pipeline	Gas	**889**	1 133	–
Open cycle turbine – power generation	Synfuels	**2 321**	2 003	–
Gas heat exchange reformers	Synfuels	**1 259**	1 292	–
16th Oxygen train	Synfuels	**1 140**	–	–
Oxygen ESD replacement	Synfuels	**472**	271	–
10th SAS Reactor	Synfuels	**431**	491	–
Electrical infrastructure expansion	Synfuels	**405**	140	–
Project Turbo	Synfuels	**338**	418	236
Combined waste heat boilers	Synfuels	**271**	–	–
Air heaters	Synfuels	**268**	–	–
Benzene specifications	Synfuels	**203**	214	–
Alterations to dispatch loading area	Oil	**240**	47	–
Escravos GTL (EGTL)[1]	Synfuels International	**2 523**	2 694	3 574
3rd Catalyst plant	Synfuels International	**690**	–	–
Mozambique development	Petroleum International	**3 359**	1 988	1 229
Ethylene Purification Unit 5	Polymers	**218**	–	–
2nd Maleic Anhydride train	Solvents	**488**	–	–
2nd methyl iso-butyl ketone plant	Solvents	**236**	269	–
Infrachem laboratory	Infrachem	**224**	8	–
Other smaller projects	Various	**8 978**	7 569	9 527
		24 953	18 537	14 566

1. *Sasol provides risk based financing for 50% of the capital expenditure on the EGTL venture (refer note 12).*

Funding

Capital expenditure will be financed from funds generated out of normal business operations, existing borrowing facilities and specific project financing.

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
4 Assets under construction				
Cost				
Balance at beginning of year		**24 611**	23 176	18 088
Acquisition of businesses	54	**(16)**	–	9
Disposal of businesses	55	**–**	(1)	–
Additions		**8 886**	10 475	12 632
to enhance existing operations		**4 023**	3 918	4 897
to expand operations		**4 863**	6 557	7 735
Finance expenses capitalised	39	**1 580**	981	1 443
Impairment of assets under construction	41	**(371)**	–	(26)
Fair value write-down of disposal group held for sale		**–**	–	(178)
Reversal of fair value write-down of disposal group held for sale		**–**	134	–
Reversal of impairment	41	**–**	–	140
Transfer to inventories		**–**	(248)	–
Reclassification of Escravos GTL to held for sale	12	**(7 235)**	–	–
Net reclassification from/(to) held for sale		**–**	757	(768)
Projects capitalised		**(16 809)**	(10 218)	(9 029)
property, plant and equipment	3	**(16 698)**	(10 121)	(8 946)
intangible assets	6	**(111)**	(97)	(83)
Translation of foreign operations	46	**1 066**	(349)	1 039
Disposals and scrapping		**(19)**	(96)	(174)
Balance at end of year		**11 693**	24 611	23 176
Comprising				
Property, plant and equipment under construction		**10 618**	24 123	23 011
Other intangible assets under construction		**164**	42	59
Exploration assets		**911**	446	106
		11 693	24 611	23 176
Business segmentation				
South African energy cluster		**4 350**	5 626	4 835
Mining		**147**	396	164
Gas		**308**	82	75
Synfuels		**3 550**	4 959	4 298
Oil		**345**	189	298
International energy cluster		**2 845**	6 894	8 147
Synfuels International		**664**	5 890	7 712
Petroleum International		**2 181**	1 004	435
Chemical cluster		**3 836**	11 620	9 997
Polymers		**2 675**	8 844	8 790
Solvents		**291**	1 749	1 013
Olefins & Surfactants		**287**	703	–
Other		**583**	324	194
Other businesses		**662**	471	197
		11 693	24 611	23 176



2008	Property, plant and equipment under construction Rm	Other intangible assets under construction Rm	Exploration assets Rm	Total Rm
4 Assets under construction *(continued)*				
Cost				
Balance at 30 June 2007	24 123	42	446	**24 611**
Acquisition of businesses	(16)	–	–	**(16)**
Additions	8 319	139	428	**8 886**
to enhance existing operations	3 917	106	–	**4 023**
to expand operations	4 402	33	428	**4 863**
Finance expenses capitalised	1 580	–	–	**1 580**
Impairment of assets under construction	(371)	–	–	**(371)**
Reclassification of assets under construction	(85)	85	–	**–**
Reclassification of Escravos GTL to held for sale	(7 235)	–	–	**(7 235)**
Projects capitalised	(16 698)	(111)	–	**(16 809)**
Translation of foreign operations	1 020	9	37	**1 066**
Disposals and scrapping	(19)	–	–	**(19)**
Balance at 30 June 2008	**10 618**	**164**	**911**	**11 693**

	2008 Rm	2007 Rm	2006 Rm
Additions to assets under construction (cash flow)			
To enhance existing operations	**3 825**	3 933	4 858
current year additions	**4 023**	3 918	4 897
adjustments for non-cash items			
cash flow hedge accounting	**(198)**	21	(39)
environmental provisions capitalised	**–**	(6)	–
To expand operations	**4 846**	6 546	7 433
current year additions	**4 863**	6 557	7 735
adjustments for non-cash items			
cash flow hedge accounting	**(17)**	(11)	(302)
Per the statement of cash flows	**8 671**	10 479	12 291

The group hedges its exposure in South Africa to foreign currency risk in respect of its significant capital projects. This is done primarily by means of forward exchange contracts. Cash flow hedge accounting is applied to these hedging transactions and accordingly, the effective portion of any gain or loss realised on these contracts is adjusted against the underlying item of assets under construction.

for the year ended 30 June		Note	2008 Rm	2007 Rm	2006 Rm
4 Assets under construction (continued)					
Capital expenditure					
Significant projects to enhance operations include:					
The most significant expenditure to enhance existing operations is at Sasol Synfuels including the sulphuric acid plant amounting to R280 million (2007 – R364 million) and Benzene specification amounting to R116 million (2007 – Rnil million). Other projects include mining renewal, refurbishment projects and smaller waste and environment related projects.					
Significant projects to expand operations include:					
Project	**Business unit**				
16th Oxygen train	Synfuels		**304**	–	–
Sasol Oil distribution network	Oil		**223**	91	59
Oryx GTL and Escravos GTL	Synfuels International		**865**	2 426	1 734
2nd Catalyst plant, Netherlands	Synfuels International		**366**	–	–
Mozambique expansion	Petroleum International		**454**	266	–
Petroleum West Africa development	Petroleum International		**235**	339	–
Project Turbo	Polymers		**362**	1 169	2 608
Arya Sasol Polymers (Iran)	Polymers		**457**	774	1 590
2nd and 3rd Octene trains	Solvents		**323**	708	714
Other smaller projects	Various		**1 257**	773	728
			4 846	6 546	7 433
5 Goodwill					
Balance at beginning of year			**586**	266	509
Acquisition of businesses		*54*	**144**	212	6
Impairment		*41*	**–**	(4)	(8)
Fair value write-down of disposal group held for sale			**–**	–	(289)
Reversal of fair value write-down of disposal group held for sale			**–**	201	–
Reclassification to held for sale			**–**	(94)	–
Translation of foreign operations		*46*	**144**	5	48
Carrying value at end of year			**874**	586	266
Business segmentation					
Olefins & Surfactants			**250**	198	–
Solvents			**249**	194	165
Wax			**195**	81	83
Nitro			**95**	95	–
Oil			**85**	18	18
Total operations			**874**	586	266

The recoverable amount of goodwill is determined annually based on value-in-use calculations as described in note 41.

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
6 Other intangible assets				
Cost				
Balance at beginning of year		**2 861**	2 188	2 518
Acquisition of businesses	54	**49**	10	–
Additions		**274**	74	332
to enhance existing operations		**267**	70	319
to expand operations		**7**	4	13
Net transfer from property, plant and equipment	3	**3**	6	5
Assets under construction capitalised	4	**111**	97	83
Transfer from inventories		**1**	–	–
Net reclassification from/(to) held for sale		**–**	882	(882)
Translation of foreign operations	46	**315**	37	155
Disposals and scrapping		**(622)**	(433)	(23)
Balance at end of year		**2 992**	2 861	2 188
Comprising				
Software		**1 177**	1 461	1 304
Patents and trademarks		**896**	633	120
Emission rights		**305**	59	60
Other intangible assets		**614**	708	704
		2 992	2 861	2 188
Accumulated amortisation and impairment				
Balance at beginning of year		**2 232**	1 413	1 465
Acquisition of businesses		**(7)**	–	–
Current year charge	34	**192**	279	303
Impairment of assets	41	**3**	167	136
Fair value write-down of disposal group held for sale		**–**	18	55
Net transfer (to)/from property, plant and equipment	3	**(2)**	4	4
Net reclassification from/(to) held for sale	12	**–**	593	(593)
Translation of foreign operations	46	**196**	19	64
Disposals and scrapping		**(586)**	(261)	(21)
Balance at end of year		**2 028**	2 232	1 413
Comprising				
Software		**932**	1 197	992
Patents and trademarks		**738**	581	71
Emission rights		**7**	55	18
Other intangible assets		**351**	399	332
		2 028	2 232	1 413
Carrying value				
Software		**245**	264	312
Patents and trademarks		**158**	52	49
Emission rights		**298**	4	42
Other intangible assets		**263**	309	372
		964	629	775

2008	Software Rm	Patents and trademarks Rm	Emission rights Rm	Other intangible assets Rm	Total Rm
6 *Other intangible assets* (continued)					
Cost					
Balance at 30 June 2007	1 461	633	59	708	**2 861**
Acquisition of businesses	(9)	58	–	–	**49**
Additions	10	5	257	2	**274**
to enhance existing operations	5	5	257	–	**267**
to expand operations	5	–	–	2	**7**
Reclassification of other intangible assets	1	–	–	(1)	**–**
Net transfer from/(to) property, plant and equipment	1	(1)	–	3	**3**
Assets under construction capitalised	77	32	–	2	**111**
Transfer from inventories	1	–	–	–	**1**
Translation of foreign operations	43	171	46	55	**315**
Disposals and scrapping	(408)	(2)	(57)	(155)	**(622)**
Balance at 30 June 2008	**1 177**	**896**	**305**	**614**	**2 992**
Accumulated amortisation and impairment					
Balance at 30 June 2007	1 197	581	55	399	**2 232**
Acquisition of businesses	(7)	–	–	–	**(7)**
Current year charge	119	15	–	58	**192**
Impairment of assets	1	2	–	–	**3**
Transfer to property, plant and equipment	(1)	(1)	–	–	**(2)**
Translation of foreign operations	31	143	8	14	**196**
Disposals and scrapping	(408)	(2)	(56)	(120)	**(586)**
Balance at 30 June 2008	**932**	**738**	**7**	**351**	**2 028**
Carrying value at 30 June 2008	**245**	**158**	**298**	**263**	**964**
Carrying value at 30 June 2007	264	52	4	309	**629**

All intangible assets were acquired from third parties.

for the year ended 30 June	**2008 Rm**	2007 Rm	2006 Rm
Additions to other intangible assets (cash flow)			
To enhance existing operations	**10**	18	14
current year additions	**267**	70	319
adjustments for non-cash item			
emission rights received	**(257)**	(52)	(305)
To expand operations	**7**	4	13
Per the statement of cash flows	**17**	22	27

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
6 Other intangible assets (continued)			
Additional disclosures			
Cost price of fully amortised and fully impaired assets still in use	**1 045**	998	219
Amortisation rates			
Software	**17 – 33%**		
Patents and trademarks	**20%**		
Emission rights are not subject to amortisation and are reviewed for impairment at each reporting date.			
The estimation of the useful lives of other intangible assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These rates represent management's best estimate of the useful lives of these assets.			
Estimated future aggregate amortisation			
Within one year	**167**	172	
One to two years	**113**	130	
Two to three years	**83**	87	
Three to four years	**65**	62	
Four to five years	**38**	39	
More than five years	**200**	135	
	666	625	
Assets not subject to amortisation (emission rights)	**298**	4	
	964	629	
Business segmentation of emission rights			
Olefins & Surfactants	**212**		
Solvents	**69**		
Wax	**14**		
Merisol	**3**		
	298		
The recoverable amount of emission rights is determined based on the related market price thereof.			
Capital commitments			
Capital commitments include all projects for which specific board approval has been obtained at the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:			
Authorised and contracted for	**199**	49	107
Authorised but not yet contracted for	**60**	23	22
Less expenditure to the end of year	**(164)**	(34)	(67)
	95	38	62

These capital commitments are in respect of subsidiary companies only.

Funding

Capital expenditure will be financed from funds generated out of normal business operations, existing borrowing facilities and specific project financing.

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
7 Investments in securities				
Investments available-for-sale	7.1	**288**	230	226
long-term investments		**210**	160	154
short-term investment*		**78**	70	72
Investments held-to-maturity	7.2	**347**	312	240
Investments in securities per statement of financial position		**635**	542	466
long-term portion		**557**	472	394
short-term portion		**78**	70	72

* *With effect from 15 May 2006, sEnergy Insurance Limited suspended its underwriting activities and is currently in the process of discharging its liabilities and settling all claims in full. The company will be liquidated. It is expected that Sasol's initial investment in the company will be repaid within the next year, once this process had been completed.*

As the group has more than five investments, a register is maintained in terms of paragraph 27 of Schedule 4 of the South African Companies Act. The register is available for inspection at the registered office of Sasol Limited.

7.1 Investments available-for-sale

	Note	2008 Rm	2007 Rm	2006 Rm
At cost				
Balance at beginning of year		**230**	226	203
Investments purchased		**6**	7	–
Impairment of investments	41	**–**	(9)	–
Revaluation to fair value		**(1)**	–	–
Transfer to investments in associates		**(1)**	–	–
Translation of foreign operations	46	**54**	6	23
Balance at end of year		**288**	230	226

Fair value of investments available-for-sale

The fair value of the unlisted equity investments cannot be determined reliably as there are no market price information available on these investments. According to management's valuation, these investments are carried at their original cost in the statement of financial position.

At 30 June, the group's investments available-for-sale and their carrying values were

Name	Country of incorporation	Nature of business	Interest %	2008 Rm	2007 Rm	2006 Rm
Investments available-for-sale						
Aetylen Rohrleitungsgesellschaft GmbH & Co KG	Germany	Pipeline business	20	**185**	143	139
sEnergy Insurance Limited	Bermuda	Insurance	6	**78**	70	72
Other			various	**25**	17	15
				288	230	226

Except for the investment in sEnergy Insurance Limited, the unlisted investments represent strategic investments of the group and are long-term in nature.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm

7 Investments in securities (continued)

7.2 Investments held-to-maturity

	2008 Rm	2007 Rm	2006 Rm
At amortised cost			
Balance at beginning of year	312	240	194
Reinvestment of funds	35	72	62
Investments matured	–	–	(16)
Balance at end of year	347	312	240

Fair value of investments held-to-maturity

The fair value of investments held-to-maturity is determined using a discounted cash flow method using market related rates at 30 June. The market related rates used to discount estimated cash flows were between 10,0% and 10,1% (2007 – 8,3% and 8,6%).

	carrying value 2008 Rm	fair value 2008 Rm
Investments held-to-maturity	347	347

At 30 June, the group's investments held-to-maturity and their carrying values were

Name	Country of incorporation	Nature of business	Interest rate at 30 June 2008	2008 Rm	2007 Rm	2006 Rm
Investments held-to-maturity						
Long-term fixed deposits with fixed interest and fixed or determinable maturity dates	South Africa	Investment*	10,0 – 10,1%	347	312	240

* *The long-term fixed deposits are restricted in use as they are held in a separate trust to be used exclusively for rehabilitation purposes at Sasol Mining.*

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
8 Investments in associates				
Investments at cost		**271**	238	314
Share of post-acquisition reserves		**559**	454	322
		830	692	636
Estimated fair value of investments in associates		**3 790**	3 145	1 087
Dividends received from associates	51	**235**	247	115
Goodwill included in carrying amount of investments in associates		**–**	–	
Movement in post-acquisition reserves of the associates		**105**	132	
Key financial information of associates*				
Total assets		**6 978**	6 273	6 276
Total liabilities		**2 201**	2 209	3 118
Total turnover		**5 576**	6 306	4 607
Total operating profit		**2 611**	3 453	1 180
Total profit		**1 936**	3 177	1 018

* *The financial information provided represents the full results of the associates.*

At 30 June 2008, the group's associates, interest in those associates and the total carrying value were

				Carrying value		
Name	Country of incorporation	Nature of business	Interest %	2008 Rm	2007 Rm	2006 Rm
Optimal Olefins Malaysia Sdn Bhd*	Malaysia	Ethane and propane gas cracker	12	**686**	568	424
Wesco China Ltd	Hong Kong	Trading and distribution of plastics raw materials	40	**127**	111	99
Paramelt RMC BV**	The Netherlands	Speciality wax blender	–	**–**	–	106
Other			various	**17**	13	7
				830	692	636

* *Although the group holds less than 20% of the voting power of Optimal Olefins Malaysia Sdn Bhd, the group exercises significant influence as a member of Sasol's senior management serves on the board of directors of the company.*

** *The investment in Paramelt RMC BV previously recognised as an investment in associate, was classified as held for sale at 30 June 2007 and has been disposed of during the current financial year.*

None of the group's investments in associates are publicly traded and therefore no quoted market prices are available. Therefore, the fair value of investments in associates is determined using a discounted cash flow method using market related rates at 30 June.

There are no significant restrictions on the ability of the associates to transfer funds to Sasol Limited in the form of cash dividends or repayment of loans or advances.

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
9 Post-retirement benefit assets				
Post-retirement benefit assets		**571**	363	80
For further details of post-retirement benefit assets, refer note 21.				
10 Long-term receivables and prepaid expenses				
Total long-term receivables (after reclassification)		**1 499**	1 579	943
Short-term portion	15	**(167)**	(13)	(26)
		1 332	1 566	917
Long-term prepaid expenses		**53**	19	–
	1	**1 385**	1 585	917
Comprising				
Long-term joint venture receivables		**868**	574	138
Long-term interest-bearing loans		**353**	300	221
Long-term interest-free loans		**111**	692	558
		1 332	1 566	917
Maturity profile				
Within one year		**167**	13	26
One to two years		**12**	260	55
Two to three years		**324**	342	26
Three to four years		**282**	9	29
Four to five years		**285**	14	1
More than five years		**429**	941	806
		1 499	1 579	943
Currency analysis				
Euro		**1 234**	797	
US dollar		**180**	706	
Rand		**81**	75	
Other currencies		**4**	1	
		1 499	1 579	

Fair value of long-term loans and receivables

The fair value of long-term receivables is determined using a discounted cash flow method using market related rates at 30 June.

The fair value of long-term interest bearing receivables approximates the carrying value as market related rates of interest are charged on these outstanding amounts.

The interest-free loans in the prior year relate primarily to the amount due from a partner in the construction of the Escravos GTL joint venture and were considered fully recoverable. In the current year these loans were reclassified as held for sale.

	Fair value 2008 Rm	Fair value 2007 Rm
Long-term receivables	**1 499**	1 579

Collateral

The group holds no collateral over the long-term receivables.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
11 Long-term financial assets			
Forward exchange contracts	**11**	8	–
Cross currency swaps	**665**	243	200
Interest rate derivatives	**13**	45	48
Commodity derivatives	**–**	–	3
Arising on long-term derivative financial instruments	**689**	296	251
used for cash flow hedging	**13**	67	
held for trading	**676**	229	

Long-term financial assets include the revaluation of in-the-money long-term derivative instruments, refer pages 187 to 199.

Fair value of derivative financial instruments

The fair value of derivatives was based upon marked to market valuations.

Forward exchange contracts and cross currency swaps

The fair value gains were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts and cross currency swaps at year end was calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values were then determined using the appropriate currency specific discount curve.

Interest rate and commodity derivatives

The fair value of interest rate and commodity derivatives were determined by reference to quoted market prices for similar instruments.

Sasol Limited **group**

current assets

at 30 June

	Note	2008 Rm	2007 Rm	2006 Rm
Investments in securities	7	**78**	70	72
Assets held for sale	12	**3 833**	334	12 115
Inventories	13	**20 088**	14 399	8 003
Trade receivables	14	**22 838**	14 733	10 402
Other receivables and prepaid expenses	15	**2 407**	2 184	1 585
Short-term financial assets	16	**330**	22	180
Cash restricted for use	17	**814**	646	584
Cash	17	**4 435**	5 987	3 102
		54 823	38 375	36 043

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
12 Disposal groups held for sale			
Assets held for sale			
Escravos GTL	**3 833**	–	–
Sasol Dyno Nobel (Pty) Limited	**–**	146	–
Paramelt RMC BV	**–**	121	–
FFS Refiners (Pty) Limited	**–**	39	39
African Amines (Pty) Limited	**–**	21	–
Cirebelle business	**–**	7	–
DPI Holdings (Pty) Limited	**–**	–	192
Sasol Olefins & Surfactants	**–**	–	11 884
	3 833	334	12 115
Liabilities in disposal groups held for sale			
Escravos GTL	**(142)**	–	–
Sasol Dyno Nobel (Pty) Limited	**–**	(32)	–
African Amines (Pty) Limited	**–**	(3)	–
DPI Holdings (Pty) Limited	**–**	–	(165)
Sasol Olefins & Surfactants	**–**	–	(5 314)
	(142)	(35)	(5 479)

12 *Disposal groups held for sale (continued)*

12.1 Escravos GTL (EGTL)

During the year, Sasol decided in principle that it would not continue with its current 37,5% participation in the EGTL project. As a result, Sasol entered into negotiations with Chevron Nigeria Limited to reduce its interest from 37,5% to 10%. Based on management's estimate of fair value to be obtained from the sale, the EGTL net assets have been impaired by R362 million to their fair value less costs to sell.

Consequently, EGTL is no longer proportionally consolidated as a joint venture and the assets are classified as a disposal group held for sale. Once the sale has been concluded, the 10% interest retained by Sasol will be classified accordingly.

for the year ended 30 June	*2008 Rm*
Net assets transferred to assets held for sale	
Non-current assets	7 940
Assets under construction	7 235
Long-term receivables	705
Current assets	1 420
Inventories	226
Trade receivables	1
Other receivables and prepaid expenses	421
Cash restricted for use	772
EGTL assets transferred to assets held for sale	9 360
Non-current liabilities	(4 985)
Long-term provisions	97
Long-term deferred income	(3 820)
Deferred tax liabilities	(1 262)
Current liabilities	(684)
Trade payables and accrued expenses	(525)
Other payables	(159)
EGTL liabilities transferred to assets held for sale	(5 669)
	3 691
EGTL assets held for sale consists of the following	
Total investment in EGTL project	3 833
27,5% interest in EGTL project to be disposed	2 811
10,0% interest in EGTL project to be retained	1 022
Deferred tax liability	(142)
	3 691

12 *Disposal groups held for sale (continued)*

12.2 Sasol Dyno Nobel (Pty) Limited

Following the acquisition in September 2006, of the remaining 40% of Sasol Dyno Nobel (Pty) Limited in South Africa, Sasol Nitro entered into negotiations to sell 50% of this entity to form a joint venture. On 17 September 2007, Sasol Nitro disposed of 50% of its investment and realised a profit of R114 million.

12.3 Paramelt RMC BV

On 10 July 2007, Sasol Wax disposed of its investment in Paramelt RMC BV in the Netherlands, realising a profit of R129 million.

12.4 FFS Refiners (Pty) Limited

In August 2007, Sasol Investment Company (Pty) Limited disposed of its investment in FFS Refiners (Pty) Limited in South Africa and realised a profit of R108 million.

12.5 African Amines (Pty) Limited

On 13 November 2007, Sasol Chemical Industries Limited disposed of its joint venture investment in African Amines (Pty) Limited in South Africa and realised a loss of R3 million.

12.6 DPI Holdings (Pty) Limited

In October 2006, Sasol's interest in DPI Holdings (Pty) Limited in South Africa was sold for a consideration of R51 million. A R7 million loss was realised on this sale.

12.7 Sasol Olefins & Surfactants (O&S)

On 1 August 2005, Sasol announced that it was considering the divestment from its O&S business excluding its activities in South Africa.

A rigorous process was followed by management to prepare the business for sale and, based on the progress achieved to 30 June 2006, management expected that the sale of the business would have been completed before the end of the 2007 financial year. An information memorandum was released and indicative bids received by June 2006, confirming the valuation performed by management and the business was accordingly written down to its fair value less costs to sell.

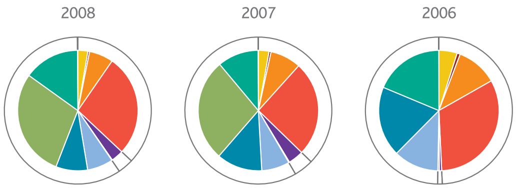
On 30 March 2007, Sasol announced that it had terminated the divestiture process and that it would retain and restructure the O&S business. The divestiture process was terminated as management did not believe that it was in shareholders' interest to pursue the divestiture at that stage but rather to retain the business and improve its performance.

for the year ended 30 June	2006 Rm
12 Disposal groups held for sale (continued)	
12.7 Sasol Olefins & Surfactants (O&S) (continued)	
The Sasol O&S disposal group included the following assets	
Non-current assets	3 859
Property, plant and equipment	2 484
Assets under construction	766
Other intangible assets	289
Investments in associates	5
Post-retirement benefit assets	226
Long-term receivables	41
Deferred tax assets	48
Current assets	8 025
Inventories	3 953
Trade receivables	3 374
Other receivables and prepaid expenses	142
Short-term financial assets	9
Cash restricted for use	116
Cash	431
Assets held for sale	11 884
The Sasol O&S disposal group included the following liabilities	
Non-current liabilities	(2 058)
Long-term debt	(13)
Long-term provisions	(302)
Post-retirement benefit obligations	(1 004)
Long-term deferred income	(48)
Deferred tax liabilities	(691)
Current liabilities	(3 256)
Short-term debt	(16)
Short-term provisions	(796)
Short-term portion of deferred income	(107)
Tax payable	(17)
Trade payables and accrued expenses	(2 032)
Other payables	(235)
Bank overdraft	(53)
Liabilities in disposal group held for sale	(5 314)

sasol
reaching new frontiers

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
13 Inventories				
Carrying value				
Crude oil and other raw materials		**5 755**	3 226	1 605
Process material		**1 153**	993	326
Maintenance materials		**1 905**	1 476	1 081
Work in process		**473**	429	212
Manufactured products		**10 539**	8 116	4 724
Consignment inventory		**263**	159	55
		20 088	14 399	8 003
Inventories carried at net realisable value				
(taken into account in the carrying value of inventories above)				
Crude oil and other raw materials		**35**	20	14
Process material		**230**	55	2
Maintenance materials		**17**	58	25
Manufactured products		**860**	616	668
		1 142	749	709
Write-down of inventories to net realisable value				
Crude oil and other raw materials		**2**	1	6
Process material		**10**	24	–
Maintenance materials		**1**	1	–
Manufactured products		**92**	45	124
Income statement charge	34	**105**	71	130
Inventory obsolescence				
(taken into account in the carrying value of inventories above)				
Balance at beginning of year		**322**	171	195
Raised during year		**132**	65	71
Utilised during year		**(124)**	(2)	(7)
Released during year		**(22)**	(9)	(11)
Transfer from/(to) held for sale		**–**	94	(94)
Translation of foreign operations		**29**	3	11
Acquisition of business		**–**	–	6
Balance at end of year		**337**	322	171

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
13 Inventories (continued)				
Business segmentation				
South African energy cluster		7 433	5 365	3 942
Mining		539	412	393
Gas		93	79	67
Synfuels		1 303	1 190	884
Oil		5 498	3 684	2 598
International energy cluster		694	621	82
Synfuels International		666	593	51
Petroleum International		28	28	31
Chemical cluster		11 942	8 403	3 976
Polymers		1 394	1 084	972
Solvents		1 711	1 767	1 510
Olefins & Surfactants		5 824	3 966	–
Other		3 013	1 586	1 494
Other businesses		19	10	3
Total operations		20 088	14 399	8 003
Inventories to sale of products (%)*		15,6%	14,9%	14,7%
Inventories to cost of sales and services rendered (%)*		26,9%	24,0%	24,6%



* 2006 percentage incorporates Sasol O&S inventories classified to held for sale

No inventories were encumbered during the year.

14 Trade receivables

	Note	2008 Rm	2007 Rm	2006 Rm
Trade receivables		18 864	12 076	7 598
Related party receivables		952	484	444
third parties		664	238	255
joint ventures		288	246	189
Impairment of trade receivables		(144)	(118)	(166)
Receivables		19 672	12 442	7 876
Duties recoverable from customers		1 826	1 625	1 729
Value added tax		1 340	666	797
		22 838	14 733	10 402
Trade receivables to turnover (%)*		17,6%	15,0%	16,7%

* 2006 percentage incorporates Sasol O&S trade receivables classified to held for sale.

	Note	2008 Rm	2007 Rm	2006 Rm
Currency analysis				
Euro		5 406	3 572	
US dollar		5 506	3 074	
Rand		8 069	5 414	
Pound sterling		123	94	
Other currencies		568	288	
		19 672	12 442	

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm

14 Trade receivables (continued)

	2008 Rm	2007 Rm	2006 Rm
Impairment of trade receivables			
Balance at beginning of year	**(118)**	(166)	(223)
Raised during year	**(60)**	(46)	(36)
Utilised during year	**14**	45	32
Released during year	**33**	60	61
Net reclassification (from)/to held for sale	**–**	(10)	10
Translation of foreign operations	**(13)**	(1)	(5)
Disposal of businesses	**–**	–	(5)
Balance at end of year	**(144)**	(118)	(166)

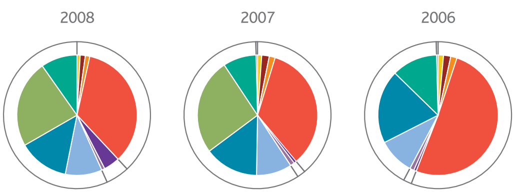
	Carrying value 2008 Rm	Impairment 2008 Rm	Carrying value 2007 Rm	Impairment 2007 Rm
Age analysis of trade receivables				
Not past due date	**17 084**	**18**	10 990	18
Past due 0 – 30 days	**1 414**	**12**	828	4
Past due 31 – 150 days	**248**	**16**	168	21
Past due 151 days – 1 year	**28**	**21**	42	27
More than 1 year	**90**	**77**	48	48
	18 864	**144**	12 076	118

Trade receivables that are not past the due date are not considered to be impaired, except in situations where they are part of individually impaired trade receivables. The individually impaired trade receivables mainly relate to certain customers who are trading in difficult economic circumstances.

No individual customer represents more than 10% of the group's trade receivables.

Credit risk exposure in respect of trade receivables is analysed as follows

	2008 Rm	2007 Rm	2006 Rm
Business segmentation			
South African energy cluster	**8 688**	5 744	5 824
Mining	**192**	165	152
Gas	**316**	299	202
Synfuels	**273**	235	176
Oil	**7 902**	5 045	5 294
Other	**5**	–	–
International energy cluster	**1 188**	268	187
Synfuels International	**992**	99	70
Petroleum International	**196**	169	117
Chemical cluster	**12 948**	8 690	4 360
Polymers	**2 254**	1 407	1 017
Solvents	**3 094**	2 145	2 061
Olefins & Surfactants	**5 371**	3 818	–
Other	**2 229**	1 320	1 282
Other businesses	**14**	31	31
Total operations	**22 838**	14 733	10 402



for the year ended 30 June	*Note*	***2008*** ***Rm***	*2007* *Rm*	*2006* *Rm*
## 14 Trade receivables *(continued)*				

Fair value of receivables

The carrying value approximates fair value because of the short period to maturity of these instruments.

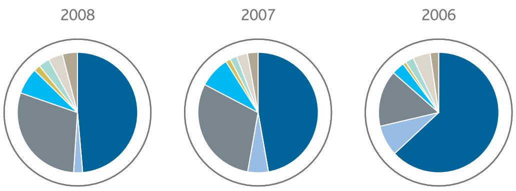
Collateral

The group holds no collateral over trade receivables.

Security

Trade receivables with a carrying value of R14 million has been committed as security for debt (refer note 18).

Geographic segmentation of trade and other receivables



		2008 Rm	2007 Rm	2006 Rm
South Africa		**12 276**	7 991	7 561
Rest of Africa		**609**	938	990
Europe		**7 387**	5 058	1 815
North America		**1 784**	1 413	415
South America		**446**	220	101
South-East Asia and Australasia		**747**	311	270
Middle East and India		**983**	508	561
Far East		**1 013**	478	274
		25 245	16 917	11 987

15 Other receivables and prepaid expenses

	Note	2008 Rm	2007 Rm	2006 Rm
Fuel related receivables*		**550**	38	112
Insurance related receivables		**300**	608	192
Capital projects related receivables		**63**	82	82
Employee related receivables		**48**	34	22
Other receivables		**954**	1 242	1 015
		1 915	2 004	1 423
Short-term portion of long-term receivables	10	**167**	13	26
Other receivables		**2 082**	2 017	1 449
Prepaid expenses		**325**	167	136
		2 407	2 184	1 585
Currency analysis				
Euro		**477**	352	
US dollar		**531**	1 156	
Rand		**768**	440	
Other currencies		**139**	56	
		1 915	2 004	

* *Relates to the underrecovery by Sasol Oil on regulated fuel prices, which will be recovered by future increases in the regulated fuel price.*

Fair value of other receivables

The carrying value approximates fair value because of the short period to maturity.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm

16 Short-term financial assets

	2008 Rm	2007 Rm	2006 Rm
Forward exchange contracts	262	13	141
Cross currency swaps	–	–	30
Interest rate derivatives	37	8	6
Commodity derivatives	31	1	3
Arising on short-term derivative financial instruments	330	22	180
used for cash flow hedging	276	19	
held for trading	54	3	

Short-term financial assets include the revaluation of in-the-money derivative instruments, refer pages 187 to 199.

Fair value of derivative financial instruments

The fair value of derivatives was based upon marked to market valuations.

Forward exchange contracts and cross currency swaps

The fair value gains were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts and cross currency swaps at year end was calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values were then determined using the appropriate currency specific discount curve.

Interest rate and commodity derivatives

The fair value of interest rate and commodity derivatives were determined by reference to quoted market prices for similar instruments.

17 Cash and cash equivalents

	2008 Rm	2007 Rm	2006 Rm
Cash restricted for use	814	646	584
Cash	4 435	5 987	3 102
Bank overdraft	(914)	(545)	(442)
Per the statement of cash flows	4 335	6 088	3 244

Cash restricted for use

	2008 Rm	2007 Rm	2006 Rm
In trust	241	15	22
In joint ventures	204	289	308
In cell captive insurance companies	162	143	119
Held as collateral	96	101	–
Other	111	98	135
	814	646	584

Included in cash restricted for use:

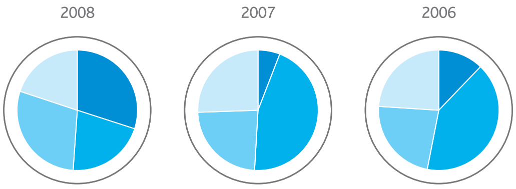
- Cash held in trust of R241 million (2007 – R15 million; 2006 – R22 million) is restricted for use and is being held in escrow to fund statutory obligations for mining rehabilitation which is in progress;
- Cash held in joint ventures can only be utilised by the joint venture to fund the business as set out in the joint venture agreement;
- Cell captive insurance company funds of R162 million (2007 – R143 million; 2006 – R119 million) to which the group has restricted title. The funds are restricted solely to be utilised for insurance purposes;
- Cash deposits of R96 million (2007 – R101 million; 2006 – Rnil million) serving as collateral for bank guarantees; and
- Other cash restricted for use include customer foreign currency accounts to be used for the construction of reactors where the contractor pays in advance. The cash can be utilised only for these designated reactor supply projects.

for the year ended 30 June	***2008*** **Rm**	*2007* Rm	*2006* Rm

17 *Cash and cash equivalents (continued)*

Cash restricted for use (continued)

Currency analysis

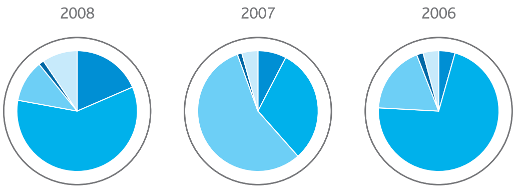


	2008 Rm	2007 Rm	2006 Rm
Euro	**244**	38	71
US dollar	**172**	291	239
Rand	**236**	152	134
Other currencies	**162**	165	140
	814	646	584

Cash

	2008 Rm	2007 Rm	2006 Rm
Cash on hand and in bank	**2 945**	2 635	2 458
Foreign currency accounts	**705**	143	387
Short-term deposits	**785**	3 209	257
	4 435	5 987	3 102

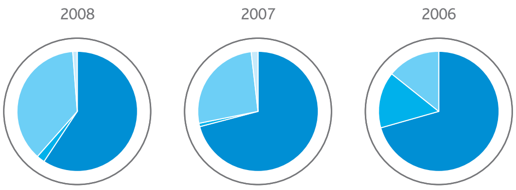
Currency analysis



	2008 Rm	2007 Rm	2006 Rm
Euro	**821**	458	136
US dollar	**2 633**	1 844	2 217
Rand	**499**	3 353	565
Pound sterling	**63**	73	54
Other currencies	**419**	259	130
	4 435	5 987	3 102

	2008 Rm	2007 Rm	2006 Rm
Bank overdraft	**(914)**	(545)	(442)

Currency analysis



	2008 Rm	2007 Rm	2006 Rm
Euro	**(542)**	(390)	(312)
US dollar	**(20)**	(3)	(67)
Rand	**(341)**	(145)	(63)
Other currencies	**(11)**	(7)	–
	(914)	(545)	(442)

Fair value of cash and cash equivalents

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity.

Sasol Limited **group**

non-current liabilities

at 30 June

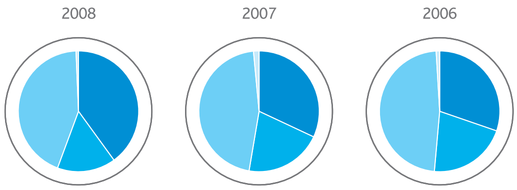
	Note	2008 Rm	2007 Rm	2006 Rm
Long-term debt	18	**15 682**	13 359	15 021
Long-term financial liabilities	19	**37**	53	–
Long-term provisions	20	**4 491**	3 668	3 463
Post-retirement benefit obligations	21	**4 578**	3 781	2 461
Long-term deferred income	22	**376**	2 765	1 698
Deferred tax liabilities	23	**8 446**	8 304	6 156
		33 610	31 930	28 799

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
18 Long-term debt				
Total long-term debt		**16 803**	16 434	16 015
Short-term portion	24	**(1 121)**	(3 075)	(994)
		15 682	13 359	15 021
Analysis of long-term debt				
At amortised cost				
Secured debt		**7 469**	7 300	7 661
Preference shares		**2 215**	–	–
Finance leases		**753**	767	750
Unsecured debt		**6 461**	8 458	7 733
Unamortised loan costs		**(95)**	(91)	(129)
		16 803	16 434	16 015
Reconciliation				
Balance at beginning of year		**16 434**	16 015	13 846
Acquisition of businesses	54	**257**	–	5
Loans raised		**3 806**	1 021	2 631
Loans repaid		**(4 588)**	(1 034)	(1 326)
Amortisation of loan costs		**19**	38	51
Effect of cash flow hedge accounting		**1**	–	(63)
Disposal of businesses	55	**–**	303	299
Net reclassification from/(to) held for sale		**–**	29	(75)
Translation effect of foreign currency loans		**356**	(54)	198
Translation of foreign operations	46	**518**	116	449
Balance at end of year		**16 803**	16 434	16 015

for the year ended 30 June	***2008 Rm***	*2007 Rm*	*2006 Rm*

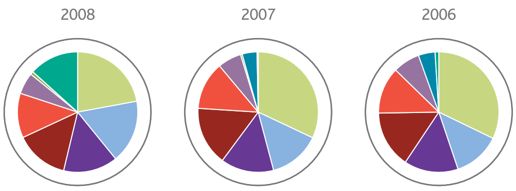
19 *Long-term debt* (continued)

Currency analysis



Euro	**6 723**	5 252	4 846
US dollar	**2 638**	3 404	3 388
Rand	**7 346**	7 534	7 631
Other	**96**	244	150
	16 803	16 434	16 015
Interest bearing status			
Interest bearing debt	**16 166**	15 834	15 715
Non-interest bearing debt	**637**	600	300
	16 803	16 434	16 015
Maturity profile			
Within one year	**1 121**	3 075	994
One to two years	**4 816**	1 553	3 000
Two to three years	**1 392**	4 398	1 015
Three to four years	**1 450**	1 276	3 773
Four to five years	**1 429**	1 256	1 005
More than five years	**6 595**	4 876	6 228
	16 803	16 434	16 015
Related party long-term debt included in long-term debt			
Third parties	**134**	107	82
Joint ventures	**803**	460	92
	937	567	174

Business segmentation



Financing	**3 715**	5 261	5 154
Polymers	**2 861**	2 278	2 024
Synfuels International	**2 454**	2 346	2 330
Gas	**2 410**	2 606	2 462
Oil	**2 012**	2 120	2 011
Petroleum International	**972**	1 043	1 158
Olefins & Surfactants	**140**	77	–
Solvents	**1**	654	718
Other	**2 238**	49	158
	16 803	16 434	16 015

Fair value of long-term debt

The fair value of long-term debt is based on the quoted market price for the same or similar instruments or on the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows. Market related rates were used to discount estimated cash flows based on the underlying currency of the debt. The fair value of non-current debt and other payables with variable interest rates approximates their carrying amounts.

Total long-term debt (before unamortised loan costs)	**16 672**	16 170	

18 Long-term debt *(continued)*

In terms of Sasol Limited's Articles of Association the group's borrowing powers are limited to twice the sum of its share capital and reserves (2008 – R153 billion, 2007 – R123 billion and 2006 – R105 billion).

Terms of repayment	*Security*	*Business*	*Currency*	*Interest rate at 30 June 2008*	***2008 Rm***	*2007 Rm*	*2006 Rm*
Secured debt							
Repayable in semi-annual instalments ending December 2016	Secured by assets under construction with a book value of R3 847 million (2007 – R3 717 million)	Synfuels International (Oryx GTL)	US dollar	Libor + 0,75%	**2 451**	2 346	2 329
Repayable in semi-annual instalments ending between June 2015 and December 2017	Secured by plant with a book value of R2 946 million (2007 – R3 064 million)	Gas (Rompco)	Rand	Jibar + 0,4% to 2,5%	**1 844**	2 042	2 202
Repayable in semi-annual instalments ending between 2012 and 2016	Secured by assets under construction with a book value of R3 870 million (2007 – R2 019 million)	Polymers (Arya)	Euro and US dollar	Euribor + 0,5%; Libor + 0,5%; and Fixed 2,6%	**2 008**	1 718	1 734
Repayable in semi-annual instalments ending 2015	Secured by plant and equipment with a book value of R1 301 million (2007 – R1 383 million)	Petroleum International	Euro and Rand	Jibar + 1,15% to 2,5% and Euribor + 2,5%	**1 001**	1 077	1 202
Repayable in quarterly instalments ending December 2012	Secured by a mortgage over property, plant and equipment with a book value of R126 million	O&S (Yihai)	US dollar and Chinese renminbi	Variable 3,8% to 6,9%; and Fixed 6,5% to 8,0%	**126**	58	–
Repayable in March 2014	Secured by the shares in the company borrowing the funds	Oil (Petromoc)	US dollar	Fixed 17,9%	**13**	11	13
Repayable in quarterly instalments ending June 2009	Secured by trade receivables with a book value of R14 million (2007 – R21 million)	Gas (Spring Lights)	Rand	Jibar + 2,4%	**11**	21	28
Other secured debt		Various	Various	Various	**15**	2	14
Settled during the financial year					**–**	25	139
					7 469	7 300	7 661

18 Long-term debt (continued)

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2008	2008 Rm	2007 Rm	2006 Rm
Preference shares							
A preference shares repayable in semi-annual instalments between October 2011 and October 2018[1]	Secured by Sasol preferred ordinary shares held by the company	Other (Inzalo)	Rand	Fixed 11,2%	**901**		
B preference shares repayable October 2018[3]	Secured by Sasol preferred ordinary shares held by the company	Other (Inzalo)	Rand	Fixed 13,3%	**363**		
C preference shares repayable October 2018[3]	Secured by guarantee from Sasol Limited	Other (Inzalo)	Rand	Variable 11,3%	**951**		
					2 215		
Finance leases							
Repayable in monthly instalments over 10 to 30 years ending 2033	Secured by plant and equipment with a book value of R743 million (2007 – R720 million)	Oil	Rand	Variable 8,3% to 19,3%	**726**	720	687
Half yearly payments until April 2009	Secured by buildings with a book value of R6 million (2007 – R12 million)	Polymers	Rand	Fixed 20,8%	**17**	30	39
Other smaller finance leases	Underlying assets	Various	Various	Various	**10**	17	24
					753	767	750
Total secured debt					**10 437**	8 067	8 411

Terms of repayment	Business	Currency	Interest rate at 30 June 2008	2008 Rm	2007 Rm	2006 Rm
18 Long-term debt *(continued)*						
Unsecured debt						
Repayable on maturity in June 2010	Financing	Euro	Fixed 3,375%	**3 694**	2 850	2 750
Repayable in semi-annual instalments ending December 2017	Oil	Rand	Variable 12,8% to 13,7%	**919**	699	777
Repayable in semi-annual instalments ending June 2013	Polymers (Arya)	Euro	Euribor + 3,0%	**784**	450	61
Loan from iGas (minority shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Limited. No fixed repayment terms	Gas (Rompco)	Rand	–	**300**	300	300
Loan from CMG (minority shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Limited. No fixed repayment terms	Gas (Rompco)	Rand	–	**300**	300	–
Repayable in semi-annual instalments ending January 2014	Oil	Rand	Fixed 11,55%	**205**	249	272
No fixed repayment terms	Oil	Rand	Fixed 8,0%	**135**	107	79
Repayable in equal semi-annual instalments over 6,5 years until February 2010	Polymers (Petlin)	US dollar	Variable 5,1% to 5,6%	**51**	70	–
Repayable in annual instalments ending March 2009	Polymers (Petlin)	US dollar	Variable 5,5%	**19**	10	31
Other unsecured debt	Various	Various	Various	**54**	24	93
Settled during the financial year	Various	Various	Various	**–**	3 399	3 370
Total unsecured debt				**6 461**	8 458	7 733
Total long-term debt				**16 898**	16 525	16 144
Unamortised loan costs (amortised over period of debt using effective interest rate method)				**(95)**	(91)	(129)
				16 803	16 434	16 015
Repayable within one year included in short-term debt (refer note 24)				**(1 121)**	(3 075)	(994)
				15 682	13 359	15 021

Long-term debt raised during year

1 A preference shares debt raised within special purpose entities as part of the Sasol Inzalo share transaction (refer note 45). Dividends on these preference shares are payable in semi-annual instalments ending October 2018. It is required that 50% of the debt be repaid between October 2011 and October 2018, with the balance of the debt repayable at that date. The A Preference shares are secured by a first right over the Sasol preferred ordinary shares held by the special purpose entities. It therefore has no direct recourse against Sasol Limited. The Sasol preferred ordinary shares held may not be disposed of or encumbered in any way.

2 B preference shares debt raised within special purpose entities as part of the Sasol Inzalo share transaction. Dividends on these preference shares are payable in semi-annual instalments ending October 2018. The principal amount is repayable on maturity during October 2018. The B Preference shares are secured by a second right over the Sasol preferred ordinary shares held by the special purpose entities. It therefore has no direct recourse against Sasol Limited.

3 C preference shares debt raised within special purpose entities as part of the Sasol Inzalo share transaction. Dividends and the principal amount on these preference shares are payable on maturity during October 2018. The C Preference shares are secured by a guarantee from Sasol Limited.

	Expiry date	Currency	Rand equivalent Rm	Utilisation Rm
18 Long-term debt *(continued)*				
Banking facilities and debt arrangements at 30 June 2008				
Sasol Financing				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Rand	5 575	1 287
Commercial paper programme	None	Rand	6 000	–
Other commercial banking facilities	Various (short-term)	Rand	8 711	–
Committed facility				
Revolving credit facility (syndicated)	May 2010	Euro	2 468	–
Commercial banking facilities	Various (short-term)	Rand	3 800	–
Sasol Financing International				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Euro	164	–
Committed facility				
Revolving credit facility	May 2010	Euro	2 468	358
Debt arrangement				
Eurobond	June 2010	Euro	3 694	3 694
Other Sasol businesses				
Asset based finance				
Republic of Mozambique Pipeline Investments Company (Pty) Limited	December 2015	Rand	3 498	2 444
Oryx GTL Limited (QSC)	December 2015	US dollar	2 451	2 451
Sasol Petroleum Temane Limitada	June 2015	Euro and Rand	1 001	1 001
Debt arrangements				
Arya Sasol Polymer Company	May 2015	Euro	2 876	2 792
National Petroleum Refiners of South Africa (Pty) Limited	Various	Rand	1 792	1 124
Sasol Inzalo Groups Funding (Pty) Limited (preference shares)	October 2011 to October 2018	Rand	2 215	2 215
Property finance leases				
Sasol Oil (Pty) Limited and subsidiaries	Various	Rand	726	726
Other banking facilities and debt arrangements	Various	Various	3 913	2 000
			51 352	20 092
Comprising				
Long-term debt				16 803
Short-term debt				2 375
Bank overdraft (refer note 17)				914
				20 092

Financial covenants

The group is in compliance with its debt covenants, none of which are expected to represent material restrictions on funding or investment policies in the foreseeable future.

for the year ended 30 June	***2008 Rm***	*2007 Rm*	*2006 Rm*
19 Long-term financial liabilities			
Financial guarantees recognised	**53**	56	
Less amortisation of financial guarantees	**(9)**	(3)	
	44	53	
Less short-term portion of financial guarantees	**(7)**	–	
Arising on long-term financial instruments	**37**	53	

In terms of the sale of 25% in Sasol Oil (Pty) Limited to Tswarisano LFB Investment (Pty) Limited during 2007, facilitation for the financing requirements has been provided. A financial liability for the fair value of this guarantee, amounting to R39 million was recognised. This liability is being released over the period of the guarantee using the effective interest rate method.

In terms of the sale of 25% in Republic of Mozambique Pipeline Investments Company (Pty) Limited to Companhia de Mocambicana de Gasoduto during 2007, facilitation for the financing requirements has been provided. A financial liability for the fair value of this guarantee, amounting to R17 million was recognised. This liability is being released over the period of the guarantee using the effective interest rate method.

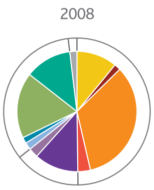
Fair value of long-term financial guarantees

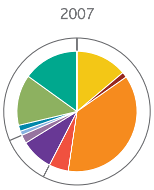
The fair value of long-term financial guarantees were calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date, consistent with the method of calculation at the inception of the guarantee. These interest rates used range between 11,2% – 12,2%

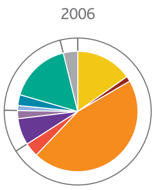
	2008 Rm	2007 Rm	2006 Rm
Fair value of financial guarantees	**43**	53	

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
20 Long-term provisions				
Balance at beginning of year (adjusted for reclassification)		**4 568**	3 929	3 301
Capitalised in property, plant and equipment and assets under construction		**(56)**	82	252
Operating income charge		**880**	352	969
increase for year		**1 268**	850	929
reversal of unutilised amounts		**(65)**	(89)	(165)
effect of change in discount rate		**(323)**	(409)	205
Notional interest	39	**307**	263	264
Utilised during year (cash flow)		**(522)**	(789)	(288)
Reclassification from/(to) held for sale		**97**	706	(706)
Translation of foreign operations	46	**340**	25	137
Balance at end of year		**5 614**	4 568	3 929
Less short-term portion	26	**(1 123)**	(900)	(466)
Long-term provisions		**4 491**	3 668	3 463
Comprising				
Environmental		**3 460**	3 355	3 184
Other		**2 154**	1 213	745
provision against guarantees		**874**	502	351
restructuring costs		**346**	176	–
share appreciation rights		**212**	4	–
long-term supply obligation		**135**	135	135
long-term insurance obligation		**–**	–	172
other		**587**	396	87
		5 614	4 568	3 929

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
20 Long-term provisions *(continued)*			
Business segmentation			
South African energy cluster	**2 235**	2 112	2 283
Mining	**491**	508	526
Gas	**77**	53	49
Synfuels	**1 515**	1 359	1 576
Oil	**152**	192	132
International energy cluster	**652**	402	323
Synfuels International	**535**	318	248
Petroleum International	**117**	84	75
Chemical cluster	**1 518**	1 153	723
Polymers	**87**	42	47
Solvents	**73**	59	100
Olefins & Surfactants	**794**	500	–
Other	**564**	552	576
Other businesses	**86**	1	134
Total operations	**4 491**	3 668	3 463
Expected timing of future cash-flows			
Within one year	**1 123**	900	466
One to two years	**604**	549	399
Two to three years	**560**	245	180
Three to four years	**338**	282	160
Four to five years	**185**	116	288
More than five years	**2 804**	2 476	2 436
	5 614	4 568	3 929
Estimated undiscounted obligation	**17 342**	16 222	13 510







Representing the estimated actual cash flows in the period in which the obligation is settled.

In accordance with the group's published environmental policy and applicable legislation, a provision for rehabilitation is recognised when the obligation arises.

The environmental obligation includes estimated costs for the rehabilitation of coal mining, gas and petrochemical sites. The amount provided is calculated based on currently available facts and applicable legislation.

The determination of long-term provisions, in particular environmental provisions, remain a key area where management's judgement is required. Estimating the future cost of these obligations is complex and requires management to make estimates and judgements because most of the obligations will only be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions could also be influenced by changing technologies and political, environmental, safety, business and statutory considerations.

It is envisaged that, based on the current information available, any additional liability in excess of the amounts provided will not have a material adverse effect on the group's financial position, liquidity or cash flow.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
20 Long-term provisions (continued)			
A 1% change in the discount rate would have the following effect on the long-term provisions recognised			
Increase in the discount rate	**(363)**	(404)	(426)
amount capitalised to property, plant and equipment	**(60)**	(98)	
amount recognised in income statement	**(303)**	(306)	
Decrease in the discount rate	**468**	450	523
amount capitalised to property, plant and equipment	**109**	84	
amount recognised in income statement	**359**	366	

for the year ended 30 June	Environ-mental 2008 Rm	Other 2008 Rm	Total 2008 Rm
Balance at beginning of year (adjusted for reclassification)	**3 355**	1 213	4 568
Capitalised in property, plant and equipment	**(56)**	–	(56)
Operating income charge	**3**	877	880
increase for year	**375**	893	1 268
reversal of unutilised amounts	**(51)**	(14)	(65)
effect of change in discount rate	**(321)**	(2)	(323)
Notional interest	**260**	47	307
Utilised during year (cash flow)	**(259)**	(263)	(522)
Reclassification from held for sale	**–**	97	97
Translation of foreign operations	**157**	183	340
Balance at end of year	**3 460**	2 154	5 614

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
21 Post-retirement benefit obligations				
Post-retirement healthcare benefits	21.1	**2 246**	2 027	1 616
Pension benefits	21.2	**2 444**	1 797	850
Total post-retirement benefit obligations		**4 690**	3 824	2 466
Less short-term portion				
post-retirement healthcare benefits	26	**(24)**	(24)	–
pension benefits	26	**(88)**	(19)	(5)
		4 578	3 781	2 461

21 *Post-retirement benefit obligations (continued)*

21.1 Post-retirement healthcare benefits

The group provides post-retirement healthcare benefits to certain of its retirees, principally in South Africa and the United States of America. The method of accounting and the frequency of valuations for determining the liability are similar to those used for defined benefit pension plans.

South Africa

The post-retirement benefit plan provides certain healthcare and life assurance benefits to South African employees hired prior to 1 January 1998, who retire and satisfy the necessary requirements of the medical fund. Generally, medical coverage provides for a specified percentage of most medical expenses, subject to preset rules and maximum amounts. The cost of providing these contributions is shared with the retirees. The plan is unfunded. The accumulated post-retirement benefit obligation is accrued over the employee's working life until full eligibility age.

United States of America

Certain other healthcare and life assurance benefits are provided for personnel employed in the United States of America. Generally, medical coverage pays a specified percentage of most medical expenses, subject to preset maximum amounts and reduced for payments made by the healthcare provider, Medicare. The cost of providing these benefits is shared with the retirees. The plan is unfunded.

for the year ended 30 June	*South Africa*	*United States of America*
Last actuarial valuation	31 March 2008	30 June 2008
Full/interim valuation	Full	Full
Valuation method adopted	Projected unit credit	Projected unit credit

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuation determined in consultation with independent actuaries.

	South Africa		*United States of America*	
at valuation date	**2008 %**	*2007 %*	**2008 %**	*2007 %*
Healthcare cost inflation				
Initial	**8,3**	6,5	**7,0**	7,5
Ultimate	**8,3**	6,5	**5,5**	5,5
Discount rate	**9,3**	8,0	**6,0**	6,0

Reconciliation of projected benefit obligation to the amount recognised in the statement of financial position

	South Africa		*United States of America*		*Total*	
for the year ended 30 June	**2008 Rm**	*2007 Rm*	**2008 Rm**	*2007 Rm*	**2008 Rm**	*2007 Rm*
Projected benefit obligation	**2 181**	2 040	**357**	343	**2 538**	2 383
Unrecognised prior service cost	**–**	–	**(2)**	3	**(2)**	3
Unrecognised actuarial losses	**(218)**	(267)	**(72)**	(92)	**(290)**	(359)
Total post-retirement healthcare obligation	**1 963**	1 773	**283**	254	**2 246**	2 027
Less short-term portion	**–**	–	**(24)**	(24)	**(24)**	(24)
Non-current post-retirement healthcare obligation	**1 963**	1 773	**259**	230	**2 222**	2 003

21 Post-retirement benefit obligations (continued)

21.1 Post-retirement healthcare benefits (continued)

Reconciliation of the total post-retirement healthcare obligation recognised in the statement of financial position

	South Africa		United States of America		Total	
for the year ended 30 June	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm
Total post-retirement healthcare obligation at beginning of year	**1 773**	1 616	**254**	–	**2 027**	1 616
Service cost	**68**	58	**5**	8	**73**	66
Finance expense	**160**	135	**21**	20	**181**	155
Recognised actuarial losses	**3**	–	**7**	13	**10**	13
Past service cost recognised	**–**	–	**(5)**	(5)	**(5)**	(5)
Benefits paid	**(41)**	(36)	**(25)**	(20)	**(66)**	(56)
Translation of foreign operations	**–**	–	**26**	(6)	**26**	(6)
Curtailments and settlements	**–**	–	**–**	(6)	**–**	(6)
Reclassification from held for sale	**–**	–	**–**	250	**–**	250
Total post-retirement healthcare obligation at end of year	**1 963**	1 773	**283**	254	**2 246**	2 027

Reconciliation of projected benefit obligation

	South Africa		United States of America		Total	
for the year ended 30 June	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm
Projected benefit obligations at beginning of year	**2 040**	1 728	**343**	–	**2 383**	1 728
Service cost	**68**	58	**5**	8	**73**	66
Finance expense	**160**	135	**21**	20	**181**	155
Actuarial(gains)/losses	**(46)**	155	**(24)**	12	**(70)**	167
Benefits paid	**(41)**	(36)	**(25)**	(20)	**(66)**	(56)
Translation of foreign operations	**–**	–	**37**	(6)	**37**	(6)
Curtailments and settlements	**–**	–	**–**	(6)	**–**	(6)
Reclassification from held for sale	**–**	–	**–**	335	**–**	335
Projected benefit obligation at end of year	**2 181**	2 040	**357**	343	**2 538**	2 383

Net post-retirement healthcare costs recognised in the income statement

	South Africa		United States of America		Total	
for the year ended 30 June	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm
Service cost	**68**	58	**5**	8	**73**	66
Finance expense	**160**	135	**21**	20	**181**	155
Recognised net actuarial loss	**3**	–	**7**	13	**10**	13
Past service cost	**–**	–	**(5)**	(5)	**(5)**	(5)
Curtailments and settlements	**–**	–	**–**	(6)	**–**	(6)
Net periodic benefit cost	**231**	193	**28**	30	**259**	223

21 *Post-retirement benefit obligations (continued)*

21.1 Post-retirement healthcare benefits (continued)

Sensitivity analysis

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the post-retirement healthcare benefits. A one percentage-point change in assumed healthcare cost trend rates could increase or decrease the relevant amount to:

	South Africa		United States of America	
	% point increase Rm	% point decrease Rm	**% point increase Rm**	% point decrease Rm
2008				
Total service and finance expense components	**286**	197	**28**	24
Accumulated post-retirement benefit obligations	**2 712**	1 920	**380**	331
2007				
Total service and finance expense components	**236**	160	**26**	26
Accumulated post-retirement benefit obligations	**2 444**	1 721	**341**	337

21.2 Pension benefits

The group operates or contributes to defined benefit pension plans and defined contribution plans in the countries in which it operates.

Contributions by the group and in some cases the employees are made for funds set up in South Africa and the United States of America whilst no contributions are made for plans established in other geographic areas.

Provisions for pension obligations are established for benefits payable in the form of retirement, disability and surviving dependent pensions. The benefits offered vary according to the legal, fiscal and economic conditions of each country.

South African operations

Background

Sasol contributes to a pension fund which provides defined post-retirement and death benefits based on final pensionable salary at retirement. Prior to 1 April 1994, this pension fund was open to all employees of the group in South Africa. In 1994, all members were given the choice to voluntarily transfer to the newly established defined contribution section of the pension fund and approximately 99% of contributing members chose to transfer to the defined contribution section. At that date the calculated actuarial surplus of approximately R1 250 million was apportioned to pensioners, members transferring to the defined contribution section and a R200 million balance was allocated within the pension fund to an employer's reserve.

The assets of the Sasol Pension Fund (the Fund) are held separately from those of the company in a trustee administered fund, registered in terms of the South African Pension Funds Act, 1956. Included in the Fund assets are 2 095 208 Sasol Limited shares valued at R966 million at year end (2007 – 2 395 208 shares at R637 million) purchased under terms of an approved investment strategy.

Contributions

The annual pension charge is determined in consultation with the pension fund's independent actuary and is calculated using assumptions consistent with those used at the last actuarial valuation of the pension fund. The pension fund assets have been valued at fair value.

The prepayment of R176 million (2007 – R92 million) in the statement of financial position represents the accumulated excess of the actual contributions paid to the pension fund in excess of the accumulated pension liability and the surplus that arose prior to 31 December 2002, to which the company is entitled in terms of the Surplus Apportionment Scheme.

Limitation of asset recognition

In December 2001, the Pension Funds Second Amendment Act was promulgated. The Act generally provides for the payment of enhanced benefits to former members, minimum pension increases for pensioners and the apportionment of any actuarial surplus existing in the Fund, at the apportionment date, in an equitable manner between existing members including pensioners, former members and the employer in such proportions as the trustees of the Fund shall determine.

In terms of the Pension Funds Second Amendment Act 2001, the Sasol Pension Fund in South Africa undertook a surplus apportionment exercise as at December 2002. The surplus apportionment exercise, and the 31 December 2002 statutory valuation of the fund, was approved by the Financial Services Board on 26 September 2006. Payments of benefits to former members in terms of the surplus apportionment scheme have been substantially completed and an amount of R102 million has been set aside for members that have not claimed their benefits.

21 Post-retirement benefit obligations (continued)

21.2 Pension benefits (continued)

Based on the latest actuarial valuation of the fund and the approval of the trustees of the surplus allocation, the company has an unconditional entitlement to only the funds in the employer surplus account and the contribution reserve. The estimated surplus due to the company amounted to approximately R176 million as at 31 March 2008 and has been included in the pension asset recognised in the current year.

Membership

A significant number of employees are covered by union sponsored, collectively bargained, and in some cases, multi employer defined contribution pension plans. Information from the administrators of these plans offering defined benefits is not sufficient to permit the company to determine its share, if any, of any unfunded vested benefits.

The group occupies certain properties owned by the Sasol Pension Fund. The fair value of investment properties owned by the Sasol Pension Fund is R2 718 million as at 30 June 2008 (2007 – R 2 340 million).

Defined contribution plans

Members of the defined benefit section are required to contribute to the pension fund at the rate of 7,5% of pensionable salary. Sasol meets the balance of the cost of providing benefits. Company contributions are based on the results of the actuarial valuation of the pension fund in terms of South African legislation and are agreed by Sasol Limited and the pension fund trustees.

Contributions, for the defined contribution section, are paid by the members and Sasol at fixed rates. Contributions to the defined contribution fund by the group for the year ended 30 June 2008 amounted to R716 million (2007 – R612 million).

Foreign operations

Pension coverage for employees of the group's international operations is provided through separate plans. The company systematically provides for obligations under such plans by depositing funds with trustees for those plans operating in the United States of America or by creation of accounting obligations for other plans.

Pension fund assets

The assets of the pension funds are invested as follows

	South Africa		*United States of America*	
at 30 June	**2008 %**	2007 %	**2008 %**	2007 %
Equities				
local	**60**	59	**49**	49
foreign	**7**	13	**18**	17
Fixed interest	**9**	10	**27**	30
Property	**19**	18	**–**	–
Other	**5**	–	**6**	4
Total	**100**	100	**100**	100

Investment strategy

The investment objectives of the group's pension plans are designed to generate returns that will enable the plans to meet their future obligations. The precise amount for which these obligations will be settled depends on future events, including the life expectancy of the plan's members and salary inflation. The obligations are estimated using actuarial assumptions, based on the current economic environment.

The pension plans seek to achieve total returns both sufficient to meet expected future obligations as well as returns greater than their policy benchmark reflecting the target weights of the asset classes used in its targeted strategic asset allocation.

In evaluating the strategic asset allocation choices, an emphasis is placed on the long-term characteristics of each individual asset class, and the benefits of diversification among multiple asset classes. Consideration is also given to the proper long-term level of risk for the plan, particularly with respect to the long-term nature of the plan's liabilities, the impact of asset allocation on investment results, and the corresponding impact on the volatility and magnitude of plan contributions and expense and the impact certain actuarial techniques may have on the plan's recognition of investment experience.

21 Post-retirement benefit obligations *(continued)*

21.2 Pension benefits (continued)

The trustees target the plans' asset allocation within the following ranges within each asset class

	South Africa[1]		United States of America	
Asset classes	**Minimum %**	Maximum %	**Minimum %**	Maximum %
Equities				
local	50	60	25	75
foreign	–	15	–	25
Fixed interest	10	25	20	40
Property	10	25	–	20
Other	–	10	–	20

1. *Members of the scheme have a choice of three investment portfolios. The targeted allocation disclosed represents the moderate balanced investment portfolio which the majority of the members of the scheme have adopted. The total assets under these investment portfolios are R22 million, R18 725 million and R168 million for the low portfolio, moderate balanced portfolio and aggressive portfolio, respectively. Defined benefit members' funds are invested in the moderate balanced portfolio.*

The trustees of the respective funds monitor investment performance and portfolio characteristics on a regular basis to ensure that managers are meeting expectations with respect to their investment approach. There are restrictions and controls placed on managers in this regard.

for the year ended 30 June	South Africa	United States of America	Europe
Last actuarial valuation	31 March 2008	30 June 2008	30 June 2008
Full/interim valuation	Full	Full	Full
Valuation method adopted	Projected unit credit	Projected unit credit	Projected unit credit

The plans have been assessed by the actuaries and have been found to be in sound financial positions.

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuation determined in consultation with independent actuaries

			Foreign			
	South Africa		United States of America		Europe	
at valuation date	**2008 %**	2007 %	**2008 %**	2007 %	**2008 %**	2007 %
Discount rate	**9,3**	8,0	**6,1**	6,0	**6,0**	5,0
Expected return on plan assets	**9,9**	8,8	**7,8**	7,8	**–**	–
Average salary increases	**7,8**	6,0	**3,1**	2,9	**3,0**	2,8
Average pension increases	**4,0**	2,9	**–**	–	**2,1**	1,8

Assumptions regarding future mortality are based on published statistics and mortality tables.

21 *Post-retirement benefit obligations (continued)*

21.2 Pension benefits (continued)

Reconciliation of the funded status to amounts recognised in the statement of financial position

	South Africa		*Foreign*		*Total*	
for the year ended 30 June	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm
Projected benefit obligation (funded obligation)	**5 250**	4 754	**819**	778	**6 069**	5 532
Plan assets	**(5 838)**	(5 381)	**(871)**	(842)	**(6 709)**	(6 223)
Projected benefit obligation (unfunded obligation)	**–**	–	**2 453**	2 034	**2 453**	2 034
Unrecognised actuarial net (losses)/gains	**187**	314	**(352)**	(444)	**(165)**	(130)
Asset not recognised due to asset limitation	**225**	221	**–**	–	**225**	221
Net liability/(asset) recognised	**(176)**	(92)	**2 049**	1 526	**1 873**	1 434
Comprising						
Prepaid pension asset (refer note 9)	**(176)**	(92)	**(395)**	(271)	**(571)**	(363)
Pension benefit obligation	**–**	–	**2 444**	1 797	**2 444**	1 797
Long-term portion	**–**	–	**2 356**	1 778	**2 356**	1 778
Short-term portion	**–**	–	**88**	19	**88**	19
Net liability/(asset) recognised	**(176)**	(92)	**2 049**	1 526	**1 873**	1 434

Reconciliation of projected benefit obligation (funded obligation)

	South Africa		*Foreign*		*Total*	
for the year ended 30 June	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm	**2008 Rm**	2007 Rm
Projected benefit obligation at beginning of year	**4 754**	3 582	**778**	36	**5 532**	3 618
Service cost	**7**	7	**32**	31	**39**	38
Interest cost	**367**	276	**51**	50	**418**	326
Actuarial losses	**100**	1 088	**19**	92	**119**	1 180
Member contributions	**3**	2	**–**	–	**3**	2
Benefits paid	**(355)**	(277)	**(69)**	(68)	**(424)**	(345)
Translation of foreign operations	**–**	–	**84**	(15)	**84**	(15)
Curtailments and settlements	**–**	–	**(76)**	(5)	**(76)**	(5)
Transfer from defined contribution plan[1]	**374**	395	**–**	–	**374**	395
Surplus allocation	**–**	(319)	**–**	–	**–**	(319)
Reclassification from held for sale	**–**	–	**–**	657	**–**	657
Projected benefit obligation at end of year	**5 250**	4 754	**819**	778	**6 069**	5 532

21 Post-retirement benefit obligations (continued)

21.2 Pension benefits (continued)

Reconciliation of projected benefit obligation (unfunded obligation)

for the year ended 30 June	Foreign 2008 Rm	Foreign 2007 Rm	Total 2008 Rm	Total 2007 Rm
Projected benefit obligation at beginning of year	**2 034**	1 198	**2 034**	1 198
Acquisition of businesses	**16**	–	**16**	–
Service cost	**74**	68	**74**	68
Interest cost	**103**	87	**103**	87
Actuarial (gain)/loss	**(268)**	8	**(268)**	8
Benefits paid	**(82)**	(61)	**(82)**	(61)
Translation of foreign operations	**576**	77	**576**	77
Plan amendments	**–**	(74)	**–**	(74)
Reclassification from held for sale	**–**	731	**–**	731
Projected benefit obligation at end of year	**2 453**	2 034	**2 453**	2 034

Reconciliation of plan assets of funded obligation

for the year ended 30 June	South Africa 2008 Rm	South Africa 2007 Rm	Foreign 2008 Rm	Foreign 2007 Rm	Total 2008 Rm	Total 2007 Rm
Fair value of plan assets at beginning of year	**5 381**	4 640	**842**	23	**6 223**	4 663
Actual return on plan assets	**431**	1 319	**(61)**	56	**370**	1 375
Plan participant contributions	**3**	2	**–**	–	**3**	2
Employer contributions	**4**	4	**144**	83	**148**	87
Benefit payments	**(355)**	(277)	**(68)**	(68)	**(423)**	(345)
Translation of foreign operations	**–**	–	**90**	46	**90**	46
Transfer from defined contribution plan[1]	**374**	395	**–**	–	**374**	395
Transfer to defined contribution plan[2]	**–**	(383)	**–**	–	**–**	(383)
Surplus allocation	**–**	(319)	**–**	–	**–**	(319)
Curtailments and settlements	**–**	–	**(76)**	–	**(76)**	–
Reclassification from held for sale	**–**	–	**–**	702	**–**	702
Fair value of plan assets at end of year	**5 838**	5 381	**871**	842	**6 709**	6 223

1 Amount represents retired employees from the defined contribution section of the plan, who, on retirement, have elected to participate in the defined benefit plan by purchasing a defined benefit pension from the fund.

2 Following approval of the surplus apportionment as well as the subsequent statutory actuarial valuation, certain assets previously allocated to the defined benefit portion of the fund were reallocated to the defined contribution portion of the fund.

Net periodic pension cost/(gain) recognised in the income statement

	South Africa 2008 Rm	South Africa 2007 Rm	Foreign 2008 Rm	Foreign 2007 Rm	Total 2008 Rm	Total 2007 Rm
Service cost	**7**	7	**106**	99	**113**	106
Interest cost	**367**	276	**154**	137	**521**	413
Expected return on plan assets	**(458)**	(337)	**(67)**	(55)	**(525)**	(392)
Recognised actuarial losses/(gains)	**–**	(48)	**26**	1	**26**	(47)
Asset limitation cost	**4**	91	**–**	–	**4**	91
Plan amendments	**–**	–	**–**	(15)	**–**	(15)
Curtailments and settlements	**–**	–	**23**	–	**23**	–
Net pension costs/(gain)	**(80)**	(11)	**242**	167	**162**	156
Actual return on plan assets	**431**	1 319	**(61)**	56	**370**	1 375

21 *Post-retirement benefit obligations (continued)*

21.2 Pension benefits (continued)

Contributions

Funding is based on actuarially determined contributions. The following table sets forth the projected pension contributions for the 2009 financial year.

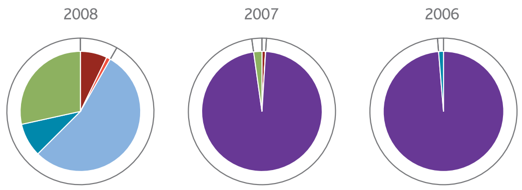
	South Africa Rm	*Foreign* Rm
Pension contributions	**8**	155

for the year ended 30 June	**2008** Rm	2007 Rm	2006 Rm
22 Long-term deferred income			
Total deferred income	**543**	2 809	1 708
Short-term portion	**(167)**	(44)	(10)
	376	2 765	1 698

Amounts received in respect of capital investment, to be recognised in income over the useful lives of the underlying assets, as well as emission rights received to be recognised in income as the emissions are generated.

During the year, the Escravos GTL (EGTL) project has been classified as held for sale resulting in the deferred income relating to the project being reclassified to assets held for sale.

Business segmentation



	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	**31**	27	–
Gas	**27**	26	–
Oil	**4**	1	–
International energy cluster	**–**	2 671	1 676
Synfuels International	**–**	2 671	1 676
Chemical cluster	**345**	67	22
Polymers	**204**	–	–
Solvents	**34**	6	22
Olefins & Surfactants	**107**	61	–
Total operations	**376**	2 765	1 698

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
23 Deferred tax				
Reconciliation				
Balance at beginning of year		**7 459**	5 465	5 966
Acquisition of businesses	54	**(161)**	–	–
Disposal of businesses	55	**(1)**	–	–
Current year charge		**668**	1 360	(21)
per the income statement	40	**608**	1 360	(86)
per the statement of changes in equity		**60**	–	65
Net reclassification (to)/from held for sale		**(1 262)**	641	(643)
Translation of foreign operations	46	**290**	(7)	163
Balance at end of year		**6 993**	7 459	5 465
Comprising				
Deferred tax assets		**(1 453)**	(845)	(691)
Deferred tax liabilities		**8 446**	8 304	6 156
		6 993	7 459	5 465

Deferred tax assets and liabilities are determined based on the tax status of the underlying entities.

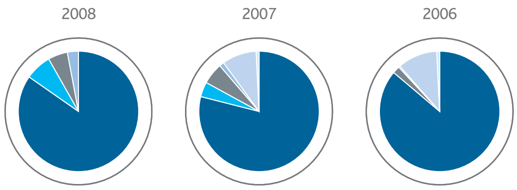
Deferred tax is attributable to the following temporary differences

	2008 Rm	2007 Rm	2006 Rm
Assets			
Property, plant and equipment	**422**	354	414
Short- and long-term provisions	**(478)**	(276)	(290)
Calculated tax losses	**(1 054)**	(810)	(611)
Other	**(343)**	(113)	(204)
	(1 453)	(845)	(691)
Liabilities			
Property, plant and equipment	**10 688**	10 352	8 015
Intangible assets	**124**	128	168
Current assets	**(457)**	85	(129)
Short- and long-term provisions	**(1 782)**	(1 891)	(1 594)
Calculated tax losses	**(493)**	(580)	(477)
Other	**366**	210	173
	8 446	8 304	6 156

Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the group's operations where, among other things, taxation losses can be carried forward indefinitely and there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward.

Deferred tax assets are not recognised for carry forward of unused tax losses when it cannot be demonstrated that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

for the year ended 30 June	***2008*** **Rm**	*2007* Rm	*2006* Rm
23 *Deferred tax* *(continued)*			
Attributable to the following tax jurisdictions			
South Africa	**6 038**	5 972	4 766
United States of America	**505**	302	(66)
Germany	**374**	434	108
Mozambique	**212**	96	22
Nigeria	**–**	701	592
Italy	**(104)**	(104)	–
Other	**(32)**	58	43
	6 993	7 459	5 465



	2008 Rm	2007 Rm	2006 Rm
Calculated tax losses			
(before applying the applicable tax rate)			
Available for offset against future taxable income	**10 762**	8 379	5 722
Utilised against the deferred tax balance	**(5 716)**	(5 025)	(4 230)
Not recognised as a deferred tax asset	**5 046**	3 354	1 492

Deferred tax assets have been recognised to the extent that it is probable that the entities will generate future taxable income against which these tax losses can be utilised.

A portion of the estimated tax losses available may be subject to various statutory limitations as to its usage.

Calculated tax losses carried forward that have not been recognised	**2008** Rm	2007 Rm	2006 Rm
Expiry between one and two years	**668**	311	
Expiry between two and five years	**1 407**	1 293	
Expiry thereafter	**1 634**	984	
Indefinite life	**1 337**	766	
	5 046	3 354	

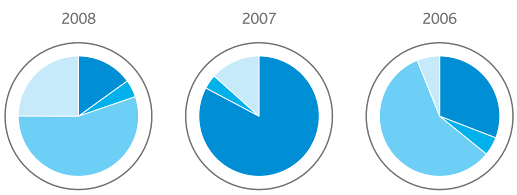
for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
23 Deferred tax *(continued)*			
Unremitted earnings of foreign subsidiaries and foreign incorporated joint ventures			
No provision is made for the income tax effect that may arise on the remittance of unremitted earnings by certain foreign subsidiaries and foreign incorporated joint ventures. It is management's intention that, where there is no double taxation relief, these earnings will be permanently re-invested in these entities.			
Unremitted earnings at end of year	**12 298**	7 238	3 770
Europe	**9 649**	6 217	
Rest of Africa	**1 259**	632	
United States of America	**575**	248	
Other	**815**	141	
Tax effect if remitted	**212**	69	53
Europe	**147**	36	
Rest of Africa	**8**	6	
United States of America	**29**	13	
Other	**28**	14	
Secondary Taxation on Companies (STC)			
STC is a tax levied on South African companies at a rate of 10,0% with effect from 1 October 2007 (previously 12,5%) on dividends distributed.			
Current and deferred tax are measured at the tax rate applicable to undistributed income and therefore only take STC into account to the extent that dividends have been received or paid.			
On declaration of a dividend, the company includes the STC on this dividend in its computation of the income tax expense in the period of such declaration.			
Undistributed earnings that would be subject to STC	**95 395**	71 762	54 889
Tax effect if distributed	**8 672**	6 524	6 099
Available STC credits at end of year	**39**	126	851

current liabilities

at 30 June

	Note	2008 Rm	2007 Rm	2006 Rm
Liabilities in disposal groups held for sale	12	**142**	35	5 479
Short-term debt	24	**3 496**	5 621	2 721
Short-term financial liabilities	25	**67**	383	514
Short-term provisions	26	**2 819**	2 693	1 875
Short-term portion of deferred income	22	**167**	44	10
Tax payable	27	**1 522**	1 465	1 899
Trade payables and accrued expenses	28	**14 694**	9 376	6 602
Other payables	29	**3 686**	3 704	1 833
Bank overdraft	17	**914**	545	442
		27 507	23 866	21 375

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
24 Short-term debt				
Bank loans		**1 944**	288	1 188
Revolving credit		**358**	2 107	535
Other		**73**	151	4
Short-term debt		**2 375**	2 546	1 727
Short-term portion of long-term debt	18	**1 121**	3 075	994
		3 496	5 621	2 721
Reconciliation				
Balance at beginning of year		**2 546**	1 727	4 613
Loans raised		**1 942**	1 918	973
Loans repaid		**(2 292)**	(1 053)	(3 911)
Translation effect of foreign currency loans		**103**	(45)	–
Translation of foreign operations	46	**76**	(1)	52
Balance at end of year		**2 375**	2 546	1 727
Currency analysis				
Euro		**358**	2 107	533
US dollar		**111**	98	86
Rand		**1 313**	–	1 003
Other currencies		**593**	341	105
		2 375	2 546	1 727



for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm

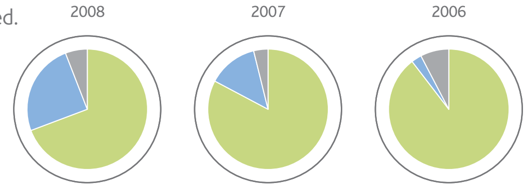
24 Short-term debt (continued)

Interest bearing status

All short-term debt bears interest at market related rates. The weighted average interest rate applicable to short-term debt for the year was approximately 13,4% (2007 – 5,4%).

Security

All short-term debt is unsecured.



Business segmentation	2008 Rm	2007 Rm	2006 Rm
Financing	**1 645**	2 107	1 547
Polymers	**590**	341	48
Other	**140**	98	132
	2 375	2 546	1 727

Fair value of short-term debt

The carrying value of short-term external debt approximates fair value because of the short period to maturity. The fair value of the short-term portion of long-term debt is disclosed in note 18.

25 Short-term financial liabilities

	2008 Rm	2007 Rm	2006 Rm
Forward exchange contracts	**55**	56	12
Cross currency swaps	**5**	130	397
Interest rate derivatives	**–**	–	12
Commodity derivatives	**–**	197	93
Short-term portion of financial guarantees	**7**	–	–
Arising on short-term financial instruments	**67**	383	514
used for cash flow hedging	**29**	23	
held for trading	**38**	360	

Short-term financial liabilities include the revaluation of out-of-the-money derivative instruments, refer pages 187 to 199.

Fair value of derivative financial instruments

The fair value of derivatives was based upon marked to market valuations.

Forward exchange contracts and cross currency swaps

The fair value losses were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts and cross currency swaps at year end were calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present values of these net market values were then determined using the appropriate currency specific discount curve.

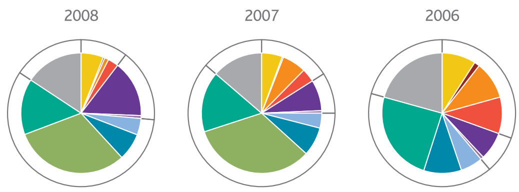
Interest rate and commodity derivatives

The fair value of interest rate and commodity derivatives were determined by reference to quoted market prices for similar instruments.

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
26 Short-term provisions				
Employee provisions		**998**	1 234	850
Insurance related provisions		**119**	105	97
Restructuring provisions		**13**	93	–
Other provisions		**454**	318	457
		1 584	1 750	1 404
Short-term portion of				
long-term provisions	20	**1 123**	900	466
post-retirement benefit obligations	21	**112**	43	5
		2 819	2 693	1 875
Reconciliation				
Balance at beginning of year		**1 750**	1 404	1 300
Acquisition of businesses	54	**2**	–	2
Disposal of businesses	55	**–**	1	–
Net income statement movement*		**(309)**	(13)	389
income statement charge		**1 669**	1 609	1 398
reversal of unutilised amounts		**(262)**	(92)	(36)
provisions utilised		**(1 716)**	(1 530)	(973)
Reclassification from/(to) held for sale		**–**	347	(362)
Translation of foreign operations	46	**141**	11	75
Balance at end of year		**1 584**	1 750	1 404

* *Included in the net income statement movement of short-term provisions are changes relating to the increase in emission obligations for the year as well as the utilisation of emission rights in reducing these provisions.*

Business segmentation	Note	2008 Rm	2007 Rm	2006 Rm
South African energy cluster		**293**	431	572
Mining		**170**	151	171
Gas		**12**	9	27
Synfuels		**31**	173	190
Oil		**80**	98	184
International energy cluster		**452**	242	156
Synfuels International		**430**	224	141
Petroleum International		**22**	18	15
Chemical cluster		**1 631**	1 651	759
Polymers		**125**	108	112
Solvents		**206**	208	190
Olefins & Surfactants		**876**	896	–
Other		**424**	439	457
Other businesses		**443**	369	388
Total operations		**2 819**	2 693	1 875



for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
27 Tax paid				
Amounts unpaid at beginning of year		**(1 465)**	(1 899)	(614)
Net interest received on tax		**1**	7	2
Penalties paid on tax		**(19)**	–	–
Income tax per income statement	40	**(9 521)**	(6 793)	(6 620)
Acquisition of businesses	54	**(1)**	–	(5)
Disposal of businesses	55	**2**	2	2
Reclassification (to)/from held for sale		**–**	(16)	19
Translation of foreign operations	46	**(91)**	(17)	(72)
		(11 094)	(8 716)	(7 288)
Tax payable per statement of financial position		**1 522**	1 465	1 899
Per the statement of cash flows		**(9 572)**	(7 251)	(5 389)
Comprising				
Normal tax				
South Africa		**(8 073)**	(6 448)	(4 540)
foreign		**(875)**	(198)	(294)
STC		**(624)**	(605)	(555)
		(9 572)	(7 251)	(5 389)

28 Trade payables and accrued expenses

	2008 Rm	2007 Rm	2006 Rm
Trade payables	**8 609**	5 946	3 555
Accrued expenses	**2 487**	1 423	1 563
Related party payables	**1 317**	273	148
third parties	**773**	191	67
joint ventures	**544**	82	81
	12 413	7 642	5 266
Duties payable to revenue authorities	**1 692**	1 381	1 093
Value added tax	**589**	353	243
	14 694	9 376	6 602
Trade payables and accrued expenses to cost of sales and services rendered (%)*	**19,7%**	15,6%	17,8%

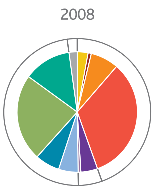
* 2006 percentage incorporates Sasol O&S trade payables classified as held for sale.

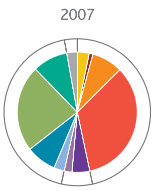
	2008 Rm	2007 Rm
Currency analysis		
Euro	**3 152**	2 224
US dollar	**3 528**	2 343
Rand	**4 680**	2 826
Other currencies	**1 053**	249
	12 413	7 642

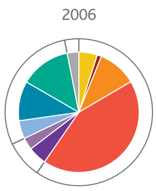
	2008 Rm
Age analysis of trade payables	
Not past due date	**7 514**
Past due 0 – 30 days	**743**
Past due 31 – 150 days	**296**
Past due 151 days – 1 year	**24**
More than 1 year	**32**
	8 609

No individual vendor represents more than 10% of the group's trade payables.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
28 Trade payables and accrued expenses *(continued)*			
Fair value of trade payables and accrued expenses			
The carrying value approximates fair value because of the short period to settlement of these obligations.			
Business segmentation			
South African energy cluster	**6 545**	4 374	4 054
Mining	**427**	301	338
Gas	**127**	93	77
Synfuels	**1 113**	782	709
Oil	**4 878**	3 198	2 930
International energy cluster	**767**	642	362
Synfuels International	**661**	447	340
Petroleum International	**106**	195	22
Chemical cluster	**7 059**	4 095	1 975
Polymers	**772**	264	331
Solvents	**973**	765	723
Olefins & Surfactants	**3 434**	2 180	–
Other	**1 880**	886	921
Other businesses	**323**	265	211
Total operations	**14 694**	9 376	6 602



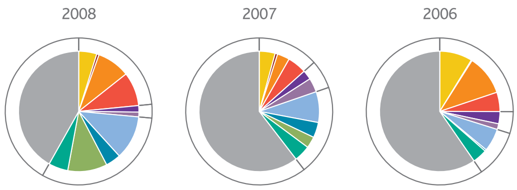




for the year ended 30 June

29 Other payables

	2008 Rm	2007 Rm	2006 Rm
Capital projects related payables	**626**	935	594
Employee related payables	**1 722**	826	369
Insurance related payables	**380**	923	381
Other payables	**958**	1 020	489
	3 686	3 704	1 833
Currency analysis			
Euro	**413**	167	
US dollar	**545**	1 275	
Rand	**2 246**	1 842	
Other currencies	**482**	420	
	3 686	3 704	
Business segmentation			
South African energy cluster	**864**	496	459
Mining	**179**	158	161
Gas	**23**	25	4
Synfuels	**327**	123	199
Oil	**335**	190	95
International energy cluster	**111**	234	88
Synfuels International	**64**	93	60
Petroleum International	**47**	141	28
Chemical cluster	**1 169**	735	193
Polymers	**435**	306	113
Solvents	**150**	152	8
Olefins & Surfactants	**391**	114	–
Other	**193**	163	72
Other businesses	**1 542**	2 239	1 093
Total operations	**3 686**	3 704	1 833



Fair value of other payables

The carrying value approximates fair value because of the short period to maturity.

Sasol Limited **group**

results of operations

for the year ended 30 June

	Note	2008 Rm	2007 Rm	2006 Rm
Turnover	30	**129 943**	98 127	82 395
Cost of sales and services rendered	31	**74 634**	59 997	48 547
Other operating income	32	**635**	639	533
Translation gains/(losses)	33	**300**	(232)	243
Operating profit	34	**33 816**	25 621	17 212
Financial instruments (expenses)/income	35	**(1 436)**	423	(68)
Auditors' remuneration	36	**(83)**	(86)	(68)
Finance income	37	**735**	825	341
Share of profit of associates (net of tax)	38	**254**	405	134
Finance expenses	39	**(1 148)**	(1 148)	(571)
Taxation	40	**(10 129)**	(8 153)	(6 534)
Remeasurement items affecting operating profit	41	**(473)**	1 233	(3 841)
		Rand	*Rand*	*Rand*
Earnings per share	42	**37,30**	27,35	16,78
		Rm	*Rm*	*Rm*
Other comprehensive income	43	**3 652**	(258)	1 517

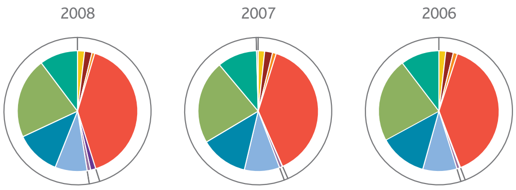
for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
30 Turnover			
Sale of products	**128 492**	96 785	81 172
Services rendered	**889**	918	714
Other trading income	**562**	424	509
	129 943	98 127	82 395
Comprising			
Within South Africa	**66 836**	51 011	43 033
Exported from South Africa	**15 331**	9 854	8 823
Outside South Africa	**47 776**	37 262	30 539
	129 943	98 127	82 395

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm

30 Turnover (continued)

Business segmentation

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	**58 515**	42 561	36 338
Mining	**2 470**	1 694	1 517
Gas	**2 563**	2 075	1 663
Synfuels	**982**	976	915
Oil	**52 500**	37 816	32 243
International energy cluster	**3 016**	842	810
Synfuels International	**1 788**	65	161
Petroleum International	**1 228**	777	649
Chemical cluster	**68 187**	54 296	45 097
Polymers	**11 162**	9 305	7 537
Solvents	**15 585**	12 509	10 485
Olefins & Surfactants	**28 125**	22 012	18 545
Other	**13 315**	10 470	8 530
Other businesses	**225**	428	150
Total operations	**129 943**	98 127	82 395

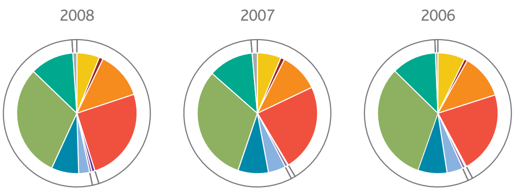


31 Cost of sales and services rendered

	2008 Rm	2007 Rm	2006 Rm
Cost of sales of products	**74 160**	59 434	48 125
Cost of services rendered	**474**	563	422
	74 634	59 997	48 547

Business segmentation

	2008 Rm	2007 Rm	2006 Rm
South African energy cluster	**33 689**	24 847	20 476
Mining	**4 551**	3 832	3 539
Gas	**796**	624	403
Synfuels	**9 515**	6 317	5 805
Oil	**18 827**	14 074	10 729
International energy cluster	**1 080**	560	522
Synfuels International	**608**	98	156
Petroleum International	**472**	462	366
Chemical cluster	**39 072**	33 751	27 229
Polymers	**2 185**	2 816	2 089
Solvents	**5 488**	4 915	3 806
Olefins & Surfactants	**22 625**	18 735	15 501
Other	**8 774**	7 285	5 833
Other businesses	**793**	839	320
Total operations	**74 634**	59 997	48 547



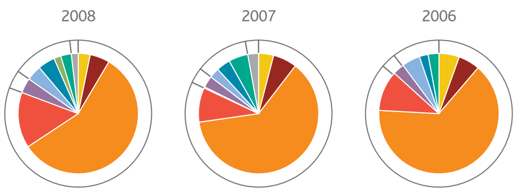
for the year ended 30 June	*Note*	***2008 Rm***	*2007 Rm*	*2006 Rm*
32 Other operating income				
Emission rights received		**133**	185	185
Gain on hedging activities		**128**	91	84
Bad debts recovered		**9**	60	–
Insurance proceeds		**5**	–	40
Other		**360**	303	224
		635	639	533
33 Translation (losses)/gains				
Gains/(losses) on foreign exchange transactions				
realised		**(533)**	(240)	(220)
unrealised		**833**	8	463
		300	(232)	243
Comprising				
Forward exchange contracts		**(133)**	(116)	93
Trade receivables		**477**	(18)	164
Gain/(loss) on translation of foreign currency loans		**365**	99	(198)
Realisation of foreign currency translation reserve		**(557)**	–	–
Other		**148**	(197)	184
		300	(232)	243
34 Operating profit				
Operating profit includes				
Amortisation of other intangible assets	*6*	**(192)**	(279)	(303)
Auditors' remuneration	*36*	**(83)**	(86)	(68)
Depreciation of property, plant and equipment	*3*	**(5 020)**	(3 743)	(3 973)
Effect of remeasurement items	*41*	**(698)**	1 140	(4 272)
Employee costs (including employee related share-based payment expenses)		**(14 443)**	(11 695)	(9 551)
Exploration expenditure		**(221)**	(526)	(123)
Insurance proceeds		**5**	–	40
Operating lease charges				
buildings		**(324)**	(236)	(179)
plant and equipment		**(563)**	(471)	(389)
Research expenditure		**(761)**	(690)	(249)
Restructuring costs		**(220)**	(361)	(3)
Technical and other fees		**(348)**	(256)	(324)
Write-down of inventories to net realisable value	*13*	**(105)**	(71)	(130)

Included in operating profit is other expenses, which include share-based payment expenditure (refer note 45), remeasurement items (refer note 41), the effect of crude oil hedging (refer note 35) and exploration expenditure (refer above).

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
35 Financial instruments (expenses)/income			
Financial instruments (expenses)/income recognised in the income statement			
Net (loss)/gain on derivative instruments held for trading	**(1 409)**	408	(93)
realised effect of crude oil hedging	**(2 428)**	408	–
revaluation of crude oil derivatives	**227**	(227)	(93)
revaluation of cross currency swaps	**792**	227	–
Net gain on extinguishment of financial liabilities	**–**	21	–
Ineffectiveness on cash flow hedges	**–**	(2)	–
Impairment of investments available-for-sale	**–**	(9)	–
Impairment of trade receivables			
raised during year	**(60)**	(46)	(36)
released during year	**33**	60	61
Impairment of long-term receivables	**–**	(9)	–
	(1 436)	423	(68)
36 Auditors' remuneration			
Audit fees	**75**	71	34
KPMG for financial statement audit	**67**	54	32
KPMG for Sarbanes-Oxley Section 404 audit	**7**	15	–
other external auditors	**1**	2	2
Other fees paid to auditors	**2**	8	28
advisory services	**–**	6	1
Sarbanes-Oxley Section 404 implementation	**–**	–	2
other advisory services	**2**	2	25
Tax advisory fees	**2**	3	3
Expenses	**4**	4	3
	83	86	68
37 Finance income			
Dividends received from investments available-for-sale	**10**	34	36
South Africa	**–**	15	22
outside South Africa	**10**	19	14
Interest received	**716**	788	305
South Africa	**274**	549	172
outside South Africa	**442**	239	133
Notional interest received	**9**	3	–
	735	825	341
Interest received on			
investments available-for-sale	**1**	1	
investments held-to-maturity	**35**	22	
loans and receivables	**680**	765	
	716	788	

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
38 Share of profit of associates (net of tax)				
Profit before tax		**335**	437	155
Taxation		**(81)**	(32)	(21)
Share of profit of associates (net of tax)		**254**	405	134
Dividends received from associates		**235**	247	115
39 Finance expenses				
Bank overdraft		**56**	49	13
Debt		**1 979**	1 409	1 385
Finance leases		**86**	80	79
Other		**276**	218	255
		2 397	1 756	1 732
Finance charges		**11**	80	23
		2 408	1 836	1 755
Amortisation of loan costs		**19**	38	–
Notional interest	20	**307**	263	264
Total finance expenses		**2 734**	2 137	2 019
Amounts capitalised		**(1 586)**	(989)	(1 448)
property, plant and equipment	3	**(6)**	(8)	(5)
assets under construction	4	**(1 580)**	(981)	(1 443)
Income statement charge		**1 148**	1 148	571
Total finance expenses comprise				
South Africa		**1 263**	1 176	1 243
outside South Africa		**1 471**	961	776
		2 734	2 137	2 019
Average capitalisation rate applied		**8,5%**	4,9%	7,9%
Total finance expenses before amortisation of loan costs and notional interest		**2 408**	1 836	1 755
Less interest paid on tax payable		**(3)**	(3)	(10)
Less financial guarantee charge		**–**	(17)	–
Per the statement of cash flows		**2 405**	1 816	1 745

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
40 Taxation				
South African normal tax		**8 497**	6 016	5 644
current year		**8 476**	6 055	5 573
prior years		**21**	(39)	71
STC		**637**	529	555
Foreign tax		**387**	248	421
current year		**459**	241	407
prior years		**(72)**	7	14
Income tax	27	**9 521**	6 793	6 620
Deferred tax – South Africa	23	**345**	952	236
current year		**527**	845	290
prior years		**18**	107	(54)
tax rate change		**(200)**	–	–
Deferred tax – foreign	23	**263**	408	(322)
current year		**381**	391	(324)
prior years		**(17)**	17	1
tax rate change		**(101)**	–	1
		10 129	8 153	6 534
Business segmentation				
South African energy cluster		**8 329**	6 764	5 900
Mining		**332**	334	374
Gas		**547**	529	392
Synfuels		**5 905**	5 137	4 395
Oil		**1 545**	764	739
International energy cluster		**225**	284	229
Synfuels International		**(191)**	26	17
Petroleum International		**416**	258	212
Chemical cluster		**1 385**	866	393
Polymers		**422**	224	335
Solvents		**474**	310	161
Olefins & Surfactants		**195**	(97)	(299)
Other		**294**	429	196
Other businesses		**190**	239	12
Total operations		**10 129**	8 153	6 534



for the year ended 30 June	2008 %	2007 %	2006 %

40 Taxation (continued)

Reconciliation of effective tax rate

Total income tax expense differs from the amount computed by applying the South African normal tax rate to profit before tax. The reasons for these differences are

	2008 %	2007 %	2006 %
South African normal tax rate	**28,0**	29,0	29,0
Increase in rate of tax due to			
STC	**2,0**	2,0	3,2
disallowed expenditure	**4,5**	4,5	3,3
increase in calculated tax losses	**–**	2,0	1,2
non-taxable goodwill	**–**	0,1	–
prior year adjustments	**–**	0,3	–
write-off of deferred tax assets	**–**	–	0,1
different foreign tax rate	**–**	–	2,2
	34,5	37,9	39,0
Decrease in rate of tax due to			
exempt income	**(0,8)**	(3,2)	(0,8)
reduction in tax rate	**(0,9)**	–	–
different foreign tax rate	**(1,3)**	(3,0)	–
recognition of prior year assessed losses	**(0,7)**	–	–
utilisation of tax losses	**(0,2)**	–	–
other adjustments	**(0,5)**	–	–
Effective tax rate	**30,1**	31,7	38,2

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm

41 Remeasurement items affecting operating profit

	Note	2008 Rm	2007 Rm	2006 Rm
Impairment of		**(821)**	(208)	(1 067)
property, plant and equipment	3	**(447)**	(19)	(897)
assets under construction	4	**(371)**	–	(26)
goodwill	5	**–**	(4)	(8)
other intangible assets	6	**(3)**	(167)	(136)
investments in securities	7	**–**	(9)	–
long-term receivables		**–**	(9)	–
Profit/(loss) on disposal of		**440**	749	132
property, plant and equipment		**79**	63	(66)
other intangible assets		**12**	(10)	–
investments in businesses	55	**349**	696	198
Loss on repurchase of participation rights in GTL project		**(34)**	–	–
Fair value write-down of disposal group held for sale		**–**	–	(3 196)
Reversal of fair value write-down of disposal group held for sale		**–**	803	–
Reversal of impairment		**381**	–	140
Scrapping of property, plant and equipment		**(96)**	(204)	(281)
Scrapping of assets under construction		**(11)**	–	–
Realisation of foreign currency translation reserve	33	**(557)**	–	–
		(698)	1 140	(4 272)
Tax effect thereon		**229**	93	431
Minority interest effect thereon		**(4)**	–	–
		(473)	1 233	(3 841)

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
41 Remeasurement items affecting operating profit *(continued)*				
Business segmentation				
South African energy cluster		(116)	291	(73)
Mining		(7)	(13)	(16)
Gas		(104)	370	138
Synfuels		(25)	(64)	(187)
Oil		20	(2)	(8)
International energy cluster		(369)	–	(82)
Synfuels International		(396)	–	–
Petroleum International		27	–	(82)
Chemical cluster		(294)	538	(4 107)
Polymers		12	(9)	(17)
Solvents		(104)	(146)	105
Olefins & Surfactants		27	707	(4 143)
Other		(229)	(14)	(52)
Other businesses		81	311	(10)
Total operations		(698)	1 140	(4 272)

for the year ended 30 June	Gross 2008 Rm	Tax 2008 Rm	Minority interest 2008 Rm	Net 2008 Rm
Earnings effect of remeasurement items				
Impairment of	(821)	173	3	(645)
property, plant and equipment	(447)	120	3	(324)
assets under construction	(371)	52	–	(319)
other intangible assets	(3)	1	–	(2)
Profit on disposal of	440	(12)	(7)	421
property, plant and equipment	79	(8)	(7)	64
other intangible assets	12	–	–	12
investments in businesses	349	(4)	–	345
Loss on repurchase of participation rights in GTL project	(34)	5	–	(29)
Reversal of impairment	381	(119)	–	262
Scrapping of property, plant and equipment	(96)	24	–	(72)
Scrapping of assets under construction	(11)	2	–	(9)
Realisation of foreign currency translation reserve	(557)	156	–	(401)
	(698)	229	(4)	(473)

for the year ended 30 June		2008 Rm
41 Remeasurement items affecting operating profit *(continued)*		
Impairments	**Business unit**	
Escravos GTL (EGTL)	Synfuels International	**(362)**
Solvents Germany (Herne site)	Solvents	**(261)**
Egoli pipeline	Gas	**(104)**
Baltimore alkylates plant	Olefins & Surfactants	**(44)**
Crotone inorganics plant	Olefins & Surfactants	**(10)**
Asphacell GmbH	Wax	**(11)**
Truckstop	Oil	**(11)**
Other		**(18)**
		(821)

Impairment of property, plant and equipment and assets under construction

During the year, it has been determined that a material increase in capital expenditure is expected in respect of the construction of the Escravos gas-to-liquids plant (EGTL) in Nigeria, with the project completion date also being postponed until 2011. Sasol has entered in negotiations to reduce its interest in the project to 10% with an impairment of R362 million being recognised based on the EGTL plant's fair value less costs to sell (refer note 12).

Also during the year, feedstock prices into the ethanol business at the Herne site in Germany increased substantially while sales prices decreased due to an oversupply of ethanol on the European market. Due to a decline in the economics of the business and the impact on the site as a whole, an impairment of the Herne site amounting to R261 million has been recognised.

The above impairments were the main contributors to the impairment of property, plant and equipment and assets under construction during the year. Other smaller impairments are in respect of assets which are subject to reduced utilisation.

Reversal of impairment of property, plant and equipment

During 2005, the Sasol Solvents n-Butanol plant in South Africa was impaired due to a decline in the economics of the business caused by a decrease in n-Butanol sales prices and poor asset utilisation. During the current year the economics of the business has improved due to an increase in n-Butanol prices and significantly improved asset utilisation. The previous impairment was reassessed, with management concluding that the increase in the selling price is sustainable to the extent that a reversal of R191 million of the previous impairment was recognised during 2008.

During 2006, the alcohols cash generating unit in Lake Charles, USA was fully impaired due to the economics of the business. During the current year management has commenced with the implementation of a turnaround strategy regarding this business. Based on the current indicators from the turnaround process, management has concluded that the turnaround would be sufficiently sustainable to the extent that a reversal of R96 million of the previous impairment was recognised during 2008.

The above reversals of impairments were the main contributors to the reversal of impairment of property, plant and equipment and assets under construction during the year. Other smaller reversals of impairments are in respect of assets where the economics of the businesses have improved.

Value-in-use calculations

The recoverable amount of the assets reviewed for impairment, other than EGTL, is determined based on value-in-use calculations. Value-in-use calculations take into account cash flow projections based on financial budgets approved by management covering a three, five and ten year period. Cash flows beyond the budget period are extrapolated using the estimated growth rate for the specific business or project.

41 Remeasurement items affecting operating profit *(continued)*

for the year ended 30 June	2008 South Africa %	2008 Europe %	2008 North America %
Main assumptions used for value-in-use calculations			
Growth rate – long-term Producer Price Index (PPI)	4,8	1,2	1,2
Discount rate – Weighted Average Cost of Capital (WACC)	11,75	7,25	7,25

Management determines the expected performance of the assets based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the increase in the geographic segment long-term PPI index. Future cash flows are estimated for a cash generating unit in its current condition based on the latest approved budget by management. If necessary, these cash flows are then adjusted to take into account any changes in assumptions or operating conditions that have been identified subsequent to the preparation of the budgets.The estimated future cash flows and discount rates used are post-tax and reflect specific risks relating to the relevant geographic segment. Discounting post-tax cash flows at a post-tax discount rate yields the same result as discounting pre-tax cash flows at a pre-tax discount rate.

Sensitivity to changes in assumptions

Management has considered the sensitivity of the values in use determined above to various key assumptions such as crude oil prices, commodity prices and exchange rates. These sensitivities have been taken into consideration in determining the required impairments and reversals of impairments.

42 Earnings per share

Earnings per share is derived by dividing attributable earnings by the weighted average number of shares after taking the share repurchase programme and the Sasol Inzalo share transaction into account. Appropriate adjustments are made in calculating diluted and headline earnings per share.

Diluted earnings per share reflect the potential dilution that could occur if all of the group's outstanding share options were exercised and the effects of all dilutive potential ordinary shares resulting from the Sasol Inzalo share transaction. The number of shares outstanding is adjusted to show the potential dilution if employee share options and Sasol Inzalo share rights are converted into ordinary shares and the ordinary shares that will be issued to settle the A and B preference shares in the Sasol Inzalo share transaction.

No adjustments were made to reported earnings attributable to shareholders in the computation of diluted earnings per share.

	Number of shares		
for the year ended 30 June	2008 million	2007 million	2006 million
Weighted average number of shares	601,0	622,6	620,0
Potential dilutive effect of outstanding share options	8,5	7,7	10,2
Diluted weighted average number of shares	609,5	630,3	630,2

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
Headline earnings is determined as follows				
Earnings attributable to shareholders		22 417	17 030	10 406
Adjusted for				
effect of remeasurement items	34	698	(1 140)	4 272
tax effect thereon		(229)	(93)	(431)
minority interest thereon		4	–	–
Headline earnings		22 890	15 797	14 247

for the year ended 30 June		2008 Rand	2007 Rand	2006 Rand
42 Earnings per share (continued)				
Profit attributable to shareholders				
Earnings per share		**37,30**	27,35	16,78
Diluted earnings per share		**36,78**	27,02	16,51
Effect of share repurchase programme		**1,73**	0,10	1,48
Headline earnings				
Headline earnings per share		**38,09**	25,37	22,98
Diluted headline earnings per share		**37,56**	25,06	22,61
Effect of share repurchase programme		**1,78**	0,09	2,03
Dividends per share				
Ordinary shares of no par value				
Interim		**3,65**	3,10	2,80
Final*		**9,35**	5,90	4,30
		13,00	9,00	7,10

* *Declared subsequent to 30 June 2008 and has been presented for information purposes only. No provision regarding the final dividend has been recognised.*

		2008	2007	2006
Potential dilutive effect of options issued in terms of the share-based compensation schemes				
Number of options granted at year end	thousand	**16 212**	21 439	23 819
Average issue price of options	Rand	**171,92**	159,03	129,34
Value at issue price	Rm	**2 787**	3 409	3 081
Average closing share price during year on JSE	Rand	**360,27**	248,93	226,86
Equivalent shares at closing share price	thousand	**7 736**	13 695	13 581
Potential dilutive effect of outstanding share options	thousand	**8 476**	7 744	10 238

The potential dilutive effect of share rights issued in terms of the Sasol Inzalo share transaction during the year is insignificant as the transaction was concluded only at the end of the year.

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm

43 Other comprehensive income

Components of other comprehensive income

	Note	2008 Rm	2007 Rm	2006 Rm
Effect of translation of foreign operations		**3 452**	(258)	1 152
Effect of cash flow hedges		**261**	–	430
Gains/(losses) on effective portion of cash flow hedges		**40**	(8)	(55)
Losses/(gains) on cash flow hedges transferred to hedged items		**221**	(10)	485
Losses on cash flow hedges transferred to income statement		**–**	18	–
Loss on fair value of investments		**(1)**	–	–
Tax on other comprehensive income	23	**(60)**	–	(65)
Other comprehensive income for year, net of tax		**3 652**	(258)	1 517

Tax and minority interest on other comprehensive income

for the year ended 30 June	Gross Rm	Tax Rm	Minority interest Rm	Net Rm
2008				
Effect of translation of foreign operations	**3 452**	**(1)**	**(2)**	**3 449**
Gains on effective portion of cash flow hedges	**40**	**(4)**	**(5)**	**31**
Losses on cash flow hedges transferred to hedged items	**221**	**(55)**	**–**	**166**
Loss on fair value of investments	**(1)**	**–**	**–**	**(1)**
Other comprehensive income	**3 712**	**(60)**	**(7)**	**3 645**
2007				
Effect of translation of foreign operations	(258)	–	–	(258)
Losses on effective portion of cash flow hedges	(8)	–	–	(8)
Gains on cash flow hedges transferred to hedged items	(10)	–	–	(10)
Losses on cash flow hedges transferred to income statement	18	–	–	18
Other comprehensive income	(258)	–	–	(258)
2006				
Effect of translation of foreign operations	1 152	(2)	(3)	1 147
Losses on effective portion of cash flow hedges	(55)	(12)	–	(67)
Losses on cash flow hedges transferred to hedged items	485	(51)	(8)	426
Other comprehensive income	1 582	(65)	(11)	1 506

equity structure

	Note
Share capital	44
Share-based payments	45
Foreign currency translation reserve	46
Share repurchase programme	47

	Number of shares		
for the year ended 30 June	**2008**	2007	2006
44 Share capital			
Authorised[1]			
Ordinary shares of no par value	**1 127 690 590**	1 175 000 000	1 175 000 000
Sasol preferred ordinary shares of no par value	**28 385 646**	–	–
Sasol BEE ordinary shares of no par value	**18 923 764**	–	–
	1 175 000 000	1 175 000 000	1 175 000 000

1. *During May 2008, special resolutions were passed whereby 47 309 410 of the authorised but unissued ordinary shares of no par value of the capital of Sasol Limited were converted into 28 385 646 Sasol preferred ordinary shares of no par value and 18 923 764 Sasol BEE ordinary shares of no par value, respectively.*

	2008	2007	2006
Issued			
Shares issued at beginning of year	**627 696 148**	682 978 425	676 877 125
Issued in terms of the Sasol Share Incentive Scheme	**4 859 700**	4 829 200	6 101 300
Issued in terms of the Sasol Inzalo share transaction[2]	**44 155 450**	–	–
Shares cancelled during year	**–**	(60 111 477)	–
Shares issued at end of year	**676 711 298**	627 696 148	682 978 425
Comprising			
Ordinary shares of no par value	**667 249 416**	627 696 148	682 978 425
Sasol preferred ordinary shares of no par value	**9 461 882**	–	–
	676 711 298	627 696 148	682 978 425

2. *At the 60 day volume weighted average price of R366,00 per share on 18 March 2008, the shares are valued at R16 161 million. 34 693 568 Sasol ordinary shares with a value of R12 698 million were issued at a nominal value of R0,01 per share to the Sasol Inzalo Employee and Management Trusts and the Sasol Inzalo Foundation, with the remaining amount being facilitated by Sasol. 9 461 882 Sasol preferred ordinary shares were issued, at an issue price of R366,00 per share, for R3 468 million to the Selected Participants.*

	2008	2007	2006
Held in reserve			
Allocated to the Sasol Share Incentive Scheme	**18 005 500**	22 865 200	27 694 400
Unissued shares	**480 283 202**	524 438 652	464 327 175
Ordinary shares of no par value	**442 435 674**	524 438 652	464 327 175
Sasol preferred ordinary shares of no par value	**18 923 764**	–	–
Sasol BEE ordinary shares of no par value	**18 923 764**	–	–
	498 288 702	547 303 852	492 021 575

44 Share capital *(continued)*

Conditions attached to new share classifications

The Sasol preferred ordinary shares have voting rights attached to them and will be Sasol ordinary shares at the end of the term of the Sasol Inzalo share transaction. The Sasol preferred ordinary shares will rank pari passu with the Sasol ordinary shares and will differ only in the fact that they will not be listed and trading will be restricted.

Further, the Sasol preferred ordinary shares carry a cumulative preferred dividend right where a dividend has been declared during the term of the Sasol Inzalo share transaction, with the dividends set out as follows:

- R16,00 per annum for each of the three years until 30 June 2011;
- R22,00 per annum for the next three years until 30 June 2014; and
- R28,00 per annum for the last four years until 30 June 2018.

The Sasol BEE ordinary shares have voting rights attached to them and will be Sasol ordinary shares at the end of the term of the Sasol Inzalo share transaction. The Sasol BEE ordinary shares will rank pari passu with the Sasol ordinary shares and will differ only in the fact that they will not be listed and trading will be restricted.

The Sasol BEE ordinary shares will receive dividends per share simultaneously with, and equal to, Sasol ordinary shareholders.

Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide sustainable returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase current issued shares, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of its gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

During 2008, the group's long-term strategy, unchanged from 2007, was to maintain a gearing ratio of within 30% to 50%. The gearing ratio at 30 June 2008 is 20,5% (2007 – 22,0%).

The decrease in the gearing ratio during 2008 resulted primarily from the increase in earnings caused by a higher crude oil price which was partially offset by the repurchase of shares during the year. The Sasol Inzalo share transaction had a minimal effect on the gearing of the group.

for the year ended 30 June	*Note*	***2008 Rm***	*2007 Rm*	*2006 Rm*
45 Share-based payments				
During the year the following share-based payment expenses were recognised in the income statement regarding share-based payment arrangements that existed:				
Sasol share incentive scheme	*45.1*	**140**	186	169
Sasol share appreciation rights scheme	*45.2*	**208**	4	–
Sasol Inzalo share transaction	*45.3*	**1 434**	–	–
		1 782	190	169

All share arrangements are equity settled, except for the Sasol share appreciation right scheme that is a cash settled scheme and is included in long-term provisions.

45.1 The Sasol Share Incentive Scheme

In 1988, the shareholders approved the adoption of the Sasol Share Incentive Scheme. The scheme was introduced to provide an incentive for senior employees (including executive directors) of the group who participate in management and also non-executive directors from time to time.

The objective of the Sasol Share Incentive Scheme is to recognise the contributions of senior staff to the value added to group's financial position and performance and to retain key employees. Allocations are linked to the performance of both the group and the individual. Options are granted for a period of nine years and vest as follows

2 years – 1st third
4 years – 2nd third
6 years – final third

The offer price of these options equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the option. These options are settled by means of the issue of ordinary shares of no par value by Sasol Limited. The fair value of the equity settled expense is calculated at grant date.

45 *Share-based payments (continued)*

45.1 The Sasol Share Incentive Scheme (continued)

In terms of the scheme, options to a maximum of 60 000 000 ordinary shares may be offered by the trustees to eligible group employees. Each employee is limited to holding a maximum of 1 000 000 options to acquire Sasol Limited shares.

On resignation, share options which have not yet vested will lapse and share options which have vested may be taken up at the employee's election before their last day of service. Payment on shares forfeited will therefore not be required. On death, all options vest immediately and the deceased estate has a period of twelve months to exercise these options. On retirement the options vest immediately and the nine year expiry period remains unchanged.

Following the introduction of the Sasol Share Appreciation Rights Scheme, no further options have been issued in terms of the Sasol Share Incentive Scheme. Unimplemented share options will not be affected by the Sasol Share Appreciation Rights Scheme.

It is group policy that employees should not deal in Sasol Limited shares for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results and at any other time during which they have access to price sensitive information.

	Number of shares		
for the year ended 30 June	***2008***	*2007*	*2006*
Shares allotted	**41 994 500**	37 134 800	32 305 600
Share options granted	**16 212 000**	21 439 100	23 818 700
Available for allocation	**1 793 500**	1 426 100	3 875 700
	60 000 000	60 000 000	60 000 000
Vesting periods of options granted			
Already vested	**5 595 800**	5 818 300	5 295 500
Within one year	**3 331 400**	4 523 700	5 208 500
One to two years	**2 643 300**	3 465 400	4 751 700
Two to three years	**2 129 600**	2 790 900	2 624 400
Three to four years	**1 615 200**	2 206 300	2 891 000
Four to five years	**896 700**	1 699 100	1 291 400
More than five years	**–**	935 400	1 756 200
	16 212 000	21 439 100	23 818 700

Movements in the number of options granted	***Number of shares***	*Weighted average option price Rand*
Balance at 30 June 2005	**24 975 700**	83,18
Options granted	**5 390 500**	218,95
Options converted to shares	**(6 101 300)**	70,52
Options forfeited	**(37 700)**	218,18
Options lapsed	**(408 500)**	137,95
Balance at 30 June 2006	**23 818 700**	116,32
Options granted	**2 911 800**	238,27
Options converted to shares	**(4 829 200)**	68,72
Options forfeited	**(21 400)**	232,38
Options lapsed	**(440 800)**	152,21
Balance at 30 June 2007	**21 439 100**	142,75
Options converted to shares	**(4 859 700)**	96,80
Options lapsed	**(367 400)**	189,07
Balance at 30 June 2008	**16 212 000**	155,47

for the year ended 30 June	2008 Rand	2007 Rand	2006 Rand

45 Share-based payments (continued)

45.1 The Sasol Share Incentive Scheme (continued)

	2008 Rand	2007 Rand	2006 Rand
Average price at which share options were granted during year	–	238,27	218,95
Average market price of options traded during year	366,71	253,68	234,13
Average fair value of share options vested during year	39,29	27,85	26,17
Average fair value of share options issued during year	–	64,35	58,74

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
Total intrinsic value of share options exercised during year	1 312	893	998
Share-based payment expense recognised*	140	186	169

* *The unrecognised share-based payment expense related to non-vested share options, expected to be recognised over a weighted average period of 1,4 years , amounted to R197 million at 30 June 2008 (2007 – R337 million).*

There was no income tax recognised as a consequence of Sasol Share Incentive Scheme.

The share-based payment expense is calculated using the Black Scholes model based on the following assumptions at grant date.

		2008	2007	2006
Risk free interest rate	%	*	7,75	8,00
Expected volatility	%	*	34	34
Expected dividend yield	%	*	3,8	4,0
Vesting period		*	2, 4, 6 years	2, 4, 6 years

* *Following the introduction of the Sasol Share Appreciation Rights Scheme in 2007, no further options have been granted in terms of the Sasol Share Incentive Scheme. The share-based payment expense recognised in the current year relates to options granted in previous years and is calculated based on the assumptions applicable to the year in which the options were granted.*

The risk-free rate for periods within the contractual term of the share options is based on the South African government bonds in effect at the time of the grant.

The expected volatility in the value of the share options granted is determined using the historical volatility of the Sasol share price.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

Range of exercise prices	Number of shares	Weighted average option Rand	Aggregate intrinsic value Rm	Weighted average remaining life years
Details of unimplemented share options granted up to 30 June 2008				
R30,01 – R60,00	852 300	47,77	352	0,93
R60,01 – R90,00	2 780 900	84,62	1 047	3,46
R90,01 – R120,00	4 553 900	111,34	1 592	4,27
R120,01 – R150,00	541 300	133,52	177	5,24
R150,01 – R180,00	373 000	158,49	113	5,80
R180,01 – R210,00	886 400	195,57	235	6,04
R210,01 – R240,00	5 187 400	224,96	1 225	6,65
R240,01 – R270,00	811 500	251,30	170	7,26
R270,01 – R300,00	225 300	274,72	42	6,93
	16 212 000	155,47	4 953	

45 *Share-based payments (continued)*

45.1 The Sasol Share Incentive Scheme (continued)

Range of exercise prices	*Number of shares*	*Weighted average option Rand*	*Aggregate intrinsic value Rm*
Details of unimplemented share options vested at 30 June 2008			
R30,01 – R60,00	859 300	47,82	355
R60,01 – R90,00	1 689 000	82,40	639
R90,01 – R120,00	1 708 500	111,67	597
R120,01 – R150,00	113 600	133,56	37
R150,01 – R180,00	51 800	157,05	16
R180,01 – R210,00	278 600	195,15	74
R210,01 – R240,00	825 300	220,66	198
R240,01 – R270,00	36 700	254,85	8
R270,01 – R300,00	33 000	274,50	6
	5 595 800	116,02	1 930

45.2 The Sasol Share Appreciation Rights Scheme

During March 2007, the group introduced the Sasol Share Appreciation Rights Scheme. This scheme replaces the Sasol Share Incentive Scheme. The objectives of the scheme are similar to that of the Sasol Share Incentive Scheme. The Share Appreciation Rights Scheme allows certain senior employees to earn a long-term incentive amount calculated with reference to the increase in the Sasol Limited share price between the offer date of share appreciation rights to vesting and exercise of such rights.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Share Appreciation Rights Scheme will be settled in cash.

The objective of the Sasol Share Appreciation Rights Scheme is to recognise the contributions of senior staff to the group's financial position and performance and to retain key employees. Allocations are linked to the performance of both the group and the individual. Rights are granted for a period of nine years and vest as follows:

2 years – 1st third
4 years – 2nd third
6 years – final third

The offer price of these appreciation rights equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the right. The fair value of the cash settled expense is calculated at each reporting date.

On resignation, share appreciation rights which have not yet vested will lapse and share appreciation rights which have vested may be taken up at the employee's election before their last day of service. Payment on shares forfeited will therefore not be required. On death, all appreciation rights vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retirement the appreciation rights vest immediately and the nine year expiry period remains unchanged.

It is group policy that employees should not deal in Sasol Limited shares (and this is extended to the Sasol Share Appreciation Rights) for the periods from 1 January for half year end and 1 July for year end until two days after publication of the results and at any other time during which they have access to price sensitive information.

45 *Share-based payments* (continued)

45.2 The Sasol Share Appreciation Rights Scheme (continued)

	Number of share appreciation rights	
for the year ended 30 June	**2008**	2007
Rights granted	**3 839 200**	917 400
Available for allocation*	**16 160 800**	19 082 600
	20 000 000	20 000 000

* In terms of the share appreciation rights scheme, the number of rights available through the scheme together with the number of share options available under the previous Sasol Share Incentive Scheme shall not at any time exceed 80 million shares/rights.

Vesting periods of rights granted		
Already vested	**4 300**	–
Within one year	**310 400**	–
One to two years	**974 300**	306 400
Two to three years	**296 800**	–
Three to four years	**974 300**	306 400
Four to five years	**295 000**	–
More than five years	**984 100**	304 600
	3 839 200	917 400

	Number of share appreciation rights	Weighted average share price Rand
Movements in the number of rights granted		
Rights granted	**931 800**	242,08
Rights forfeited	**(14 400)**	(257,06)
Balance at 30 June 2007	**917 400**	241,85
Rights granted	**3 037 600**	332,77
Rights forfeited	**(30 700)**	(310,33)
Rights lapsed	**(85 100)**	(275,98)
Balance at 30 June 2008	**3 839 200**	249,31

for the year ended 30 June	**2008 Rand**	2007 Rand
Average price at which share appreciation rights were granted during year	**332,77**	242,08
Average fair value of share appreciation rights vested during year	**211,13**	–
Average fair value of share appreciation rights issued during year	**211,56**	81,58

for the year ended 30 June	**2008 Rm**	2007 Rm
Share-based payment expense recognised*	**208**	4

* The unrecognised share-based payment expense related to non-vested share appreciation rights, expected to be recognised over a weighted average period of 1,7 years. amounted to R651 million at 30 June 2008 (2007 – R63 million).

45 *Share-based payments (continued)*

45.2 The Sasol Share Appreciation Rights Scheme (continued)

The share-based payment expense is calculated using the binomial tree approach based on the following assumptions at 30 June

for the year ended 30 June		*2008*	*2007*
Risk free interest rate	%	**11,12 – 11,26**	9,02 – 9,05
Expected volatility	%	**35,73**	29,22
Expected dividend yield	%	**3,44**	3,60
Expected forfeiture rate	%	**3,30**	3,25
Vesting period		**2, 4, 6 years**	2, 4, 6 years

The risk-free rate for periods within the contractual term of the rights is based on the South African government bonds in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

Range of exercise prices	*Number of shares*	*Weighted average price per right Rand*	*Aggregate intrinsic value Rm*	*Weighted average remaining life years*
Details of unimplemented rights granted up to 30 June 2008				
R210,01 – R240,00	**409 300**	**222,50**	**98**	**7,68**
R240,01 – R270,00	**479 300**	**258,50**	**97**	**7,93**
R270,01 – R300,00	**1 895 200**	**294,50**	**316**	**8,20**
R300,01 – R330,00	**108 000**	**327,20**	**14**	**8,28**
R330,01 – R360,00	**259 000**	**339,50**	**31**	**8,42**
R390,01 – R420,00	**264 100**	**407,50**	**14**	**8,70**
R420,01 – R450,00	**214 700**	**444,00**	**4**	**8,82**
R450,01 – R480,00	**165 600**	**474,10**	**–**	**8,93**
R480,01 – R510,00	**44 000**	**496,75**	**–**	**8,91**
	3 839 200	**312,48**	**574**	
Details of unimplemented rights vested at 30 June 2008				
R300,01 – R330,00	**4 300**	**327,20**	**1**	

45 Share-based payments *(continued)*

45.3 The Sasol Inzalo transaction

During May 2008, the shareholders approved the Sasol Inzalo share transaction, a broad-based Black Economic Empowerment (BEE) transaction which, would result in the transfer of beneficial ownership of 10% (63,1 million shares) of Sasol Limited's issued share capital before the implementation of this transaction to its employees and a wide spread of BEE participants. The transaction was introduced to assist Sasol, as a major participant in the South African economy, in meeting its empowerment objectives.

Components of the transaction	*Note*	*2008 % allocated*	*Value of shares issued 2008 Rm*	*Share-based payment expense recognised 2008 Rm*
Sasol Inzalo Employee Trust and Sasol Inzalo Management Trust[1]	*i*	4,0	9 235	77
Sasol Inzalo Foundation[2]	*ii*	1,5	3 463	–
Selected Participants	*iii*	1,5	3 463	1 357
Black Public Invitations[3]	*iv*	3,0	–	–
		10,0	16 161	1 434

1. The unrecognised share-based payment expense related to non-vested Employee and Management Trusts' share rights, expected to be recognised over a weighted average period of 2,9 years amounted to R4 872 million at 30 June 2008.

2. No share-based payment expense is recognised for the Sasol Inzalo Foundation.

3. No share-based payment expense has been recognised at 30 June 2008 as the Black Public Invitations remained open until 9 July 2008 (refer note 61).

i Sasol Inzalo Employee Trust and Sasol Inzalo Management Trust

On 3 June 2008, staff members that are South African residents or who are migrant workers that do not participate in the Sasol Share Incentive Scheme and the Sasol Share Appreciation Rights Scheme participate in the Sasol Inzalo Employee Trust (Employee Scheme), while all senior black staff that are South African residents participate in the Sasol Inzalo Management Trust (Management Scheme).

The share rights, which entitle the employees from the inception of the scheme to receive ordinary shares at the end of ten years, vest according to the unconditional entitlement as follows:

– after three years: 30%
– thereafter: 10% per year until maturity

Participants in the Employee Scheme were granted share rights to 850 Sasol ordinary shares. The allocation of the shares in the Management Scheme is based on seniority and range from 5 000 to 25 000. 12% of the allocated shares has been set aside for new employees appointed during the first five years of the transaction. On resignation, within the first three years from the inception of the transaction, share rights granted will be forfeited. For each year thereafter, 10% of such share rights will be forfeited for each year or part thereof remaining until the end of the transaction period. On retirement, death or retrenchment the rights will remain with the participant.

The fair value of the equity settled share-based payment expense is calculated at grant date and expensed over the vesting period of the share rights.

The Sasol ordinary shares were issued to the Employee and Management Trusts (the Trusts), funded by contributions from Sasol, which collectively subscribed for 25,2 million Sasol ordinary shares at a nominal value of R0,01 per share subject to pre-conditions regarding the right to receive only 50% of ordinary dividends paid on ordinary shares and Sasol's right to repurchase a number of shares at a nominal value of R0,01 per share at the end of year ten in accordance with a pre-determined formula. The participant has the right to ordinary dividends received by the Trusts for the duration of the transaction.

After Sasol has exercised its repurchase right and subject to any forfeiture of share rights, each participant will receive a number of Sasol ordinary shares in relation to their respective share rights.

Any shares remaining in the Trusts after the distribution to participants may be distributed to the Sasol Inzalo Foundation.

45 Share-based payments *(continued)*

45.3 The Sasol Inzalo transaction (continued)

ii Sasol Inzalo Foundation

On 3 June 2008, the Sasol Inzalo Foundation, which is incorporated as a trust and being registered as a public benefit organisation, subscribed for 9,5 million Sasol ordinary shares at nominal value of R0,01 per share.

The primary focus of the Sasol Inzalo Foundation is skills development and capacity building of black South Africans, predominantly in the fields of mathematics, science and technology.

The pre-conditions of subscription for Sasol ordinary shares by the Sasol Inzalo Foundation includes the right to receive dividends of 5% of the ordinary dividends declared in respect of Sasol ordinary shares held by the Foundation and Sasol's right to repurchase a number of Sasol ordinary shares from the Foundation at a nominal value of R0,01 per share at the end of ten years in accordance with a predetermined formula.

After Sasol has exercised its repurchase right, the Foundation will receive 100% of dividends declared on the Sasol ordinary shares owned by the Foundation.

iii Selected Participants

On 27 June 2008, selected BEE groups (Selected Participants) which include Sasol customers, Sasol suppliers, Sasol franchisees, women's groups, trade unions and other professional associations through a funding company, which is consolidated as part of the Sasol group, subscribed in total for 9,5 million Sasol preferred ordinary shares. A portion of these shares have not yet been allocated to Selected Participants and have been subscribed for by a facilitation trust, which is funded by Sasol. As at 30 June 2008, 1,1 million Sasol preferred ordinary shares were issued to the facilitation trust.

The Selected Participants contribute equity between 5% to 10% of the value of their underlying Sasol preferred ordinary shares allocation, with the balance of the contribution being funded through preference share debt (refer note 18), including preference shares subscribed for by Sasol.

The fair value of the equity settled share-based payment expense relating to the share rights issued to the Selected Participants is calculated at grant date and is expensed immediately as all vesting conditions have been met at that date.

The Selected Participants are entitled to receive a dividend of up to 5% of the dividend declared on the Sasol preferred ordinary shares in proportion to their effective interest in Sasol's issued share capital, from the commencement of the fourth year of the transaction term of ten years, subject to the financing requirements of the preference share debt.

At the end of the transaction term, the Sasol preferred ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE Limited. The Sasol ordinary shares remaining in the funding company after redeeming the preference share debt and paying costs may then be distributed to the Selected Participants in proportion to their shareholding.

The funding company, from inception, has full voting and economic rights with regard to its shareholding of Sasol's total issued share capital.

iv Black Public Invitations

The Sasol Inzalo Black Public Invitations aim to provide as many black people as possible an opportunity to acquire shares in Sasol. Black people and black groups (the Black Public) could own 3% of Sasol's issued share capital, through their participation in the Funded and Cash Invitations described below.

The Black Public invitation remained open until 9 July 2008 and as such this portion of the Sasol Inzalo share transaction was not yet effective at 30 June 2008.

The fair value of the equity settled share-based payment expense relating to the share rights issued to the Black Public will be calculated at grant date and will be expensed immediately as all vesting conditions would have been met at that date (refer note 61).

45 Share-based payments *(continued)*

45.3 The Sasol Inzalo transaction (continued)

iv Black Public Invitations (continued)

Funded Invitation

The members of the Black Public participating in the Funded Invitation through a funding company, which will be consolidated as part of the Sasol group, will subscribe for 16,1 million Sasol preferred ordinary shares. The Black Public will contribute equity between 5% to 10% of their underlying Sasol preferred ordinary shares allocation, with the balance of the contribution being funded through preference share debt, including preference shares subscribed for by Sasol.

Participants in the Funded Invitation may not dispose of their shares for the first three years after inception. Thereafter, for the remainder of the transaction term, trading in the shares will be allowed with other Black People or Black Groups through an over-the-counter trading mechanism. Participants in the Funded Invitation may not encumber the shares held by them before the end of the transaction term.

The Black Public are entitled to receive a dividend of up to 5% of the dividend on the Sasol preferred ordinary shares in proportion to their effective interest in Sasol's issued share capital, from the commencement of the fourth year of the transaction term of ten years, subject to the financing requirements of the preference share debt.

At the end of the transaction term, the Sasol preferred ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE Limited. The Sasol ordinary shares remaining in the funding company after redeeming the preference share debt and paying costs may then be distributed to the Black Public in proportion to their shareholding.

The funding company will have, from inception, full voting and economic rights with regard to its interest in Sasol's issued share capital.

Cash Invitation

The Cash Invitation allows members of the Black Public to invest directly in 2,8 million Sasol BEE ordinary shares.

The Sasol BEE ordinary shares cannot be traded for the first two years of the transaction and, for the remainder of the transaction term, can only be traded between Black People and Black Groups.

Participants in the Cash Invitation are entitled to encumber their Sasol BEE ordinary shares, provided that these shares continue to be owned by members of the Black Public for the duration of the transaction term.

At the end of the transaction term, the Sasol BEE ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE Limited.

at 30 June 2008	*Total*	*i) Employee and Management Trusts*	*ii) Sasol Inzalo Foundation*	*iii) Selected Participants*	*iv) Black Public Invitations**
Shares and share rights granted	40 151 859	22 302 000	9 461 882	8 387 977	–
Shares and share rights available for allocation	4 003 591	2 929 686	–	1 073 905	–
Shares and share rights unissued at year end	18 923 764	–	–	–	18 923 764
	63 079 214	25 231 686	9 461 882	9 461 882	18 923 764
Vesting periods of shares and share rights granted					
Already vested	17 849 859	–	9 461 882	8 387 977	–
Within three years	6 690 600	6 690 600	–	–	–
Three to five years	4 460 400	4 460 400	–	–	–
Five to ten years	11 151 000	11 151 000	–	–	–
	40 151 859	22 302 000	9 461 882	8 387 977	–

* *Transaction not yet effective at 30 June 2008 (refer note 61).*

45 *Share-based payments (continued)*

45.3 The Sasol Inzalo transaction (continued)

The share-based payment expense was calculated using an option pricing model reflective of the underlying characteristics of each part of the transaction. It is calculated using the following assumptions at grant date.

		Employee and Management Trusts 2008	*Selected Participants 2008*
Valuation model		Monte Carlo model	Black-Scholes model
Exercise price	Rand	366,00	366,00
Risk-free interest rate	%	11,8	10,7
Expected volatility	%	34,0	34,0
Expected dividend yield	%	2,67 – 4,5	3,0
Vesting period		10 years	–

The risk-free rate for periods within the contractual term of the share rights is based on the South African government bonds in effect at the time of the grant.

The expected volatility in the value of the share rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the share rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

Movements in the number of shares and share rights granted	*Number of shares/ share rights*	*Weighted average value Rand*	*Aggregate intrinsic value Rm*	*Weighted average remaining life years*
i) Sasol Inzalo Employee and Management Trusts				
Shares and share rights granted	22 302 000	366,00*	2 119	10,0
Balance at 30 June 2008	22 302 000	366,00	2 119	
ii) Sasol Inzalo Foundation				
Shares and share rights granted	9 461 882	366,00*	899	10,0
Balance at 30 June 2008	9 461 882	366,00	899	
iii) Selected Participants				
Shares and share rights granted	8 387 977	366,00	797	10,0
Balance at 30 June 2008	8 387 977	366,00	797	

	i) Employee and Management Trusts	*ii) Sasol Inzalo Foundation*	*iii) Selected participants*
Average price at which shares/share rights were granted during year	366,00*	366,00*	366,00
Average fair value of shares/share rights issued during year	221,88	–	161,82

* *Underlying value at 60 day volume weighted average price on 18 March 2008, although the shares were issued at a nominal value of R0,01 per share.*

No unimplemented shares/share rights relating to the Employee and Management Trusts have vested at year end.

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
46 Foreign currency translation reserve				
Translation of foreign operations				
Property, plant and equipment	3	**2 082**	(40)	785
cost		**7 031**	441	2 534
accumulated depreciation		**(4 949)**	(481)	(1 749)
Assets under construction	4	**1 066**	(349)	1 039
Goodwill	5	**144**	5	48
Intangible assets	6	**119**	18	91
cost		**315**	37	155
accumulated amortisation		**(196)**	(19)	(64)
Investments in securities	7	**54**	6	23
Investments in associates		**117**	7	54
Post-retirement benefit assets		**37**	(5)	16
Long-term receivables		**97**	4	45
Long-term financial assets		**–**	–	1
Inventories		**1 558**	255	574
Trade receivables		**1 530**	134	544
Other receivables and prepaid expenses		**208**	(21)	89
Short-term financial assets		**4**	1	4
Cash and cash equivalents		**324**	(24)	(133)
Minority interest		**(1)**	–	(3)
Long-term debt	18	**(518)**	(116)	(449)
Long-term provisions	20	**(340)**	(25)	(137)
Post-retirement benefit obligations		**(556)**	(60)	(216)
Long-term deferred income		**(423)**	48	(175)
Deferred tax	23	**(290)**	7	(163)
Short-term debt	24	**(76)**	1	(52)
Short-term financial liabilities		**(2)**	–	1
Short-term provisions	26	**(141)**	(11)	(75)
Tax payable	27	**(91)**	(17)	(72)
Trade payables and accrued expenses		**(1 015)**	(66)	(347)
Other payables		**(230)**	(201)	(513)
		3 657	(449)	979
Arising from net investment in foreign operations		**(764)**	(26)	33
Less deferred tax effect thereon		**(1)**	–	(2)
Movement for year		**2 892**	(475)	1 010
Realisation of foreign currency translation reserve		**557**	217	137
Disposal of businesses		**–**	4	–
Balance at beginning of year		**(443)**	(189)	(1 336)
Balance at end of year		**3 006**	(443)	(189)

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
46 Foreign currency translation reserve (continued)			
Business segmentation			
South African energy cluster	**(4)**	(3)	(4)
International energy cluster	**(337)**	(941)	(831)
Synfuels International	**(399)**	(892)	(801)
Petroleum International	**62**	(49)	(30)
Chemical cluster	**2 007**	330	422
Polymers	**398**	14	44
Solvents	**956**	1 215	1 079
Olefins & Surfactants	**689**	(408)	(504)
Wax	**1 354**	525	516
Merisol	**(1 390)**	(1 016)	(713)
Other businesses	**1 340**	171	224
Financing	**1 282**	123	170
Other	**58**	48	54
	3 006	(443)	(189)

47 Share repurchase programme

	Number of shares		
	2008	2007	2006
Held by the wholly owned subsidiary, Sasol Investment Company (Pty) Limited			
Balance at beginning of year	**14 919 592**	60 111 477	60 111 477
Shares cancelled	**–**	(60 111 477)	–
Shares repurchased	**22 173 525**	14 919 592	–
Balance at end of year	**37 093 117**	14 919 592	60 111 477
Percentage of issued share capital (excluding Sasol Inzalo share transaction)	**5,86%**	2,38%	8,80%

	2008 Rand	2007 Rand	2006 Rand
Average cumulative purchase price	**295,73**	245,94	60,67
Average purchase price during year	**329,23**	245,94	–

As at 30 June 2008, a total of 37 093 117 shares (2007 – 14 919 592 shares), representing 5,86% (2007 – 2,38%) of the issued share capital of the company, excluding shares issued in relation to the Sasol Inzalo share transaction, had been repurchased by Sasol Investment Company (Pty) Limited since 7 March 2007 at an average price of R329,23 per share (2007 – R245,94). These shares are held as treasury shares and do not carry any voting rights.

The repurchase was authorised at the company's annual general meeting held on 22 November 2006, where the shareholders authorised the directors to undertake a general repurchase by Sasol Limited, or any of its subsidiaries, of Sasol Limited ordinary shares up to a maximum of 10% of the company's issued share capital, subject to the provisions of the Companies Act and the requirements of the JSE Limited.

Regarding the shares held at 30 June 2006, Sasol Investment Company (Pty) Limited, a wholly-owned subsidiary of Sasol Limited, held 60 111 477 shares representing 8,80% of the issued share capital of the company, which had been repurchased on the open market at an average price of R60,67 per share from 9 May 2000. In terms of a specific authority granted by shareholders at a general meeting of shareholders held on 3 October 2006, the company repurchased these shares on 6 October 2006 whereupon they were cancelled and restored to authorised share capital.

Sasol Limited **group**

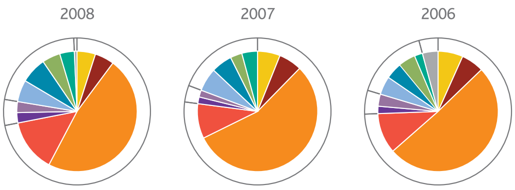
liquidity and capital resources

at 30 June

	Note	2008 Rm	2007 Rm	2006 Rm
Cash generated by operating activities	48	**34 740**	28 432	24 535
Cash flow from operations	49	**42 144**	29 691	28 284
Increase in working capital	50	**(7 404)**	(1 259)	(3 749)
Finance income received	51	**957**	1 059	444
Dividends paid	52	**(5 766)**	(4 613)	(3 660)
Non-current assets sold	53	**184**	193	542
Acquisition of businesses	54	**(431)**	(285)	(147)
Disposal of businesses	55	**693**	2 200	587

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
48 Cash generated by operating activities				
Cash flow from operations	49	**42 144**	29 691	28 284
Increase in working capital	50	**(7 404)**	(1 259)	(3 749)
		34 740	28 432	24 535
49 Cash flow from operations				
Operating profit		**33 816**	25 621	17 212
Adjusted for				
amortisation of intangible assets	34	**192**	279	303
equity settled share-based payment expenditure	45	**1 574**	186	169
deferred income		**874**	942	612
depreciation of property, plant and equipment	34	**5 020**	3 743	3 973
effect of cash flow hedging activities		**–**	18	–
effect of remeasurement items	41	**698**	(1 140)	4 272
movement in impairment of trade receivables		**13**	(59)	(57)
amortisation of loan costs		**–**	–	51
movement in long-term prepaid expenses		**(34)**	(19)	–
movement in long-term provisions				
income statement charge	20	**880**	352	969
utilisation	20	**(522)**	(789)	(288)
movement in short-term provisions		**(309)**	159	389
movement in post-retirement benefit				
assets		**(171)**	(62)	13
obligations		**294**	258	168
realisation of foreign currency translation reserve		**–**	217	137
translation effect of foreign currency loans		**459**	(99)	198
translation of net investment in foreign operations		**(764)**	(26)	33
Tshwarisano guarantee issued at fair value		**–**	39	–
penalties paid on tax		**19**	–	–
write-down of inventories to net realisable value		**105**	71	130
		42 144	29 691	28 284

for the year ended 30 June	*Note*	***2008 Rm***	*2007 Rm*	*2006 Rm*
49 *Cash flow from operations* (continued)				
Business segmentation				
South African energy cluster		**30 297**	23 031	21 048
Mining		**2 097**	1 819	1 896
Gas		**2 193**	1 863	1 724
Synfuels		**20 062**	16 553	14 351
Oil		**5 998**	2 796	3 077
Other		**(53)**	–	–
International energy cluster		**2 406**	1 094	1 476
Synfuels International		**1 168**	540	561
Petroleum International		**1 238**	554	915
Chemical cluster		**9 144**	5 758	4 573
Polymers		**2 483**	1 874	1 396
Solvents		**2 947**	1 682	1 260
Olefins & Surfactants		**2 060**	945	1 301
Other		**1 654**	1 257	616
Other businesses		**297**	(192)	1 187
Total operations		**42 144**	29 691	28 284



50 *Increase in working capital*				
Increase in inventories				
Per the statement of financial position		**(5 689)**	(6 396)	1 992
Acquisition of businesses	*54*	**96**	–	103
Write-down of inventories to net realisable value		**(105)**	(71)	(130)
Transfer from other assets		**96**	248	6
Reclassification (to)/from held for sale		**(226)**	3 921	(4 001)
Effect of cash flow hedge accounting		**7**	–	–
Translation of foreign operations	*46*	**1 558**	255	574
Disposal of businesses	*55*	**2**	(13)	–
		(4 261)	(2 056)	(1 456)
Increase in trade receivables				
Per the statement of financial position		**(8 105)**	(4 331)	629
Acquisition of businesses	*54*	**110**	–	67
Movement in impairment		**(13)**	59	57
Reclassification (to)/from held for sale		**(1)**	3 358	(3 463)
Translation of foreign operations	*46*	**1 530**	134	544
Disposal of businesses	*55*	**(12)**	(8)	–
		(6 491)	(788)	(2 166)
Increase in other receivables and prepaid expenses				
Per the statement of financial position		**(223)**	(599)	(254)
Movement in short-term portion of long-term receivables		**154**	(13)	(46)
Acquisition of businesses	*54*	**12**	–	73
Reclassification (to)/from held for sale		**(421)**	140	(139)
Translation of foreign operations	*46*	**208**	(21)	89
Disposal of businesses	*55*	**(1)**	(58)	–
		(271)	(551)	(277)

for the year ended 30 June	Note	2008 Rm	2007 Rm	2006 Rm
50 Increase in working capital (continued)				
Increase in trade payables and accrued expenses				
Per the statement of financial position		**5 318**	2 774	(590)
Acquisition of businesses	54	**(152)**	–	(24)
Reclassification to/(from) held for sale		**525**	(2 014)	2 075
Translation of foreign operations	46	**(1 015)**	(66)	(347)
Disposal of businesses	55	**(4)**	10	–
		4 672	704	1 114
(Decrease)/increase in other payables				
Per the statement of financial position		**(18)**	1 871	(124)
Acquisition of businesses	54	**(1)**	–	(22)
Reclassification to/(from) held for sale		**159**	(234)	274
Translation of foreign operations	46	**(230)**	(201)	(513)
Disposal of businesses	55	**–**	12	–
		(90)	1 448	(385)
Movement in financial assets and liabilities				
Long-term financial assets		**(393)**	(45)	(240)
Short-term financial assets		**(239)**	161	(46)
Short-term financial liabilities		**(331)**	(132)	(293)
		(963)	(16)	(579)
Increase in working capital		**(7 404)**	(1 259)	(3 749)
51 Finance income received				
Interest received	37	**716**	788	305
Interest received on tax		**(4)**	(10)	(12)
Dividends received from investments	37	**10**	34	36
Dividends received from associates	8	**235**	247	115
		957	1 059	444
52 Dividends paid				
Final dividend – prior year		**(3 597)**	(2 683)	(1 920)
Interim dividend – current year		**(2 169)**	(1 930)	(1 740)
		(5 766)	(4 613)	(3 660)
Forecast cash flow on final dividend – current year		**(5 760)**		
Forecast STC charge on final dividend – current year		**(572)**		
The forecast cash flow on the final dividend is calculated based on the net number of shares in issue at 30 June 2008 of 627,2 million. The actual dividend payment will be determined on the record date of 10 October 2008.				
53 Non-current assets sold				
Property, plant and equipment		**128**		
Assets under construction		**8**		
Other intangible assets		**48**		
Non-current assets sold		**184**	193	542

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
54 Acquisition of businesses			
Property, plant and equipment	**(305)**	(31)	(27)
Assets under construction	**(6)**	–	(9)
Intangible assets	**(27)**	(10)	–
Investment in associates	**–**	–	44
Inventories	**(93)**	–	(103)
Trade receivables	**(110)**	–	(67)
Other receivables and prepaid expenses	**(12)**	–	(73)
Short-term financial assets	**(19)**	–	–
Cash and cash equivalents	**(19)**	–	113
Long-term debt	**257**	–	5
Post-retirement benefit obligations	**16**	–	–
Deferred taxation	**(66)**	–	–
Short-term provisions	**2**	–	2
Tax payable	**1**	–	5
Trade payables and accrued expenses	**152**	–	24
Other payables	**1**	–	22
	(228)	(41)	(64)
Minority interest	**(59)**	(32)	(77)
	(287)	(73)	(141)
Goodwill	**(144)**	(212)	(6)
Total consideration per the statement of cash flows	**(431)**	(285)	(147)
Comprising			
Solvents – Sasol Dia Acrylates (Pty) Limited	**(229)**	–	–
Oil – Tosas Holdings (Pty) Limited	**(110)**	–	–
Wax – Luxco & Merkur	**(87)**	–	–
Polymers – Peroxide Chemicals (Pty) Limited	**(5)**	–	–
Nitro – Sasol Dyno Nobel (Pty) Limited	**–**	(221)	–
Other	**–**	(64)	(147)
Total consideration	**(431)**	(285)	(147)

	Fair value of assets acquired 2008 Rm	Fair value adjustment on assets previously owned 2008 Rm	Adjusted fair value of assets acquired 2008 Rm
54 Acquisition of businesses *(continued)*			
Property, plant and equipment	(305)	205	(100)
Assets under construction	(6)	22	16
Intangible assets	(27)	(29)	(56)
Inventories	(93)	(3)	(96)
Trade receivables	(110)	–	(110)
Other receivables and prepaid expenses	(12)	–	(12)
Short-term financial assets	(19)	–	(19)
Cash and cash equivalents	(19)	–	(19)
Long-term debt	257	–	257
Post-retirement benefit obligations	16	–	16
Deferred taxation	(66)	(95)	(161)
Short-term provisions	2	–	2
Tax payable	1	–	1
Trade payables and accrued expenses	152	–	152
Other payables	1	–	1
	(228)	100	(128)
Minority interest	(59)	–	(59)
	(287)	100	(187)
Goodwill	(144)	–	(144)
Total consideration	(431)	100	(331)

The percentage acquired represents the percentage of voting power acquired for all acquisitions.

With effect from 24 January 2008, Sasol Chemical Industries Limited and Mitsubishi Chemical Corporation dissolved their Acrylates joint venture in South Africa, Sasol Dia Acrylates (Pty) Limited, in terms of which Sasol Chemical Industries Limited acquired effective control thereof for a consideration of R229 million.

With effect from 31 March 2008, Sasol Oil (Pty) Limited acquired the remaining 30% of Tosas Holdings (Pty) Limited for a purchase consideration of R110 million.

During the year, Sasol Wax acquired the remaining 50% of both Lux International Corporation and Merkur Vaseline GmbH & Co KG for a total consideration of R87 million.

With effect from 1 January 2008, Sasol Chemical Industries Limited acquired the remaining 40% of Peroxide Chemicals (Pty) Limited for a total consideration of R5 million.

During 2007, Sasol acquired Interchem Terminal FZCO and the remaining 40% of Sasol Dyno Nobel (Pty) Limited.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
55 Disposal of businesses			
Property, plant and equipment			
cost	**2**	–	–
accumulated depreciation	**–**	(2)	–
Assets under construction	**–**	1	–
Long-term receivables	**–**	(13)	–
Assets held for sale	**334**	192	–
Inventories	**(2)**	13	–
Trade receivables	**12**	8	–
Other receivables and prepaid expenses	**1**	58	–
Cash and cash equivalents	**31**	(33)	1
Long-term debt	**–**	303	299
Deferred tax	**(1)**	–	–
Liabilities in disposal groups held for sale	**(35)**	(165)	–
Short-term provisions	**–**	1	–
Tax payable	**(2)**	(2)	(2)
Trade payables and accrued expenses	**4**	(10)	–
Other payables	**–**	(12)	–
	344	339	298
Minority interest	**–**	1 161	91
	344	1 500	389
Realisation of accumulated translation effects	**–**	4	–
Profit on disposal of businesses	**349**	696	198
Total consideration	**693**	2 200	587
Comprising			
Nitro – Sasol Dyno Nobel (Pty) Limited	**275**	–	–
Wax – Paramelt RMC BV	**251**	–	–
Other businesses – FFS Refiners (Pty) Limited	**147**	–	–
Oil	**–**	1 450	–
Gas – Rompco	**–**	755	595
Olefins & Surfactants	**–**	–	(2)
Other	**20**	(5)	(6)
Total consideration	**693**	2 200	587

With effect from 17 September 2007, Sasol Nitro disposed of 50% of its investment in Sasol Dyno Nobel (Pty) Limited in South Africa to form a joint venture, realising a profit of R114 million. The investment was classified as an asset held for sale at 30 June 2007.

On 10 July 2007, Sasol Wax disposed of its 31% investment in Paramelt RMC BV, operating in the Netherlands, for a consideration of R251 million, realising a profit of R129 million. The investment was classified as an asset held for sale at 30 June 2007.

In August 2007, Sasol Investment Company (Pty) Limited disposed of its investment in FFS Refiners (Pty) Limited in South Africa, for a consideration of R147 million, realising a profit of R108 million. The investment was classified as an asset held for sale at 30 June 2007.

On 13 November 2007, Sasol Chemical Industries Limited disposed of its joint venture investment in African Amines (Pty) Limited in South Africa, realising a loss of R3 million. The investment was classified as an asset held for sale at 30 June 2007.

On 30 April 2008, Chemcity (Pty) Limited disposed of its Cirebelle business in South Africa, realising a profit of R2 million

Sasol Limited **group**

other disclosures

at 30 June

	Note	Guarantees 2008 Rm	Liability included on statement of financial position 2008 Rm	Guarantees 2007 Rm	Liability included on statement of financial position 2007 Rm
56 Guarantees and contingent liabilities					
56.1 Financial guarantees					
In respect of GTL ventures	i	**7 634**	**–**	8 006	–
Commercial paper holders	ii	**6 000**	**–**	6 000	–
Subsidiaries' financial obligations	iii	**5 843**	**385**	4 289	2 519
In respect of the natural gas project	iv	**3 868**	**2 872**	3 855	3 139
Eurobond	v	**3 694**	**3 694**	2 850	2 850
In respect of letters of credit	vi	**2 709**	**494**	1 476	–
In respect of Natref debt	vii	**1 792**	**1 124**	1 192	948
In respect of development of retail convenience centres	viii	**1 500**	**422**	1 500	720
Performance guarantees	ix	**1 075**	**725**	1 022	497
In respect of Sasol Inzalo share transaction	x	**951**	**951**	–	
In favour of BEE partners	xi	**759**	**30**	1 051	36
To RWE-DEA AG	xii	**370**	**–**	286	–
Customs and excise	xiii	**137**	**–**	110	–
In respect of joint venture commitments	xiv	**12**	**12**	1 022	658
SA Commercial Bond	xv	**–**	**–**	2 000	1 999
Other guarantees and claims	xvi	**1 037**	**21**	488	22
		37 381	**10 730**	35 147	13 388

i. Sasol Limited has issued the following significant guarantees for the obligations of various of its subsidiaries in respect of the GTL Ventures. These guarantees relate to the construction and funding of Oryx GTL Limited in Qatar and Escravos GTL in Nigeria, including inter alia:

A completion guarantee has been issued for Sasol's portion of the project debt of Oryx GTL Limited capped at US$343 million (R2 686 million) plus interest and costs subject to the project demonstrating a minimum level of sustained production over a continuous period of ninety days and catalyst deactivation within acceptable parameters for at least two hundred and seventy days, after commissioning. The project was commissioned during the prior year.

56 *Guarantees and contingent liabilities (continued)*

56.1 Financial guarantees (continued)

A guarantee for the take-or-pay obligations of a wholly owned subsidiary has been issued under the gas sale and purchase agreement (GSPA) entered into between Oryx GTL Limited, Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited, by virtue of this subsidiary's 49% shareholding in Oryx GTL Limited. Sasol's exposure is limited to the amount of US$123 million (R963 million). In terms of the GSPA, Oryx GTL Limited is contractually committed to purchase minimum volumes of gas from Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited on a take-or-pay basis. Should Oryx GTL terminate the GSPA prematurely, Sasol Limited's wholly owned subsidiary will be obliged to take or pay for its 49% share of the contracted gas requirements. The term of the GSPA is 25 years from the date of commencement of operations. The project was commissioned during the prior year.

A performance guarantee for the obligations of subsidiaries has been issued in respect of the construction of Escravos GTL in Nigeria for the duration of the investment in Escravos GTL Limited to an amount of US$250 million (R1 958 million).

Sasol Limited issued a performance guarantee for the obligations of its subsidiaries in respect of and for the duration of the investment in Sasol Chevron Holdings Limited, limited to an amount of US$250 million (R1 958 million). Sasol Chevron Holdings Limited is a joint venture between a wholly owned subsidiary of Sasol Limited and Chevron Corporation.

All guarantees listed above are issued in the normal course of business.

ii. A guarantee has been issued for the commercial paper facility of a wholly owned subsidiary. As at 30 June 2008, no outstanding obligation to third parties existed.

iii. Guarantees issued to a financial institutions in respect of a subsidiaries' debt obligations. Included are guarantees of €462 million (R5 700 million) in respect of rolling credit facilities with various banks (debt of R358 million at 30 June 2008).

iv. Guarantees have been issued to various financial institutions in respect of the obligations of its subsidiaries (Sasol Petroleum International (Pty) Limited (SPI) and Republic of Mozambique Pipeline Investment Company (Pty) Limited (Rompco)) for the natural gas project. The guarantee in respect of Rompco's obligations to the financial institutions has been reduced to 50% of the outstanding obligation upon selling a 25% interest each in Rompco to CMG and iGas in the 2007 financial year. The liability on the statement of financial position of R2 872 million represents the gross amount owing by SPI and Rompco to the financial institutions at 30 June 2008.

v. A guarantee has been issued in respect of the Eurobond which is listed on the Luxembourg Stock Exchange issued by its wholly owned subsidiary, Sasol Financing International plc. The bond is repayable on 29 June 2010.

vi. Various guarantees issued in respect of letters of credit issued by subsidiaries.

vii. Guarantees issued in favour of various financial institutions in respect of the debt facilities of R1 792 million for the Natref crude oil refinery. The outstanding debt on the statement of financial position was R1 124 million at 30 June 2008.

viii. Guarantees issued to various financial institutions in respect of debt facilities for the establishment of the retail convenience station network of R1 500 million. The outstanding debt on the statement of financial position was R422 million at 30 June 2008.

ix. Various performance guarantees issued by subsidiaries. Provisions have been recognised in relation to certain performance guarantees that were issued as part of the licensing of Sasol's GTL technology. The events that gave rise to these provisions are not expected to have a material effect on the economics of the Group's GTL ventures.

x. As part of the Sasol Inzalo share transaction, the C preference shares issued by the Sasol Inzalo Groups Funding (Pty) Limited, a consolidated special purpose entity, to the financing institutions are secured against a guarantee of R951 million.

xi. In terms of the sale of 25% in Sasol Oil (Pty) Limited to Tshwarisano LFB Investment (Pty) Limited (Tshwarisano), facilitation for the financing requirements of Tshwarisano has been provided. The undiscounted exposure at 30 June 2008 amounted to R759 million. A liability for this guarantee at 30 June 2008, amounting to R30 million, has been recognised.

xii. Various performance guarantees issued in favour of RWE-DEA.

xiii. Various guarantees issued in respect of the group's customs and excise obligations.

xiv. A guarantee of R12 million was issued to Gensec in respect of debt obligations of the Spring Lights Gas joint venture. Sasol Dia Acrylates joint venture was sold during the year and the debt was settled and as such, the corresponding guarantees relating to the debt obligations, terminated.

xv. A guarantee had been issued in respect of the SA Commercial Bond issued by its wholly owned subsidiary. The bond was listed on the Bond Exchange of South Africa and was repaid on 31 August 2007.

xvi. Included in other guarantees are environmental guarantees of R113 million, R80 million in respect of security for the supply of water and electricity and R450 million relating to general operational obligations.

56 *Guarantees and contingent liabilities (continued)*

56.2 Product warranties

The group provides product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products sold will conform to specifications. The group generally does not establish a liability for product warranty based on a percentage of turnover or other formula. The group accrues a warranty liability on a transaction-specific basis depending on the individual facts and circumstances related to each sale. Both the liability and the annual expense related to product warranties are immaterial to the consolidated financial statements.

56.3 Other contingencies

Subsidiaries

Sasol Limited has guaranteed the fulfillment of various subsidiaries' obligations in terms of contractual agreements.

Sasol Limited has guaranteed the borrowing facilities of certain of its subsidiaries. Further details of major banking facilities and debt arrangements at 30 June 2008 are provided on page 124.

Mineral rights

As a result of the promulgation of legislation in South Africa, the common law (mineral rights) and associated statutory competencies of Sasol Mining have been converted to interim statutory rights (Old Order Rights). Sasol Mining is entitled to convert these Old Order Rights to statutory mining and prospecting rights (New Order Rights) after complying with certain statutory requirements. All applications due to date, including the conversion of the four old order mining rights covering the Secunda operations, have been submitted to the Department of Minerals and Energy (DME), and we are awaiting approval in this regard. To date Sasol has submitted 41 applications to the DME to acquire prospecting and mining rights. Thus far, 31 prospecting rights and 4 mining rights have been granted. These applications cover all the prospecting rights in the Free State and Waterberg as well as the prospecting and mining rights in Secunda. No value has been attributed to these rights in the financial statements.

Legal costs

Legal costs expected to be incurred in connection with loss contingencies are expensed as incurred.

56.4 Litigation

Fly Ash Plant

Sasol Synfuels is in legal proceedings with regard to the operation of a plant in Secunda. Ashcor has claimed damages of R313 million relating to their inability to develop their business and a projected loss of future cash flows. The prospect of future loss is deemed to be reasonably possible and the loss is unlikely to exceed R10 million.

Nutri-Flo

Nutri-Flo filed a complaint with the South African Competition Commission (the Commission) in 2002, alleging that Sasol was engaging in price discrimination, excessive pricing and exclusionary pricing. The Commission elected not to refer that complaint to the South African Competition Tribunal (the Tribunal). In November 2003, Nutri-Flo brought an urgent application before the Tribunal to interdict Sasol from implementing a new price list. By way of this application, Nutri-Flo filed an additional complaint in which, in addition to contending for contraventions on the grounds specified above, Nutri-Flo alleged that Sasol, Kynoch and Omnia were colluding to fix prices in the fertiliser industry. Nutri-Flo subsequently withdrew the application. However, the Commission investigated the additional complaint and in May 2005 referred the complaint to the Tribunal, alleging findings of prohibited horizontal practices (namely, price fixing and the prevention or lessening of competition) and abuses of dominance (namely, charging excessive prices and engaging in exclusionary conduct), and requesting the Tribunal to impose the maximum administrative penalty in terms of the South African Competition Act 89 of 1998 (the Competition Act).

Sasol raised an exception to the complaint referral on the basis that it was vague and did not disclose a clear contravention of the Competition Act. In response, the Commission filed an amended version of the complaint referral. Nutri-Flo applied to the Tribunal for leave to intervene, submitting in its application that it would institute a civil action against Sasol if the Tribunal found in favour of the Commission. The Tribunal approved that Nutri-Flo may intervene in the proceedings. The Tribunal has agreed to a proposal by the Commission that it be allowed to do a third amendment to the complaint referral to accommodate Nutri-Flo's concerns that led to it intervening, subject to such amendments being finally approved by the Tribunal after both Sasol and Nutri-Flo have been given an opportunity to consider and oppose such amendments if necessary. Should Nutri-Flo not be satisfied with the Commission's amendments, it may still file its own statement in which it makes out its case against Sasol. Consideration by the Tribunal of the Commission's proposed third amendment to the complaint referral is still to occur.

On the basis purely of the Commission's second amended complaint referral, management believes that the likelihood of a finding of unlawful conduct in terms of the Competition Act is remote. However, a third amendment to the complaint referral (if finally approved by the Tribunal), and/or Nutri-Flo's statement if filed, may require a review of our current assessment. Therefore, it is currently not possible to make an estimate of the contingent liability in this matter (whether arising out of penalties that may be imposed by the Tribunal or civil lawsuits that may arise in the event of a finding of unlawful conduct).

56 *Guarantees and contingent liabilities (continued)*

56.4 Litigation (continued)

However, Nutri-Flo has at this stage indicated that should Sasol be found by the Tribunal to have committed the prohibited practises as alleged, then it intends to sue Sasol for damages in the aggregate of about R57,5 million.

Sasol Wax

On 28 and 29 April 2005, the European Commission conducted an investigation at the offices of Sasol Wax International AG and its subsidiary Sasol Wax GmbH, both located in Hamburg, Germany. A parallel investigation was conducted by the US Department of Justice in the United States. On 3 May 2007 the US Department of Justice decided to close the investigation without taking any action against Sasol Wax. On 31 May 2007, the European Commission issued a statement of objections against Sasol Wax International AG and its subsidiary Sasol Wax GmbH and its direct and indirect shareholders Sasol Holding in Germany GmbH and Sasol Limited. According to the findings of the European Commission members of the European paraffin wax industry, including Sasol Wax GmbH, formed a cartel and violated anti-trust laws. On 10 and 11 December 2007, an oral hearing on this case took place by the European Commission in Brussels. The European Commission has not finalised its investigation yet. Sasol Wax continues to co-operate with the European Commission.

Although a fine will be imposed, a reliable estimate of the amount of the possible penalty cannot be made, since the determination thereof is at the sole discretion of the European Commission. However, Sasol Wax has been advised by the European Commission that it in principle qualifies for a discount of 30 % to 50 % in respect of the fine to be imposed because of its candid and helpful support in the investigation.

Profert

Profert filed a complaint against Sasol in August 2004, alleging that Sasol Nitro refused to supply Profert, charged Profert discriminatory pricing in sales of limestone ammonium nitrate and engaged in exclusionary conduct to exclude Profert from the fertiliser market. In May 2006, the Commission referred the complaint to the Tribunal, alleging findings of prohibited horizontal practices (namely, entering into agreements which constructed and divided the relevant market and which substantially lessened or prevented competition in that market) and abuses of dominance (namely, refusing to supply scarce goods to competitors, discriminating on sale prices and engaging in other exclusionary acts), and requesting that the Tribunal impose the maximum administrative penalty in terms of the Competition Act. On 4 August 2006, Sasol filed a reply to the complaint referral. The matter was set down for hearing from 3 March to 14 March 2008. However, due to Profert failing to comply in time with an order by the Competition Tribunal to disclose certain documents to Sasol's attorneys prior to the hearing, the hearing was postponed indefinitely. Preparations for the hearing are proceeding.

The Commission has previously indicated that it may seek to have these proceedings heard together with those regarding Nutri-Flo. On the basis of the complaint referral in its current form, we believe that the likelihood of a finding of unlawful conduct in terms of the Competition Act is remote.

However, if these proceedings are joined with those pertaining to Nutri-Flo, then our current assessment may require review. For these reasons, it is currently not possible to make an estimate of the contingent liability (whether arising out of penalties that may be imposed by the Competition Tribunal or civil lawsuits that may arise in the event of a finding of unlawful conduct).

Sale of Phosphoric Acid production assets

In June 2004, Foskor increased its phosphate rock price to such an extent that Sasol indicated that it would shut down the operations in Phalaborwa. Sasol and Foskor then entered into an agreement in terms of which Foskor would purchase the Phalaborwa plant. For the period that this intended sale was under assessment by the South African Competition Authorities, the parties entered into a toll manufacturing arrangement in terms of which Sasol would toll manufacture phosphoric acid for Foskor. Following a recommendation by the South African Competition Commission that the proposed merger be prohibited, the parties abandoned the merger in June 2006. Although initially contending that the toll manufacturing transaction may amount to a merger requiring a statutory merger notification in South Africa, the Competition Commission later, subsequent to the parties applying to the Competition Tribunal for a declaratory order in this regard, conceded that at face value, this arrangement, as well as a proposed four year toll manufacturing agreement, did not amount to a merger.

The Competition Commission has however informed the parties that it is investigating whether or not there were any other unlawful agreements amounting to contraventions of the Competition Act's prohibitions on restrictive horizontal practices between Foskor and Sasol relating to the toll manufacturing arrangements. As the Commission has not yet made any findings on its investigation, the likelihood of liability is remote. In the event that the Competition Commission refers the matter to the Competition Tribunal, our current assessment may require review. For this reason, it is currently not possible to make an estimate of the contingent liability.

56 Guarantees and contingent liabilities *(continued)*

56.4 Litigation (continued)

With the increase in the price of phosphoric acid, Sasol elected to manufacture phosphoric acid for its own account and no longer in accordance with the aforementioned toll manufacturing arrangement (or the proposed four year toll manufacturing agreement). Accordingly, Sasol commenced manufacturing phosphoric acid from phosphate rock it purchases from Foskor as from 1 April 2008, when the toll manufacturing arrangement expired.

Yellow Rock litigation

In July 2005, Sasol North America received notice of suit by Yellow Rock LLC (Yellow Rock) alleging over US$1 million in damages and seeking an injunction that would require Sasol North America to remove its ethylene from Salt Storage Dome 1-A in Sulfur, Louisiana near the Lake Charles Chemical Complex. The suit alleges that in 2004 the Dome 1-A was leaking ethylene and caused the "blow out" of an oil and gas exploration well being drilled by Yellow Rock. An integrity assessment of the well performed by an independent consultant in early 2005 concluded that the Dome 1-A was not leaking. These results were conveyed to Yellow Rock and were signed off by the Louisiana Department of Natural Resources, but did not deter the filing of the suit. In March 2007, plaintiffs amended their petition to assert significant additional damages in excess of US$70 million, including loss of revenues and loss of fair market value of the oil and gas reserves adjacent to the dome.

The trial took place during the week of 14 January 2008 and Yellow Rock was awarded damages in the approximate amount of US$9 million, plus pre-judgement interest of US$2 million. Subsequently the parties settled the matter. In terms of the settlement, Yellow Rock has been paid an amount of US$10 million in full and final settlement, of which amount Sasol North America and its insurer, each paid US$5 million.

Other

From time to time Sasol companies are involved in other litigation and administrative proceedings in the normal course of business. Although the outcome of these proceedings and claims cannot be predicted with certainty, the company does not believe that the outcome of any of these cases would have a material effect on the group's financial results.

56.5 Environmental orders

We are subject to loss contingencies pursuant to numerous national and local environmental laws and regulations that regulate the discharge of materials into the environment or that otherwise relate to the protection of human health and the environment in all locations in which it operates. These laws and regulations may, in future, require us to remediate or rehabilitate the effects of its operations on the environment. The contingencies may exist at a number of sites, including, but not limited to, sites where action has been taken to remediate soil and groundwater contamination. These future costs are not fully determinable due to factors such as the unknown extent of possible contamination, uncertainty regarding the timing and extent of remediation actions that may be required, the allocation of the environmental obligation among multiple parties, the discretion of regulators and changing legal requirements.

Our environmental obligation accrued at 30 June 2008 was R3 460 million compared to R3 355 million in 2007. Included in this balance is an amount accrued of approximately R1 692 million in respect of the costs of remediation of soil and groundwater contamination and similar environmental costs. These costs relate to the following activities: site assessments, soil and groundwater clean-up and remediation, and ongoing monitoring. Due to uncertainties regarding future costs the potential loss in excess of the amount accrued cannot be reasonably determined.

Under the agreement for the acquisition of Sasol Chemie, we received an indemnification from RWE-DEA for most of the costs of remediation and rehabilitation of environmental contamination existing at Condea Vista Company located in the United States on or before 1 March 2001.

Although we have provided for known environmental obligations that are probable and reasonably estimable, the amount of additional future costs relating to remediation and rehabilitation may be material to results of operations in the period in which they are recognised. It is not expected that these environmental obligations will have a material effect on the financial position of the group.

As with the oil and gas and chemical industries generally, compliance with existing and anticipated environmental, health, safety and process safety laws and regulations increases the overall cost of business, including capital costs to construct, maintain, and upgrade equipment and facilities. These laws and regulations have required, and are expected to continue to require, the group to make significant expenditures of both a capital and expense nature.

56 *Guarantees and contingent liabilities (continued)*

56.6 September 2004 Accident Trust

On 1 September 2004, the lives of ten employees and contractors were lost and a number of employees and contractors were injured during an explosion that occurred at our Secunda West ethylene production facilities.

The company, Solidarity, the Chemical, Energy, Paper, Printing, Wood and Allied Workers' Union and an attorney representing the unions negotiated a mechanism to pay compensation to the dependants of people that died or to people who were physically injured in the accident to the extent that they had not been previously compensated in terms of existing policies and practices. It was agreed to establish an independent trust, the September 2004 Accident Trust, to expeditiously make ex gratia grants to such persons
The September 2004 Accident Trust was registered on 29 June 2006. Qualifying victims of the accident have been invited to submit applications for compensation. These grants will be calculated in accordance with the applicable South African legal principles for the harm and loss suffered by them as a result of the accident to the extent that they have not already been compensated.

We will fund the September 2004 Accident Trust to pay the grants. Whilst accepting social responsibility, we have not acknowledged legal liability in creating the trust. As at 30 June 2008, a total of 172 claims have been received, of which 152 have been finalised, resulting in payments totalling R13,8 million. Future payments are dependent on the number of applications which will still qualify and the calculation of the grants based on the applicable South African principles. It is believed that the possible loss, inclusive of legal costs, is unlikely to exceed R20 million.

56.7 Augusta Bay Pollution Investigation

The local prosecutor's office in Augusta, Italy is investigating a pollution incident at Augusta Bay, allegedly caused by the infiltration of pollutants into the sea. The investigation involves all the companies located within the Melilli-Priolo-Augusta industrial area, which includes Sasol Italy. The Prosecutor's office and the involved companies have each appointed experts to evaluate the environmental situation which includes a broad range of ecological impacts. It is currently not clear what product is the cause of the pollution and Sasol Italy's potential involvement will only be able to be determined after collection and analysis of samples, sea sediments and sea water. The judge has requested the experts to file their opinions within 3 months. Depending upon the final determination of environmental impacts resulting from the investigation, administrative fines or criminal penalties may be imposed on the guilty party or parties. Therefore, it is currently not possible to make an estimate of the contingent liability in this matter. We may need to re-assess our position upon the results of the investigations and analysis becoming available.

57 *Commitments under leases*

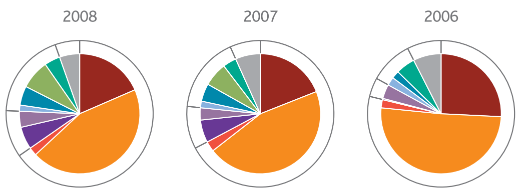
Minimum future lease payments – operating leases

The group rents buildings under long-term non-cancellable operating leases and also rents offices and other equipment under operating leases that are cancellable at various short-term notice periods by either party.

for the year ended 30 June	***2008 Rm***	*2007 Rm*	*2006 Rm*
Buildings and offices			
Within one year	**173**	134	108
One to two years	**180**	122	93
Two to three years	**177**	123	95
Three to four years	**143**	117	97
Four to five years	**118**	106	88
More than five years	**799**	803	497
	1 590	1 405	978
Equipment			
Within one year	**545**	310	186
One to two years	**383**	255	164
Two to three years	**257**	229	144
Three to four years	**189**	188	121
Four to five years	**177**	161	125
More than five years	**1 023**	992	1 163
	2 574	2 135	1 903

Included in operating leases for equipment is the rental of a pipeline for the transportation of gas products. The rental payments are determined based on the quantity of gas transported. The lease may be extended by either party to the lease for a further three year period prior to the expiry of the current lease term of seventeen years.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
57 Commitments under leases (continued)			
Water reticulation for Sasol Synfuels			
Within one year	32	–	–
One to two years	71	19	29
Two to three years	84	75	79
Three to four years	92	79	90
Four to five years	102	85	95
More than five years	2 971	2 690	2 648
	3 352	2 948	2 941
The water reticulation commitments of Sasol Synfuels relate to a long-term water supply agreement. The rental payments are determined based on the quantity of water consumed over the twenty year period of the lease.			
Total minimum future lease payments	7 516	6 488	5 822
These leasing arrangements do not impose any significant restrictions on the group or its subsidiaries.			
Business segmentation – minimum future operating lease payments			
South African energy cluster	4 909	4 362	4 589
Mining	1	4	8
Gas	1 388	1 231	1 499
Synfuels	3 352	2 948	2 954
Oil	168	179	128
International energy cluster	779	609	243
Synfuels International	456	396	20
Petroleum International	323	213	223
Chemical cluster	1 422	1 082	554
Polymers	125	116	132
Solvents	387	310	120
Olefins & Surfactants	591	420	–
Other	319	236	302
Other businesses	406	435	436
	7 516	6 488	5 822
Minimum future lease payments – finance leases			
Within one year	169	144	143
One to two years	143	154	132
Two to three years	143	129	131
Three to four years	141	128	115
Four to five years	135	127	111
More than five years	733	849	774
Less amounts representing finance charges	(711)	(764)	(656)
	753	767	750



Contingent rentals
The group has no contingent rentals in respect of finance leases.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm

58 Related party transactions

Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates and joint ventures. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions are determined on an arm's length basis.

Disclosure in respect of joint ventures is provided on page 186 and of associates in note 8.

Material related party transactions were as follows

	2008 Rm	2007 Rm	2006 Rm
Sales and services rendered to related parties			
joint ventures	**1 975**	1 759	1 446
associates	**742**	632	424
third parties	**944**	160	250
retirement funds	**–**	4	–
	3 661	2 555	2 120

Amounts owing (after eliminating intercompany balances) by related parties are disclosed in the respective notes to the financial statements for those statement of financial position items.

No provision for impairment of receivables related to the amount of outstanding balances is required.

	2008 Rm	2007 Rm	2006 Rm
Purchases from related parties			
joint ventures	**88**	135	131
associates	**795**	712	360
third parties	**1 056**	832	600
retirement funds	**338**	374	224
	2 277	2 053	1 315

Amounts owing (after eliminating intercompany balances) to related parties are disclosed in the respective notes to the financial statements for those statement of financial position items.

Included in the above amounts are a number of transactions with related parties which are individually insignificant.

Identity of related parties with whom material transactions have occurred

Except for the group's interests in joint ventures and associates, there are no other related parties with whom material individual transactions have taken place.

Directors and senior management

Details of the directors' and group executive committee remuneration and the shareholding in Sasol Limited are disclosed in the remuneration report on page 44 to 55.

Shareholders

An analysis of major shareholders is provided on pages 34 and 35.

for the year ended 30 June	2008 %	2007 %	2006 %
59 Inflation reporting			
The financial statements have not been restated to a current cost basis as the group does not operate in a hyperinflationary economy.			
Consumer Price Index – South Africa	**9,3**	5,9	4,9
Producer Price Index – South Africa	**11,5**	9,8	5,1

60 Subsidiaries with a year end different to that of the group

Sasol Italy SpA, a wholly owned subsidiary, has a statutory year end of 31 May and is included in the consolidated financial statements up to that date. The different year end would not result in a significant effect on the consolidated financial statements.

61 Subsequent events

The following non-adjusting events occurred subsequent to 30 June 2008:

Sasol Inzalo share transaction

On 9 July 2008, the Black Public Invitations of the Sasol Inzalo share transaction closed (refer note 45). The Cash Invitation was oversubscribed by 13% and the Funded Invitation was more than 300% oversubscribed. A share-based payment expense of R2,4 billion and preference share debt of R4,2 billion related to the issue of shares to the black public will be recognised in the 2009 financial year.

Based on the weighted average number of shares issued at 30 June 2008, the share-based payment expense would decrease the earnings per share by R4,07.

Crude oil hedge

Effective 1 August 2008, Sasol entered into crude oil hedges for approximately 30% (16,4 million barrels) of its Sasol Synfuels production for the remainder of the 2009 financial year. This was achieved by entering into zero cost collar contracts in terms of which the group is protected, on the 16,4 million barrels, against crude oil prices below US$90/b but will benefit from crude oil prices up to US$228/b. A similar crude oil hedge has been entered into for 550 000 barrels of Sasol Petroleum International's West African output for a range between US$90/b and US$240/b.

Acquisition of Exelem Aviation (Pty) Limited

In July 2008, Exel Petroleum (Pty) Limited acquired the remaining 49,9% of Exelem Aviation (Pty) Limited for a purchase consideration of US$1,7 million.

interest in joint ventures

In accordance with the group's accounting policy, the results of joint ventures are proportionately consolidated on a line-by-line basis. The information provided below includes intercompany transactions and balances.

	Advancing ventures		*Operating ventures*					
	Sasol GTL Rm	*Polymers joint ventures* Rm*	*Merisol Rm*	*Spring Lights Gas Rm*	*Other† Rm*	**2008 Total Rm**	*2007 Total Rm*	*2006 Total Rm*
Statement of financial position								
External non-current assets	4 115	6 664	312	53	520	**11 664**	16 307	12 801
Property, plant and equipment	3 858	4 368	281	–	462	**8 969**	5 989	
Assets under construction	235	2 255	3	–	21	**2 514**	10 013	
Other non-current assets	22	41	28	53	37	**181**	305	
Intercompany non-current assets	–	–	–	–	–	**–**	–	4
External current assets	771	1 143	414	93	457	**2 878**	2 210	2 009
Intercompany current assets	453	–	21	–	91	**565**	81	139
Total assets	5 339	7 807	747	146	1 068	**15 107**	18 598	14 953
Shareholders' equity	2 446	2 084	407	117	559	**5 613**	7 147	6 142
Long-term debt (interest bearing)	2 269	2 515	5	–	135	**4 924**	4 412	4 801
Intercompany long-term debt	89	997	25	1	3	**1 115**	1 006	157
Long-term provisions	52	–	6	–	–	**58**	41	35
Other non-current liabilities	1	255	60	–	8	**324**	3 452	2 096
Interest bearing current liabilities	185	918	98	12	60	**1 273**	924	592
Non-interest bearing current liabilities	218	987	78	8	259	**1 550**	1 303	862
Intercompany current liabilities	79	51	68	8	44	**250**	313	268
Total equity and liabilities	5 339	7 807	747	146	1 068	**15 107**	18 598	14 953
Income statement								
Turnover	1 571	1 262	844	177	930	**4 784**	3 618	2 612
Operating profit/(loss)	366	134	143	89	145	**877**	(30)	62
Other expenses	(133)	(73)	(6)	3	(9)	**(218)**	(117)	(82)
Net profit/(loss) before tax	233	61	137	92	136	**659**	(147)	(20)
Taxation	6	(45)	(30)	(29)	(25)	**(123)**	(80)	(31)
Attributable profit/(loss)	239	16	107	63	111	**536**	(227)	(51)
Statement of cash flows								
Cash flow from operations	633	465	172	98	184	**1 552**	1 532	1 109
Movement in working capital	(438)	(2)	(97)	(1)	(58)	**(596)**	198	(585)
Taxation (paid)/received	(3)	–	(5)	(26)	(21)	**(55)**	286	115
Other expenses	(143)	(718)	(9)	(3)	(18)	**(891)**	(661)	(516)
Cash available from operations	49	(255)	61	68	87	**10**	1 355	123
Dividends paid	–	–	(19)	(16)	(99)	**(134)**	(28)	(14)
Cash retained from operations	49	(255)	42	52	(12)	**(124)**	1 327	109
Cash flow from investing activities	(167)	(449)	(4)	(2)	(37)	**(659)**	(3 496)	(2 864)
Cash flow from financing activities	110	843	(11)	(10)	6	**938**	2 242	2 739
Decrease/(increase) in cash requirements	(8)	139	27	40	(43)	**155**	73	(16)

* *Comprising Arya Sasol Polymers Company and Petlin.*
† *Includes Sasol Dyno Nobel, Sasol Fibres, Sasol Huntsman, Sasol Lurgi, Sasol Oil Petromoc and Sasol Yihai.*

At 30 June 2008, the group's share of the total capital commitments of joint ventures amounted to R675 million (2007 – R4 128 million; 2006 – R5 252 million).

The GTL businesses results are associated with the advancing GTL project in Qatar and the evaluation of other projects in accordance with the group's strategy. The Escravos GTL (EGTL) joint venture, included as part of the Sasol GTL business in previous years, has been classified as an asset held for sale during 2008 and is excluded from the 2008 results (refer note 12).

financial risk management and financial instruments

Introduction

The group is exposed to liquidity, credit, foreign currency, interest rate and commodity price risks arising from its financial instruments. The Group Executive Committee (GEC) has the overall responsiblilty for the establishment and oversight of the group's risk management framework. The GEC established the risk and safety, health and environment committee, which is responsible for providing the board with the assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels. A comprehensive risk management process has been developed to continuously monitor and control these risks. The Sasol group has a central treasury function that manages the financial risks relating to the group's operations. The group business committee meets regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of financial risks. The committee reports on a regular basis to the GEC on its activities.

Risk profile

Risk management and measurement relating to each of these risks is discussed under the headings below. The group's objective in using derivative instruments is for hedging purposes to reduce the uncertainty over future cash flows arising from foreign currency, interest rate and commodity price risk exposures.

Liquidity risk

Liquidity risk is the risk that an entity in the group will be unable to meet its obligations as they become due. The group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The group finances its operations through a mixture of retained earnings, short- and long-term bank funding, a commercial paper programme and commercial bond issues. Adequate banking facilities and reserve borrowing capacities are maintained (refer page 124). The group is in compliance with all of the financial covenants in its loan documents, none of which is expected to present a material restriction on funding or investment policy in the near future. The group has sufficient undrawn borrowing facilities, which could be utilised to settle obligations.

The maturity profile of the contractual cash flows of financial instruments at 30 June were as follows:

	Note	Contractual cash flows* Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four years Rm	Four to five years Rm	More than five years Rm
2008								
Financial assets								
Loans and receivables		**28 335**	27 003	12	324	282	285	429
Long-term receivables	10	**1 499**	167	12	324	282	285	429
Trade receivables	14	**19 672**	19 672	–	–	–	–	–
Other receivables	15	**1 915**	1 915	–	–	–	–	–
Cash restricted for use	17	**814**	814	–	–	–	–	–
Cash	17	**4 435**	4 435	–	–	–	–	–
Investments available-for-sale								
Investments in securities	7	**288**	78	–	–	–	–	210
Investments held-to-maturity								
Investments in securities	7	**347**	–	–	–	–	–	347
Non-derivative instruments		**28 970**	27 081	12	324	282	285	986
Derivative instruments								
Cash flow hedges		**4 292**	4 065	227	–	–	–	–
Held for trading		**5 986**	4 403	1 583	–	–	–	–
		39 248	35 549	1 822	324	282	285	986
Financial liabilities								
Non-derivative instruments		**(36 902)**	(20 605)	(4 895)	(1 463)	(1 516)	(1 485)	(6 938)
Long-term debt		**(17 514)**	(1 217)	(4 895)	(1 463)	(1 516)	(1 485)	(6 938)
Short-term debt	24	**(2 375)**	(2 375)	–	–	–	–	–
Trade payables and accrued expenses	28	**(12 413)**	(12 413)	–	–	–	–	–
Other payables	29	**(3 686)**	(3 686)	–	–	–	–	–
Bank overdraft	17	**(914)**	(914)	–	–	–	–	–
Derivative instruments								
Cash flow hedges		**(4 032)**	(3 868)	(164)	–	–	–	–
Held for trading		**(5 287)**	(4 078)	(1 209)	–	–	–	–
		(46 221)	(28 551)	(6 268)	(1 463)	(1 516)	(1 485)	(6 938)

	Note	*Contractual cash flows** *Rm*	*Within one year* *Rm*	*One to two years* *Rm*	*Two to three years* *Rm*	*Three to four years* *Rm*	*Four to five years* *Rm*	*More than five years* *Rm*
2007								
Financial assets								
Loans and receivables		**22 658**	21 092	260	342	9	14	941
Long-term receivables	*10*	**1 579**	13	260	342	9	14	941
Trade receivables	*14*	**12 442**	12 442	–	–	–	–	–
Other receivables	*15*	**2 004**	2 004	–	–	–	–	–
Cash restricted for use	*17*	**646**	646	–	–	–	–	–
Cash	*17*	**5 987**	5 987	–	–	–	–	–
Investments available-for-sale								
Investments in securities	*7*	**230**	70	–	–	–	–	160
Investments held-to-maturity								
Investments in securities	*7*	**312**	–	–	–	–	–	312
Non-derivative instruments		**23 200**	21 162	260	342	9	14	1 413
Derivative instruments								
Cash flow hedges		**2 819**	2 346	117	79	79	79	119
Held for trading		**5 024**	3 347	75	1 361	69	172	–
		31 043	26 855	452	1 782	157	265	1 532
Financial liabilities								
Non-derivative instruments		**(31 635)**	(17 594)	(1 638)	(4 460)	(1 340)	(1 312)	(5 291)
Long-term debt		**(17 198)**	(3 157)	(1 638)	(4 460)	(1 340)	(1 312)	(5 291)
Short-term debt	*24*	**(2 546)**	(2 546)	–	–	–	–	–
Trade payables and accrued expenses	*28*	**(7 642)**	(7 642)	–	–	–	–	–
Other payables	*29*	**(3 704)**	(3 704)	–	–	–	–	–
Bank overdraft	*17*	**(545)**	(545)	–	–	–	–	–
Derivative instruments								
Cash flow hedges		**(2 756)**	(2 339)	(76)	(76)	(76)	(76)	(113)
Held for trading		**(5 152)**	(3 595)	(68)	(1 271)	(62)	(156)	–
		(39 543)	(23 528)	(1 782)	(5 807)	(1 478)	(1 544)	(5 404)

* *The amount disclosed in the contractual cash flows is the future undiscounted value. Where a derivative is linked to an index, the amount payable or receivable has been based on the forward rates at the reporting date. Foreign exchange contracts and cross currency swaps are settled on a gross basis, while all other derivatives are net settled. For gross settled derivatives, the cash outflow leg has been included in financial liabilities, while the cash inflow is included in financial assets.*

The expected future timing of the recycling of derivatives used for hedging on the income statement at 30 June were as follows:

	Carrying value Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four years Rm	Four to five years Rm	More than five years Rm
2008							
Derivative instruments – cash flow hedges							
Financial assets	277	85	10	9	9	9	155
Financial liabilites	29	22	1	–	–	–	6
2007							
Derivative instruments – cash flow hedges							
Financial assets	300	8	–	291	–	–	1
Financial liabilites	153	143	–	–	1	1	8

Credit risk

Credit risk, or the risk of financial loss due to counterparties not meeting their contractual obligations, is managed by the application of credit approvals, limits and monitoring procedures. Where appropriate, the group obtains collateral to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary boards.

Trade and other receivables consist of a large number of customers spread across diverse industries and geographical areas. The exposure to credit risk is influenced by the individual characteristics, the industry and geographical area of the counterparty with whom we have transacted. Trade and other receivables are carefully monitored for impairment. No single customer represents more than 10% of the group's total turnover or more than 10% of total trade receivables for the years ended 30 June 2008 and 2007. Approximately 52% (2007 – 52%) of the group's total turnover is generated from sales within South Africa and 49% (2007 – 51%) of the amount owing in respect of trade receivables is from counterparties in South Africa.

Credit risk exposure in respect of trade receivables is further analysed in note 14.

Treasury counterparties consist of a diversified group of prime financial institutions. The group does not expect any treasury counterparties to fail to meet their obligations, given their high credit ratings.

The group has provided guarantees for the financial obligations of subsidiaries, joint-ventures and third parties. The outstanding guarantees at 30 June 2008 are provided in note 56.1.

The carrying value of the investments available-for-sale, investments held-to-maturity, loans and receivables and derivative instrument financial assets represent the maximum credit risk exposure.

Foreign currency risk

The group's transactions are predominantly entered into in the respective functional currency of the individual operations. However, the group operations utilise various foreign currencies on sales, purchases and borrowings and consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. These operations are exposed to foreign currency risk in connection with contracted payments in currencies not in their individual functional currency. The translation of foreign operations to the presentation currency of Sasol Limited is not taken into account when considering foreign currency risk. Foreign currency risks are managed through the group's financing policies and the selective use of forward exchange contracts, cross currency swaps and cross currency options. Forward exchange contracts are utilised primarily to reduce foreign currency exposure arising from imports into South Africa. Forward cover is required on both capital expenditure and imports (payables) in excess of USD50 000. Any forward exchange contract resulting in exposure of R100 million or more requires the pre-approval of the group executive committee (GEC). South African exports (receivables) are uncovered. The group also makes use of customer foreign currency accounts, where needed.

All forward exchange contracts are supported by underlying commitments or transactions which have already occurred.

The following significant exchange rates applied during the year:

	Average rate		*Closing rate*	
	2008	*2007*	***2008***	*2007*
Rand/Euro	**10,77**	9,40	**12,34**	9,53
Rand/US dollar	**7,30**	7,20	**7,83**	7,04
Rand/Pound sterling	**14,62**	13,91	**15,61**	14,14

The fair value gains/(losses) calculated below were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts at year end was then calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values were then calculated using the appropriate currency specific discount curve.

financial risk management and financial instruments continued

The following forward exchange contracts and cross currency swaps were held at 30 June:

	Contract foreign currency amount 2008 million	Contract amount – Rand equivalent 2008 Rm	Average rate of exchange 2008 (calculated)	Estimated fair value gains/ (losses) 2008 Rm	Contract foreign currency amount 2007 million	Contract amount – Rand equivalent 2007 Rm	Average rate of exchange 2007 (calculated)	Estimated fair value gains/ (losses) 2007 Rm
Forward exchange contracts								
Related to transactions which have already occurred								
Derivative instruments – cash flow hedges								
Imports – capital								
Euro	26	312	12,20	6	2	23	9,67	1
US dollar	11	85	7,98	–	3	20	7,18	–
		397		6		43		1
Imports – goods								
Euro	2	26	12,11	1	1	8	9,53	–
US dollar	17	133	8,01	(4)	18	132	7,14	(2)
Pound sterling	–	7	15,61	–	2	32	13,98	–
		166		(3)		172		(2)
Exports								
Euro	–	–	–	–	–	1	9,52	–
US dollar	2	15	7,86	–	41	290	7,02	(1)
Pound sterling	–	–	–	–	4	60	14,02	–
Other currencies – US dollar equivalent	–	–	–	–	9	56	6,32	1
		15		–		407		–
Other payables (liabilities)								
Euro	–	–	–	–	–	2	9,76	–
US dollar	–	–	–	–	8	59	7,17	(1)
	–	–	–	–		61		(1)
Other receivables (assets)								
Euro	64	787	12,22	2	–	–	–	–
US dollar	–	–	–	–	149	1 057	7,10	10
		787		2		1 057		10
Derivative instruments – held for trading								
Imports – capital								
US dollar	21	168	7,95	–	–	–	–	–
Imports – goods								
US dollar	165	1 315	7,96	(20)	129	933	7,21	(16)
Exports								
Euro	3	35	12,96	2	5	52	9,52	–
US dollar	88	699	7,91	(1)	1	5	7,05	–
Pound sterling	4	54	15,51	–	–	–	–	–
Other currencies – US dollar equivalent	9	89	9,41	2	–	–	–	–
		877		3		57		–
Other payables (liabilities)								
Euro	8	98	12,21	2	–	–	–	–
US dollar	8	65	7,83	–	–	–	–	–
		163		2		–		–
Other receivables (assets)								
US dollar	57	447	7,89	20	–	–	–	–

	Contract foreign currency amount 2008 million	Contract amount – Rand equivalent 2008 Rm	Average rate of exchange 2008 (calculated)	Estimated fair value gains/ (losses) 2008 Rm	Contract foreign currency amount 2007 million	Contract amount – Rand equivalent 2007 Rm	Average rate of exchange 2007 (calculated)	Estimated fair value gains/ (losses) 2007 Rm
Forward exchange contracts (continued)								
Related to future commitments								
Derivative instruments – cash flow hedges								
Imports								
Euro	108	1 278	11,88	176	14	130	9,57	(1)
US dollar	7	59	8,36	–	27	194	7,20	(4)
Pound sterling	1	8	16,04	–	–	2	14,14	–
Other currencies – US dollar equivalent	16	128	7,88	7	15	106	6,26	(8)
		1 473		183		432		(13)
Exports								
US dollar	1	4	8,14	–	–	1	7,05	–
Other payables (liabilities)								
Euro	7	80	11,43	7	6	65	10,03	(2)
US dollar	140	1 112	7,93	15	9	63	7,28	(2)
Pound sterling	–	–	–	–	–	1	14,49	–
Other currencies – US dollar equivalent	–	–	–	–	1	9	7,42	–
		1 192		22		138		(4)
Derivative instruments – held for trading								
Imports								
Euro	–	–	–	–	1	5	9,56	–
US dollar	5	57	7,86	–	4	28	7,14	(1)
Other currencies – US dollar equivalent	1	–	0,07	2	–	–	–	–
		57		2		33		(1)
Other payables (liabilities)								
Euro	3	36	12,56	–	4	33	8,10	–
US dollar	7	62	7,88	1	50	372	7,40	(9)
Pound Sterling	–	2	15,51	–	–	1	14,31	–
		100		1		406		(9)
Other receivables (assets)								
Euro	1	17	12,38	–	–	–	–	–
US dollar	5	37	7,84	–	3	21	7,07	–
		54		–		21		–
Cross currency swaps								
Derivative instruments – held for trading								
US dollar to Euro	–	–	–	–	49	479	9,71	(130)
US dollar to Rand	–	–	–	–	59	374	6,40	38
Euro to Rand	225	2 129	9,48	660	299	2 652	8,87	183
		2 129		660		3 505		91
Derivative instruments – cash flow hedges								
Other currencies	–	–	–	–	68	454	6,72	22

financial risk management and financial instruments continued

The maturity profile of contract amounts of forward exchange contracts and cross currency swaps at 30 June were as follows:

	Contract amount Rm	Within one year Rm	One to two years Rm
2008			
Forward exchange contracts			
Related to transactions which have already occurred			
Imports – capital			
Euro	**312**	312	–
US dollar	**253**	253	–
	565	565	–
Imports – goods			
Euro	**26**	26	–
US dollar	**1 448**	1 448	–
Pound sterling	**7**	7	–
	1 481	1 481	–
Exports			
Euro	**35**	35	–
US dollar	**714**	714	–
Pound sterling	**54**	54	–
Other currencies – US dollar equivalent	**89**	89	–
	892	892	–
Other payables (liabilities)			
Euro	**98**	98	–
US dollar	**65**	65	–
	163	163	–
Other receivables (assets)			
Euro	**787**	787	–
US dollar	**447**	447	–
	1 234	1 234	–
Related to future commitments			
Imports			
Euro	**1 278**	1 120	158
US dollar	**116**	116	–
Pound sterling	**8**	8	–
Other currencies – US dollar equivalent	**128**	122	6
	1 530	1 366	164
Exports			
US dollar	**4**	4	–
Other payables (liabilities)			
Euro	**116**	116	–
US dollar	**1 174**	1 174	–
Pound sterling	**2**	2	–
	1 292	1 292	–
Other receivables (assets)			
Euro	**17**	17	
US dollar	**37**	37	–
	54	54	–
Cross currency swaps			
Euro to Rand	***2 129***	920	1 209

	Contract amount Rm	Within one year Rm	One to two years Rm	Two to four years Rm	More than four years Rm
2007					
Forward exchange contracts					
Related to transactions which have already occurred					
Imports – capital					
Euro	**23**	23	–	–	–
US dollar	**20**	20	–	–	–
	43	43	–	–	–
Imports – goods					
Euro	**8**	8	–	–	–
US dollar	**1 065**	1 065	–	–	–
Pound sterling	**32**	32	–	–	–
	1 105	1 105	–	–	–
Exports					
Euro	**53**	53	–	–	–
US dollar	**295**	295	–	–	–
Pound sterling	**60**	60	–	–	–
Other currencies – US dollar equivalent	**56**	56	–	–	–
	464	464	–	–	–
Other payables (liabilities)					
Euro	**2**	2	–	–	–
US dollar	**59**	59	–	–	–
	61	61	–	–	–
Other receivables (assets)					
US dollar	**1 057**	1 057	–	–	–
Related to future commitments					
Imports					
Euro	**135**	135	–	–	–
US dollar	**222**	222	–	–	–
Pound sterling	**2**	2	–	–	–
Other currencies – US dollar equivalent	**106**	106	–	–	–
	465	465	–	–	–
Exports					
US dollar	**1**	1	–	–	–
Other payables (liabilities)					
Euro	**98**	98	–	–	–
US dollar	**435**	435	–	–	–
Pound sterling	**2**	2	–	–	–
Other currencies – US dollar equivalent	**9**	9	–	–	–
	544	544	–	–	–
Other receivables (assets)					
US dollar	**21**	21	–	–	–
Cross currency swaps					
US dollar to Euro	**479**	479	–	–	–
US dollar to Rand	**374**	31	62	125	156
Euro to Rand	**2 652**	1 443	–	1 209	–
Other	**454**	38	76	151	189
	3 959	1 991	138	1 485	345

financial risk management and financial instruments continued

Exposure to currency risk

The group's exposure to foreign currency risk, converted to rand at the year end exchange rates, was as follows:

	Euro Rm	US dollar Rm	Pound sterling Rm	Rand Rm	Other Rm	Total Rm
2008						
Investment in securities	–	–	–	–	1	1
Long-term receivables	–	–	–	–	1	1
Trade receivables	437	2 002	85	14	96	2 634
Other receivables	230	121	12	–	82	445
Cash restricted for use	224	12	4	9	30	279
Cash	367	794	28	82	187	1 458
Long-term debt	(5 923)	(138)	(4)	(717)	(17)	(6 799)
Short-term debt	(358)	(13)	–	–	–	(371)
Trade payables and accrued expenses	(103)	(876)	(19)	(30)	(192)	(1 220)
Other payables	(17)	(69)	(9)	(6)	(32)	(133)
Bank overdraft	–	–	–	–	(11)	(11)
Exposure on external balances	(5 143)	1 833	97	(648)	145	(3 716)
Net exposure on balances between group companies	10 756	(697)	32	1 892	127	12 110
Exposure on non-derivative instruments	5 613	1 136	129	1 244	272	8 394
Foreign exchange contracts	1 049	1 811	(34)	–	54	2 880
Cross currency swaps	(2 771)	–	–	–	–	(2 771)
Total exposure	3 891	2 947	95	1 244	326	8 503

	Euro Rm	US dollar Rm	Pound sterling Rm	Rand Rm	Other Rm	Total Rm
2007						
Investment in securities	–	–	–	1	1	2
Long-term receivables	499	683	–	–	–	1 182
Trade receivables	286	1 100	63	9	93	1 551
Other receivables	5	128	1	–	20	154
Cash restricted for use	28	13	–	9	26	76
Cash	174	404	35	65	169	847
Long-term debt	(4 754)	(1 024)	–	(818)	(214)	(6 810)
Short-term debt	(2 107)	–	–	–	–	(2 107)
Trade payables and accrued expenses	(99)	(751)	(16)	(37)	(73)	(976)
Other payables	(44)	(136)	(6)	(7)	(94)	(287)
Bank overdraft	–	(3)	–	–	–	(3)
Exposure on external balances	**(6 012)**	**414**	**77**	**(778)**	**(72)**	**(6 371)**
Net exposure on balances between group companies	8 356	(3 488)	24	1 424	(409)	5 907
Exposure on non-derivative instruments	2 344	(3 074)	101	646	(481)	(464)
Foreign exchange contracts	215	388	(26)	–	61	638
Cross currency swaps	(2 380)	58	–	–	(403)	(2 725)
Total exposure	**179**	**(2 628)**	**75**	**646**	**(823)**	**(2 551)**

Sensitivity analysis

A 10 percent strengthening of the rand on the group's exposure to foreign currency risk at 30 June would have increased/(decreased) equity and the income statement by the amounts below before the effect of tax. This analysis assumes that all other variables, in particular interest rates, remain constant and has been performed on the same basis for 2007.

	2008		2007	
	Equity Rm	Income statement Rm	Equity Rm	Income statement Rm
Euro	97	292	22	(4)
US dollar	135	160	(88)	(175)
Pound sterling	1	8	(3)	10
Rand	–	124	–	65
Other currencies	–	33	(34)	(48)

A 10 percent weakening in the rand against the above currencies at 30 June would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk on financial assets and liabilities is monitored on a continuous and proactive basis. The debt of the group is structured on a combination of floating and fixed interest rates. The benefits of fixing or capping interest rates on the group's various financing activities are considered on a case-by-case and project-by-project basis, taking the specific and overall risk profile into consideration. For further details on long-term debt refer note 18 and note 10 for long-term receivables.

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments was:

	Carrying value	
	2008 Rm	2007 Rm
Variable rate instruments		
Financial assets	6 788	8 261
Financial liabilities	(11 046)	(10 472)
	(4 258)	(2 211)
Fixed rate instruments		
Financial assets	2	–
Financial liabilities	(9 046)	(9 052)
	(9 044)	(9 052)

Cash flow sensitivity for variable rate instruments

A change of one percent in interest rates at the reporting date would have increased /(decreased) equity and the income statement by the amounts shown below before the effect of tax. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and has been performed on the same basis for 2007.

	Income statement	
	1% increase Rm	1% decrease Rm
30 June 2008		
Variable rate instruments	(43)	43
30 June 2007		
Variable rate instruments	(22)	22

The following interest rate derivative contracts were in place at 30 June:

	Contract amount – Rand equivalent 2008 Rm	Average fixed rate 2008 %	Expiry 2008	Estimated fair value gains 2008 million	Contract foreign currency amount 2007 million	Contract amount – Rand equivalent 2007 Rm	Estimated fair value gains 2007 Rm
Interest rate derivatives							
Derivative instruments – cash flow hedges							
Pay fixed rate receive floating rate							
US dollar	–			–	98	690	6
Rand	813	7,6	15 Dec 09	50	–	938	44
	813			50		1 628	50
Derivative instruments – held for trading							
Pay fixed rate receive floating rate							
Rand	–	–	–	–	–	500	2
Interest rate cap or collar (relating to long-term debt)							
Rand – cap	–	–	–	–	–	227	1

The maturity profile of gross contract amounts of interest rate derivatives at 30 June were as follows:

	Contract amount Rm	Within one year Rm	One to two years Rm
Interest rate derivatives			
2008			
Pay fixed rate receive floating rate			
Rand	813	125	688
2007			
Pay fixed rate receive floating rate			
US dollar	690	690	
Rand	1 438	625	813
	2 128	1 315	813
Interest rate cap or collar			
Rand	227	114	113

Commodity price risk

The group makes use of derivative instruments, including commodity swaps, options and futures contracts of short duration as a means of mitigating price and timing risks on crude oil purchases and sales. In effecting these transactions, the companies concerned operate within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised. The strategy is to hedge the equivalent of approximately 30% of Sasol Synfuels' production (45 000 b/d) and 30% of Sasol Petroleum International's Gabon production. As management believes that a hedge will mitigate the risk of any substantial fall in oil prices, a zero cost collar has been entered into for the 2009 financial year. Refer to the subsequent events note 61.

The following commodity derivative contracts were in place at 30 June:

	Contract foreign currency amount 2008 million	Contract amount – Rand equivalent 2008 Rm	Average price 2008 US$	Estimated fair value gains 2008 Rm	Contract foreign currency amount 2007 million	Contract amount – Rand equivalent 2007 Rm	Average price 2007 US$	Estimated fair value gains/ (losses) 2007 Rm
Commodity derivatives								
Derivative instruments – cash flow hedges								
Futures								
Crude oil (US dollar)	**19**	**147**	**140,53**	**–**	–	–	–	
Derivative instruments – held for trading								
Futures								
Crude oil (US dollar)	**88**	**685**	**133,76**	**31**	13	89	70,69	1
Zero cost collar				**–**				(197)
Call options sold (US dollar)	**–**	**–**	**–**		1 294	9 111	76,70	
Put options bought (US dollar)	**–**	**–**	**–**		1 053	7 414	62,40	

The maturity profile of contract amounts of commodity derivatives at 30 June were as follows:

	Contract amount 2008 Rm	Within one year 2008 Rm	Contract amount 2007 Rm	Within one year 2007 Rm
Commodity derivatives				
Futures				
Crude oil	**832**	**832**	89	89
Zero cost collar				
Call options sold (US dollar)	**–**	**–**	9 111	9 111
Put options bought (US dollar)	**–**	**–**	7 414	7 414
	–	**–**	16 525	16 525

Sensitivity analysis

A 10 percent increase of the commodity prices at 30 June would have increased/(decreased) the fair value of commodity derivatives recognised in the income statement by the amounts shown below, before the effect of tax. This analysis assumes that all other variables remain constant and has been performed on the same basis for 2007.

	2008 Rm	2007 Rm
Crude oil	**3**	(20)

A 10 percent decrease in the commodity prices at 30 June would have the equal but opposite effect on the fair value amounts shown above, on the basis that all other variables remain constant.

Sasol Limited **company**

statement of financial position

at 30 June

	Note	*2008 Rm*	*2007 Rm*	*2006 Rm*
Assets				
Investments in subsidiaries	*1*	**35 811**	22 212	32 820
Investment in security	*2*	**3**	2	2
Long-term financial assets	*3*	**12 807**	–	–
Long-term receivable	*4*	**1 086**	–	–
Deferred tax asset	*5*	**–**	5	107
Non-current assets		**49 707**	22 219	32 929
Other receivables	*6*	**1 913**	185	3 012
Short-term financial asset	*7*	**–**	–	29
Tax receivable	*13*	**–**	4	–
Cash and cash equivalents	*8*	**6**	4	7
Current assets		**1 919**	193	3 048
Total assets		**51 626**	22 412	35 977
Equity and liabilities				
Shareholders' equity		**50 383**	21 225	34 692
Long-term debt	*9*	**1 120**	1 058	1 057
Long-term financial liabilities	*10*	**26**	36	–
Non-current liabilities		**1 146**	1 094	1 057
Short-term financial liability	*11*	**8**	1	–
Short-term provision	*12*	**1**	–	–
Tax payable	*13*	**16**	–	38
Trade and other payables	*14*	**72**	92	190
Current liabilities		**97**	93	228
Total equity and liabilities		**51 626**	22 412	35 977

income statement

for the year ended 30 June

	Note	*2008 Rm*	*2007 Rm*	*2006 Rm*
Operating (loss)/profit	*15*	**(1 456)**	1 202	(38)
Finance income	*17*	**18 540**	3 844	9 745
Finance expenses	*18*	**(4)**	(1)	(2)
Profit before tax		**17 080**	5 045	9 705
Taxation	*19*	**(25)**	(101)	51
Profit for year		**17 055**	4 944	9 756

Sasol Limited **company**

statement of comprehensive income

for the year ended 30 June

	Note	2008 Rm	2007 Rm	2006 Rm
Profit for year		17 055	4 944	9 756
Other comprehensive income, net of tax	20			
Gain on revaluation of investment		1	–	–
Foreign currency translation reserve		–	–	(3)
Total comprehensive income for year		17 056	4 944	9 753

changes in equity statement

for the year ended 30 June

	Note	2008 Rm	2007 Rm	2006 Rm
Share capital	21			
Balance at beginning of year		3 628	3 634	3 203
Shares issued		16 636	332	431
Shares repurchased and cancelled		–	(338)	–
Share issue costs		(88)	–	–
Balance at end of year		20 176	3 628	3 634
Share-based payment reserve				
Balance at beginning of year		966	780	611
Share-based payment expense		1 574	186	169
Balance at end of year		2 540	966	780
Retained earnings				
Balance at beginning of year		16 630	30 277	24 536
Effective share cancellation		–	(13 968)	–
Comprehensive income for year		17 055	4 944	9 756
Dividends paid	25	(6 020)	(4 623)	(4 015)
Balance at end of year		27 665	16 630	30 277
Foreign currency translation reserve				
Balance at beginning of year		–	–	3
Comprehensive income for year		–	–	(3)
Balance at end of year		–	–	–
Investment fair value reserve				
Balance at beginning of year		1	1	1
Comprehensive income for year		1	–	–
Balance at end of year		2	1	1
Shareholders' equity		50 383	21 225	34 692

statement of cash flows

for the year ended 30 June

	Note	2008 Rm	2007 Rm	2006 Rm
Cash (utilised in)/generated by operating activities	22	(1 846)	2 675	(2 483)
Finance income received		18 425	3 842	9 745
Finance expenses paid		–	(1)	–
Tax paid	13	–	(35)	(1)
Cash available from operating activities		16 579	6 481	7 261
Dividends paid	25	(6 020)	(4 623)	(4 015)
Cash retained from operating activities		10 559	1 858	3 246
Investments in subsidiaries		(13 428)	(3 807)	(3 689)
Long-term receivable		(1 066)	–	–
Proceeds on disposal of businesses	26	–	1 614	–
Cash utilised in investing activities		(14 494)	(2 193)	(3 689)
Share capital issued		3 937	332	431
Increase/(decrease) in cash and cash equivalents		2	(3)	(12)
Cash and cash equivalents				
at end of year	8	6	4	7
at beginning of year		4	7	19
Increase/(decrease) in cash and cash equivalents		2	(3)	(12)

Sasol Limited **company**

notes to the financial statements

for the year ended 30 June

		2008 Rm	2007 Rm	2006 Rm
1	***Investments in subsidiaries***			
	Reflected as non-current assets			
	Shares at cost	**1 600**	1 600	1 725
	Share-based payment expenditure	**904**	687	501
	Long-term loans to subsidiaries	**33 307**	19 925	30 594
		35 811	22 212	32 820
	Reflected as current assets			
	Short-term loans to subsidiaries (refer note 6)	**1 895**	161	2 961
	Reflected as non-current liabilities			
	Long-term loans from subsidiaries (refer note 9)	**(1 120)**	(1 058)	(1 057)
	Reflected as current liabilities			
	Short-term loans from subsidiaries (refer note 14)	**(56)**	(81)	(47)
	Net investments at cost	**36 530**	21 234	34 677

Investments in subsidiaries are accounted for at cost.

In terms of Sasol's group funding policy, subsidiaries are funded by way of equity from the holding company as well as long-term interest free loans. These long-term loans granted by the holding company are considered to form part of the permanent capital structure of the subsidiaries and therefore are not deemed to form part of the debt of the subsidiary. The long-term loans are unsecured and there no fixed terms of repayment.

For further details of interests in subsidiaries and incorporated joint ventures, refer page 212.

		2008 Rm	2007 Rm	2006 Rm
2	***Investment in security***			
	Investment available-for-sale carried at fair value			
	Long-term investment – unlisted	**3**	2	2

The investment in security comprises 1 077 261 ordinary shares of R1,00 each in Business Partners Limited. This shareholding represents 0,6% of that company's issued share capital.

Fair value of investment available-for-sale
The fair value of the investment is estimated based on the market value of the security.

Exposure to credit risk
The carrying value of this investment represents the maximum credit exposure.

for the year ended 30 June	Interest rate at 30 June 2008	2008 Rm	2007 Rm	2006 Rm
3 Long-term financial assets				
Sasol Inzalo share transaction				
Sasol Inzalo Employee Trusts	Fixed 11,5%	9 314		
Sasol Inzalo Foundation	Fixed 11,5%	3 493		
		12 807		
The long-term financial assets consist of: Notional vendor funding of 25,2 million ordinary Sasol Limited shares for the benefit of certain employees in the Sasol Group.				
Notional vendor funding of 9,5 million ordinary Sasol Limited shares for skills development and capacity building of Black South Africans.				
Maturity profile				
More than five years		12 807		
Fair value of long-term financial assets				
The fair value of long-term financial assets approximates the carrying value.				
4 Long-term receivable				
Sasol Inzalo share transaction				
Sasol Inzalo Groups Funding (Pty) Limited		1 086		
The long-term receivable consists of D preference shares as part of funding the Selected Participants.				
Interest bearing status				
Interest bearing at variable rate		11,31%		
Maturity profile				
More than five years		1 086		

The interest and amount owing on these preference shares are repayable on maturity in October 2018.

Fair value of long-term receivable

The fair value of the long-term receivable approximates the carrying value.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
5 *Deferred tax asset*			
Reconciliation			
Balance at beginning of year	**5**	107	14
Current year charge per income statement	**(5)**	(108)	93
Disposal of operating business	**–**	6	–
Balance at end of year	**–**	5	107
Arising from the following temporary differences			
Secondary tax on companies (STC)	**–**	–	99
Short-term provisions	**–**	–	17
Current assets	**–**	–	(9)
Assessed loss	**–**	5	–
	–	5	107
The deferred tax asset has been recognised to the extent that the company will generate future taxable income against which the tax losses can be utilised.			
6 *Other receivables*			
Related party receivables			
Deposit with Sasol Financing (Pty) Limited	**1 880**	161	2 698
Intercompany receivables	**15**	–	263
	1 895	161	2 961
Other receivables	**18**	24	51
	1 913	185	3 012
Currency analysis of other receivables			
US dollar	**4**	4	2
Rand	**1 909**	181	3 010
	1 913	185	3 012

Fair value of other receivables

The carrying amount approximates fair value because of the short period to maturity of these receivables.

Exposure to credit risk

The carrying value of these other receivables represents the maximum credit exposure.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
7 Short-term financial asset			
Forward exchange contract held for trading	–	–	29
Fair value of derivative financial instruments The fair value of derivative instruments is based upon marked to market valuations. The fair value gain was determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of the forward exchange contract was calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values were then determined using the appropriate currency specific discount curve.			
8 Cash and cash equivalents			
Cash – per statement of cash flows	6	4	7
Currency analysis – Cash			
Rand	6	4	7
Fair value of cash and cash equivalents The carrying amount approximates fair value because of the short period to maturity of cash.			
9 Long-term debt			
Total long-term debt	1 120	1 058	1 057
Analysis of long-term debt			
At amortised cost – intercompany debt	1 120	1 058	1 057
Reconciliation			
Balance at beginning of year	1 058	1 057	1 057
Loans raised	62	1	–
Balance at end of year	1 120	1 058	1 057
Currency analysis			
Rand	1 120	1 058	1 057

The unsecured long-term debt comprises interest free loans from subsidiaries for which there are no fixed terms of repayment.

Fair value of long-term debt
The fair value of long-term debt approximates the carrying value of the debt.

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
10 Long-term financial liabilities			
Financial guarantees recognised	40	39	–
Less amortisation of financial guarantees (refer note 17)	(6)	(2)	–
	34	37	–
Short-term portion (refer note 11)	(8)	(1)	–
Arising on long-term financial instruments	26	36	–

The long-term financial liabilities consist of:

The fair value of a guarantee issued in favour of Standard Bank of South Africa Limited as a result of the disposal of 25% of the company's investment in its wholly owned subsidiary Sasol Oil (Pty) Limited on 1 July 2006 (refer note 26.2). The carrying value of this guarantee at 30 June 2008 is R30 million.

The fair value of a guarantee issued on 27 June 2008 in respect of the C preference shares issued to various financiers as part of the Sasol Inzalo share transaction (refer to the consolidated annual financial statements). The carrying value of this guarantee at 30 June 2008 is R4 million.

Fair value of long-term financial liabilities
The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The interest rates used range between 12,18% and 11,20% (2007: 12,04% and 13,16%).

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
11 Short-term financial liability			
Short-term portion of long-term financial liabilities (refer note 10)	8	1	–
12 Short-term provision			
Employee provision	1	–	–
Reconciliation			
Balance at beginning of year	–	–	–
Income statement charge	1	–	–
Balance at end of year	1	–	–
13 Tax paid			
Amount receivable/(payable) at beginning of year	4	(38)	5
Interest paid on tax	–	–	(2)
Income tax per income statement	(20)	7	(42)
	(16)	(31)	(39)
Tax payable/(receivable) per statement of financial position	16	(4)	38
Per the statement of cash flows	–	(35)	(1)
Comprising			
South African normal tax	–	(35)	(1)

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
14 *Trade and other payables*			
Intercompany payables	**56**	81	47
Other payables	**16**	–	61
Trade payables	**–**	11	82
	72	92	190
Currency analysis			
Rand	**72**	92	190
Age analysis of trade payables			
Not past due date	**–**	11	82
Fair value of trade and other payables			
The carrying amount approximates fair value because of the short period to maturity of the payables.			
15 *Operating (loss)/profit*			
Operating (loss)/profit includes			
Auditor's remuneration			
audit fees	**(1)**	(3)	(6)
other fees	**–**	–	(2)
Directors' remuneration	**(16)**	(13)	(10)
total remuneration	**(65)**	(45)	(33)
paid by subsidiaries	**49**	32	23
Employee costs	**(30)**	–	(282)
Management fee paid to subsidiary	**(45)**	(35)	–
Share-based payment expense (refer note 16)	**(1 357)**	–	(60)
Operating lease charges – buildings	**–**	–	(22)
Income from subsidiaries – fees	**–**	–	651
Profit on disposal of business (refer note 26.2)	**–**	1 324	–
16 *Share-based payment expense*			
Sasol Inzalo share transaction			
Share-based payment expense recognised	**1 357**		
Full disclosure is provided in the consolidated annual financial statements.			
17 *Finance income*			
Dividends received			
South Africa	**18 422**	3 840	9 743
Amortisation of financial guarantee (refer note 10)	**6**	2	–
Interest received			
South Africa	**112**	2	2
	18 540	3 844	9 745

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
17 Finance income (continued)			
Interest received on			
loans and receivables			
intercompany	109	–	–
external	–	2	2
bank accounts	3	–	–
	112	2	2
18 Finance expenses			
Notional interest	4	–	–
Other	–	1	2
	4	1	2
19 Taxation			
South African normal tax	(20)	7	(42)
current year	(20)	–	(28)
prior years	–	7	(14)
Deferred tax			
current year	(5)	(108)	93
	(25)	(101)	51
Reconciliation of effective tax rate	%	%	%
Total income tax expense differs from the amount computed by applying the South African normal tax rate to income before tax. The reasons for these differences are			
South African normal tax rate	28,0	29,0	29,0
Increase in rate of tax due to			
share-based payment expense	2,2	–	0,2
utilisation of STC credits	–	2,3	–
other disallowed expenditure	0,1	0,6	0,3
prior year adjustments	–	–	0,2
	30,3	31,9	29,7
Decrease in rate of tax due to			
prior year adjustments	–	(0,2)	–
utilisation of STC credits	–	–	(1,0)
exempt income	(30,2)	(29,7)	(29,2)
Effective tax rate	0,1	2,0	(0,5)
	Rm	Rm	Rm
Available STC credits at end of year	–	–	793

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
20 *Other comprehensive income*			
Components of other comprehensive income			
Gain on revaluation of investment	1	–	–
Foreign currency translation reserve	–	–	(4)
Income tax on other comprehensive income	–	–	1
Other comprehensive income for year, net of tax	1	–	(3)

21 *Share capital*	Number of shares	Number of shares	Number of shares
Authorised	1 175 000 000	1 175 000 000	1 175 000 000
Issued	676 711 298	627 696 148	682 978 425
For further details of share capital, refer note 44 in the consolidated annual financial statements.			

22 *Cash (utilised in)/generated by operating activities*	Rm	Rm	Rm
Cash flow from operations (refer note 23)	(98)	(83)	19
(Increase)/decrease in working capital (refer note 24)	(1 748)	2 758	(2 502)
	(1 846)	2 675	(2 483)

23 *Cash flow from operations*			
Operating (loss)/profit	(1 456)	1 202	(38)
Adjusted for			
fair value of guarantee issued	–	39	–
profit on disposal of business	–	(1 324)	–
realisation of foreign currency translation reserve	–	–	(3)
share-based payment expense	1 357	–	60
movement in short-term provision	1	–	–
	(98)	(83)	19

24 *(Increase)/decrease in working capital*			
(Increase)/decrease in other receivables per statement of financial position	(1 728)	2 827	(2 531)
Decrease/(increase) in short-term financial asset per statement of financial position	–	29	(29)
(Decrease)/increase in trade and other payables per statement of financial position	(20)	(98)	58
	(1 748)	2 758	(2 502)

25 *Dividends paid*			
Final dividend – prior year			
external shareholders	(3 597)	(2 683)	(1 920)
subsidiary company	(118)	–	(187)
Interim dividend – current year			
external shareholders	(2 169)	(1 930)	(1 740)
subsidiary company	(136)	(10)	(168)
	(6 020)	(4 623)	(4 015)

for the year ended 30 June	2008 Rm	2007 Rm	2006 Rm
26 Disposal of businesses			
26.1 With effect from 1 July 2006, the company disposed of its management services business at book value to a newly formed, wholly owned subsidiary, Sasol Group Services (Pty) Limited, for a consideration of R164 million.			
Assets		326	
deferred tax asset		6	
trade and other receivables		313	
cash and cash equivalents		7	
Liabilities			
trade and other payables		(162)	
Consideration		164	
26.2 With effect from 1 July 2006, the company disposed of 25% of its investment in its wholly owned subsidiary Sasol Oil (Pty) Limited to Tshwarisano LFB Investment (Pty) Limited, for a consideration of R1 450 million.			
Investment in subsidiary			
cost		126	
profit realised		1 324	
Consideration		1 450	
Total consideration on disposal of businesses		1 614	
27 Guarantees and contingent liabilities			
Guarantees and claims	46 406	31 784	37 719
Unutilised borrowing facilities guaranteed	38 816	15 927	19 717
The company has guaranteed the fulfilment of various subsidiaries' obligations in terms of contractual agreements. For further details of guarantees and contingent liabilities, refer note 56 of the consolidated annual financial statements.			
28 Commitments under leases			
With effect from 1 July 2006, the company ceded all its operating leases to Sasol Group Services (Pty) Limited. (Refer note 26.1).			
Minimum future lease payments – operating leases			
Within one year			22
One to two years			22
Two to three years			27
Three to four years			30
Four to five years			34
More than five years			241
			376

interest in significant operating subsidiaries and incorporated joint ventures

Name	Nature of business		Nominal issued share capital	Interest %	Investment at cost 2008 Rm	Investment at cost 2007 Rm	Loans to subsidiaries 2008 Rm	Loans to subsidiaries 2007 Rm
Operating subsidiaries								
Direct								
Sasol Mining (Pty) Limited	Coal mining activities.	Rm	215	100	**456**	456	**31**	31
Sasol Synfuels (Pty) Limited	Production of liquid fuels, gases chemical products and refining of tar acids.	Rm	100	100	**676**	676	**518**	518
Sasol Technology (Pty) Limited	Engineering services, research and development and technology transfer.	Rm	1	100	**1**	1	**827**	244
Sasol Financing (Pty) Limited	Management of cash resources, investment and procurement of loans for South African operations.	R	200	100	**–**	–	**3 647**	2 508
Sasol Investment Company (Pty) Limited	Holding company of the group's foreign investments and investment in movable and immovable property.	R	200	100	**–**	–	**17 545**	6 882
Sasol Chemical Industries Limited	Production and marketing of mining explosives, gases, petrochemicals, fertilisers.	R	152	100	**–**	–	**5 792**	5 391
Sasol Gas Holdings (Pty) Limited	Holding company of the group's gas interests.	R	100	100	**–**	–	**537**	–
Sasol Oil (Pty) Limited	Marketing of fuels and lubricants.	R	1 200	75	**378**	378	**–**	–

Name	Nature of business		Nominal issued share capital	Interest %
Operating subsidiaries				
Indirect				
Chemcity (Pty) Limited	Supporting empowered small and medium manfacturing enterprises' requirements in order to enable them to thrive in the chemical industry.	*R*	477	100
The Republic of Mozambique Pipeline Investment Company (Pty) Limited	Owning and operating of the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa.	*Rm*	10	50
Sasol Chemicals Europe Limited[a]	Marketing and distribution of chemical products.	*GBP*	20 000	100
Sasol Chemicals Pacific Limited[b]	Marketing and distribution of chemical products.	*HKD*	10 000	100
Sasol Chemical Holdings International (Pty) Limited	Investment in the Sasol Chemie group.	*R*	420	100
Sasol Financing International Plc[d]	Management of cash resources, investment and procurement of loans for operations outside South Africa.	*US$*	1 001	100
Sasol Gas Limited	Marketing, distribution and transportation of pipeline gas and the maintenance and operation of pipelines used for the transportation of various types of gas.	*R*	1 000	100
Sasol Germany GmbH[e]	Production, marketing and distribution of chemical products.	*Euro m*	70	100
Sasol Group Services (Pty) Limited	Supplier of functional core and shared services to the Sasol group of companies.	*R*	100	100
Sasol Italy SpA[f]	Trading and transportation of oil products, petrochemicals and chemical products and their derivatives.	*Euro m*	23	100
Sasol North America Inc.[c]	Manufacturing of commodity and special chemicals.	*US$m*	393	100
Sasol Oil International Limited[d]*	Buying and selling of crude oil.	*US$*	1	100
Sasol Petroleum International (Pty) Limited	Exploration, production, marketing and distribution of petroleum and natural gas.	*R*	100	100
Sasol Polymers International Investments (Pty) Limited	Holding company of Sasol Polymers foreign investments.	*R*	100	100
Sasol Synfuels International (Pty) Limited	Conversion and marketing of liquid fuels and chemical products.	*R*	100	100
Sasol Wax International Aktiengesellschaft[e]	Holding company of the Sasol Wax international operations.	*Euro m*	33	100
National Petroleum Refiners of South Africa (Pty) Limited*	Refining of crude oil.	*Rm*	128	64

* *The investment in the company is held by Sasol Oil (Pty) Limited, a subsidiary in which Sasol Limited has a 75% shareholding, thereby reducing their effective interest held in the company.*

interest in significant operating subsidiaries and incorporated joint ventures continued

Name	*Nature of business*		*Nominal issued share capital*	*Interest %*
Incorporated joint ventures				
Indirect				
Arya Sasol Polymer Company[f]	Production of polyethylene.	*Rial m*	800	50
Merisol LP[c]	Production, marketing and distribution of phenolics.	*US$m*	71	50
Sasol Chevron Holdings Limited[g]	Management of the group's joint venture interests with Chevron corporation.	*US$*	12 000	50
Sasol-Huntsman GmbH & Co KG[e]	Production and marketing of maleic anhydride.	*Euro m*	20	50
Oryx GTL Limited (QSC)[h]	Manufacturing and marketing of synthetic fuels from gas.	*US$m*	242	49
Petlin (Malaysia) Sdn. Bhd[i]	Manufacturing and marketing of low-density polyethylene pellets.	*RM m*	52	40
Spring Lights Gas (Pty) Limited	Marketing of pipeline gas in the Durban South area.	*R*	1 000	49

Except as indicated below, all companies are registered in the Republic of South Africa.

Foreign registered companies
(a) Registered in the United Kingdom. Share capital stated in Pound sterling.
(b) Registered in Hong Kong. Share capital stated in Hong Kong dollars.
(c) Registered in the United States of America. Share capital stated in United States dollars.
(d) Registered in the Isle of Man. Share capital stated in United States dollars.
(e) Registered in Germany. Share capital stated in Euro.
(f) Registered in Iran. Share capital stated in Rials.
(g) Registered in Bermuda. Share capital in United States dollars.
(h) Registered in Qatar. Share capital in United States dollars.
(i) Registered in Malaysia. Share capital in Malaysian ringgets.

The company's interest in the aggregate profits and losses of subsidiaries amounts to R25 808 million (2007 – R32 246 million) profits and R1 923 million (2007 – R16 320 million) losses.

The group maintains a register of all subsidiaries and incorporated joint ventures, available for inspection at the registered office of Sasol Limited.

Sasol Limited **group**

contact information

Shareholder helpline

Assistance with AGM queries and proxy forms:
Telephone: +27(0) 11 370 5511
Telefax: +27(0) 11 688 5238

Shareholder enquiries
Telephone: +27(0) 86 110 0950
Telefax: +27(0)11 688 5217

Depositary Bank

The Bank of New York Mellon
Depositary Receipts Division
101 Barclay Street
New York 10286, New York

Direct purchase plan

The Bank of New York Mellon maintains a sponsored dividend reinvestment and direct purchase programme for Sasol's depositary receipts. As a participant in Global BuyDIRECT^{sm}, investors benefit from the direct ownership of their depositary receipts, the efficiency of receiving corporate communications directly from the depositary receipt issuer, and the savings resulting from the reduced brokerage and transaction costs. Additional information is available at www.globalbuydirect.com.

Questions or correspondence about Global BuyDIRECT^{sm} should be addressed to:
The Bank of New York Mellon
Investor Relations
PO Box 11258
Church Street Station
New York, New York 10286-1258

Toll-free telephone for US Global BuyDIRECT^{sm} participants:
1-888-BNY-ADRS
Telephone for international callers: 212-815-3700
E-mail: shrrelations@bnymellon.com
website: www.bnymellon.com/shareowner

Company registration number

1979/003231/06

Addresses

Business address and registered office:
1 Sturdee Avenue, Rosebank 2196
Johannesburg
Republic of South Africa

Postal and electronic addresses and telecommunication numbers:
PO Box 5486, Johannesburg 2000
Republic of South Africa

Telephone: +27 (0) 11 441-3111
Telefax: +27 (0) 11 788-5092
Website: www.sasol.com

Share registrars

Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg 2001
Republic of South Africa
PO Box 61051, Marshalltown 2107
Republic of South Africa

Telephone: +27 (0) 11 370-7700

Investor relations

Telephone: +27 (0) 11 441-3420
E-mail: investor.relations@sasol.com

Sasol group corporate affairs department

Telephone: +27 (0) 11 441-3249
Telefax: +27 (0) 11 441-3236

Produced by Sasol group corporate affairs and financial reporting departments.

Forward-looking statements: Sasol may, in this document, make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that 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, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements are discussed more fully in our registration statement under the Securities Exchange Act of 1934 on Form 20-F filed on 21 November, 2007 and in other filings with the United States Securities and Exchange Commission. Forward-looking statements apply only as of the date on which they are made, and Sasol does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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

The annual financial statements must be read in conjunction with our annual report under the Securities Exchange Act of 1934 on Form 20-F to be filed with the United States Securities and Exchange Commission during October 2008. The Form 20-F is available on our website at www.sasol.com.

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

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1 Sturdee Avenue, Rosebank 2196, Johannesburg
Telephone: +27 (0) 11 441-3249
Telefax: +27 (0) 11 441-3236

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