SASOL LTD
Form 20-F
September 29, 2014

Use these links to rapidly review the document
TABLE OF CONTENTS
Item 18. FINANCIAL STATEMENTS

Table of Contents

As filed with the Securities and Exchange Commission on 29 September 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

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

OR

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the year ended 30 June 2014**

OR

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

OR

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

Commission file number: 001-31615

Sasol Limited

(Exact name of registrant as Specified in its Charter)

Republic of South Africa
(Jurisdiction of Incorporation or Organisation)

1 Sturdee Avenue, Rosebank 2196
South Africa
(Address of Principal Executive Offices)

Paul Victor, Acting Chief Financial Officer, Tel. No. +27 11 441 3435, Email paul.victor@sasol.com
1 Sturdee Avenue, Rosebank 2196, South Africa
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

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

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

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

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

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

650 550 166 Sasol ordinary shares of no par value
25 547 081 Sasol preferred ordinary shares of no par value
2 838 565 Sasol BEE ordinary shares of no par value

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232 405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes o No o**

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

Large accelerated filer ý Accelerated filer o Non-accelerated filer o

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

U.S. GAAP o International Financial Reporting Standards as issued by the International Accounting Standards Board ý Other o

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

Item 17 o Item 18 o

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

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

PRESENTATION OF INFORMATION

We are incorporated in the Republic of South Africa as a public company under South African Company law. Our audited consolidated financial statements for the financial years ended 30 June 2010, 2011, 2012, 2013 and 2014 included in our corporate filings in South Africa were prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

As used in this Form 20-F:

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

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

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

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

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

We present our financial information in rand, which is our reporting currency. Solely for your convenience, this Form 20-F contains translations of certain rand amounts into US dollars at specified rates as at and for the year ended 30 June 2014. These rand amounts do not represent actual US dollar amounts, nor could they necessarily have been converted into US dollars at the rates indicated.

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

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

In addition, in line with a South African convention under the auspices of the South African Bureau of Standards (SABS), the information presented herein is displayed using the decimal comma (e.g., 3,5) instead of the more familiar decimal point (e.g., 3.5) used in the UK, US and elsewhere. Similarly, a hard space is used to distinguish thousands in numeric figures (e.g., 2 500) instead of a comma (e.g., 2,500).

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

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

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

Table of Contents

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

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

Table of Contents

FORWARD-LOOKING STATEMENTS

We may from time to time make written or oral forward-looking statements, including in this Form 20-F, in other filings with the United States Securities and Exchange Commission, in reports to shareholders and in other communications. These statements may relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to:

- statements regarding our future results of operations and financial condition and regarding future economic performance;
- statements regarding recent and proposed accounting pronouncements and their impact on our future results of operations and financial condition;
- statements of our business strategy, plans, objectives or goals, including those related to products or services;
- statements regarding future competition, volume growth and changes in market share in the South African and international industries and markets for our products;
- statements regarding our existing or anticipated investments (including the Lake Charles Chemicals Complex and the gas-to-liquids (GTL) projects in the United States, Uzbekistan and Nigeria, the GTL joint venture in Qatar, chemical projects and joint ventures in North America and other investments), acquisitions of new businesses or the disposition of existing businesses;
- statements regarding our estimated oil, gas and coal reserves;
- statements regarding the probable future outcome of litigation and regulatory proceedings and the future development in legal and regulatory matters;
- statements regarding future fluctuations in refining margins and crude oil, natural gas and petroleum product prices;
- statements regarding the demand, pricing and cyclicality of oil and petrochemical product prices;
- statements regarding changes in the manufacturers' fuel pricing mechanism in South Africa and their effects on fuel prices, our operating results and profitability;
- statements regarding future fluctuations in exchange and interest rates;
- statements regarding total shareholder return;
- statements regarding cost reduction targets and initiatives;

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

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

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

statements of assumptions underlying such statements.

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

Table of Contents

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated in such forward-looking statements. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include among others, and without limitation:

- the outcomes in pending and developing regulatory matters and the effect of changes in regulation and government policy;
- the political, social and fiscal regime and economic conditions and developments in the world, especially in those countries in which we operate;
- the outcomes of legal proceedings;
- our ability to maintain key customer relations in important markets;
- our ability to improve results despite increased levels of competition;
- the continuation of substantial growth in significant developing markets;
- the ability to benefit from our capital investment programme;
- the accuracy of our assumptions in assessing the economic viability of our large capital projects;
- the capital cost of projects (including material, engineering and construction cost) and the timing of project milestones;
- our ability to obtain financing to meet the funding requirements of our capital investment programme, as well as to fund our on-going business activities and to pay dividends;
- growth in significant developing areas of our business;
- changes in the demand for and international prices of crude oil, gas, petroleum and chemical products and changes in foreign currency exchange rates;
- the ability to gain access to sufficient competitively priced gas, oil and coal reserves and other commodities;
- environmental legislation and the impact of environmental legislation and regulation on our operations and our access to natural resources;
- our success in continuing technological innovation;

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

our ability to attract and retain sufficient skilled employees; and

our success at managing the foregoing risks.

The foregoing list of important factors is not exhaustive; when making investment decisions, you should carefully consider the foregoing factors and other uncertainties and events, and you should not place undue reliance on forward-looking statements. Forward-looking statements apply only as of the date on which they are made and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. See "Item 3.D Risk factors".

Table of Contents

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

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

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

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

South African public policy considerations;

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

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

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

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

Table of Contents

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

Table of Contents

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

Table of Contents

ITEM 3. KEY INFORMATION

3.A Selected financial data

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

The financial data set forth below for the years ended as at 30 June 2014, 2013 and 2012 and for each of the years in the three-year period ended 30 June 2014 have been derived from our audited consolidated financial statements included in Item 18 of this annual report on Form 20-F. The financial data at 30 June 2014, 2013 and 2012 and for each of the years in the three-year period ended 30 June 2014, should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements.

Financial data as at, and for the years ended 30 June 2011 and 2010, have been derived from the group's previously published audited consolidated financial statements, which are not included in this document. This data has not been restated for the adoption of the consolidation suite of standards[1].

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

	30 June 2014	30 June 2013[1]	30 June 2012[1]	30 June 2011	30 June 2010
	(Rand in millions)				
	(except per share information and weighted average shares in issue)				
Income Statement data:					
Turnover	202 683	169 891	159 114	142 436	122 256
Operating profit after remeasurement items	41 674	38 779	31 749	29 950	23 937
Profit attributable to owners of Sasol Limited	29 580	26 274	23 580	19 794	15 941
Statement of Financial Position data:					
Total assets	280 264	246 165	197 583	177 445	155 873
Total equity	174 769	152 893	127 942	109 860	96 425
Share capital	29 084	28 711	27 984	27 659	27 229
Per share information (Rand)					
Basic earnings per share	48,57	43,38	39,09	32,97	26,68
Diluted earnings per share	48,27	43,30	38,90	32,85	26,54
Dividends per share[2]	21,50	19,00	17,50	13,00	10,50
Weighted average shares in issue (in millions):					
Average shares outstanding basic	609,0	605,7	603,2	600,4	597,6
Average shares outstanding diluted	620,8	606,8	606,1	614,5	615,5

(1) The consolidation suite of standards, namely IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements and IFRS 12, Disclosure of Interests in Other Entities became effective for annual periods beginning on or after 1 January 2013. Accordingly, Sasol adopted the new accounting standards on 1 July 2013 which resulted in restatement of the group's previously reported results for the years ended 30 June 2013 and 2012. Refer Note 1 of "Item 18 Financial statements".

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

Table of Contents

Exchange rate information

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

Rand per US dollar for the year ended 30 June or the respective month	Average[1]	High[2]	Low[2]
2010	7,59	8,36	7,20
2011	7,01	7,75	6,57
2012	7,78	8,58	6,67
2013	8,85	10,21	8,08
2014	10,39	11,32	9,59
2015[3]	10,73	11,08	10,29
April 2014	10,55	10,67	10,38
May 2014	10,40	10,57	10,29
June 2014	10,68	10,84	10,59
July 2014[3]	10,66	10,78	10,51
August 2014[3]	10,66	10,77	10,55
September 2014 (up to 19 September 2014)[3]	10,88	11,08	10,68

(1) The average exchange rates for each full year are calculated using the average exchange rate on the last day of each month during the period. The average exchange rate for each month is calculated using the average of the daily exchange rates during the period.

(2) Based on the closing rate of Thomson Reuters for the applicable period.

(3) The average exchange rates for the period 1 July 2014 to 19 September 2014 are calculated using the average exchange rate on the last day of each month and as at 19 September 2014 during the period. The average exchange rate for each month and as at 19 September 2014 is calculated using the average of the daily exchange rates during the period.

On 19 September 2014, the closing exchange rate of rand per US dollar as reported by Thomson Reuters was R11,08/US$1.

3.B Capitalisation and indebtedness

Not applicable.

3.C Reasons for the offer and use of proceeds

Not applicable.

3.D Risk factors

Fluctuations in exchange rates may adversely affect our business, operating results, cash flows and financial condition

The rand is the principal functional currency of our operations and we report our results in rand. However, a large part of our group's turnover is denominated in US dollars and some part in euro, derived either from exports from South Africa or from our manufacturing and distribution operations outside South Africa. Approximately 90% of our turnover is impacted by the US dollar as petroleum prices in general and the price of most petroleum and chemical products are based on global commodity and benchmark prices which are quoted in US dollars.

Further, as explained below, the rand/US dollar exchange rate is a component of the basic fuel price (BFP), which impacts the price at which we can sell fuel.

Table of Contents

A significant part of our capital expenditure is also US dollar-denominated, as it is directed to investments outside South Africa or constitutes materials, engineering and construction costs imported into South Africa. The majority of our operating costs are either rand based for South African operations or euro based for European operations. Accordingly, fluctuations in the exchange rates between the rand and US dollar and/or euro may have a material effect on our business, operating results, cash flows and financial condition.

Fluctuations in the exchange rates of the rand against the US dollar and euro as well as other currencies, also impact the comparability of our financial statements between periods due to the effects of translating the functional currency of our foreign subsidiaries into rand at different exchange rates. Accordingly, some of the changes in the reported operating results are attributable to fluctuations in exchange rates and do not necessarily reflect the underlying operating results. During 2014, the rand/US dollar exchange rate averaged R10,39 and fluctuated between a high of R11,32 and a low of R9,59. This compares to an average exchange rate of R8,85 during 2013 which fluctuated between a high of R10,21 and a low of R8,08. The rand exchange rate is affected by various international and South African economic and political factors. Subsequent to 30 June 2014, the rand has on average weakened against the US dollar and the euro. In general, a weakening of the rand would have a positive effect on our operating results. Conversely strengthening of the rand would have an adverse effect on our operating results. Refer to "Item 5A Operating results", for further information regarding the effect of exchange rate fluctuations on our results of operations.

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

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

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

Market prices for crude oil, natural gas and petroleum products may fluctuate as they are subject to local and international supply and demand fundamentals and factors over which we have no control. Worldwide supply conditions and the price levels of crude oil may be significantly influenced by international cartels, which control the production of a significant proportion of the worldwide supply of crude oil, and by political developments, especially in the Middle East, North Africa and Nigeria.

The price at which we can sell fuel in South Africa is regulated by the South African government, through a mechanism, known as the Basic Fuel Price, or BFP. The BFP is a formula driven price that considers, amongst others, the international crude oil price, the rand/US dollar exchange rate and the refining margin typically earned by coastal refineries. As a result, turnover will be impacted by factors that may be different than if fuel were sold at prices based only on market factors. For example, demand in the Northern Hemisphere during the winter months that results in an increase in the price of crude oil will increase the price assuming other factors remain constant we sell our fuel even if there is lower demand in South Africa. Likewise, if the international crude oil price decreases, the price we sell fuel could decrease even if there is greater demand in South Africa. The impact of using the BFP to establish prices could have a negative impact on our operating results. The price and availability of substitute fuels, changes in product inventory, product specifications and other factors will also impact our revenue. In recent years, prices for petroleum products have fluctuated widely.

Table of Contents

During 2014, the dated Brent crude oil price averaged US$109,40/b and fluctuated between a high of US$117,13/b and a low of US$103,19/b. This compares to an average dated Brent crude oil price of US$108,66/b during 2013, which fluctuated between a high of US$119,03/b and a low of US$95,51/b.

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

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

Prolonged periods of low crude oil and natural gas prices, or rising costs, could also result in our upstream projects being delayed or cancelled, as well as in the impairment of certain assets. In 2014, we recognised an impairment of R5,3 billion with respect to our Canadian shale gas asset in Montney due to the decline in gas prices in North America and the decline in valuation of recent market transactions for similar assets in the Montney region.

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

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

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

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

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

Table of Contents

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

Examples of new technologies which may in the future affect our business include the following:

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

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

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

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

We cannot predict the effect of these or other technological changes or the development of new processes on our business or on our ability to provide competitive products. Our ability to compete will depend on our timely and cost-effective implementation of new technological advances. It will also depend on our success in commercialising these advances irrespective of competition we face.

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

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

Our large capital projects may not prove sufficiently viable or as profitable as planned and may be affected by delays or cost overruns

We have constructed a gas-to-liquids (GTL) plant in Qatar and are involved in commissioning a GTL plant in Nigeria. In addition, we are considering further GTL opportunities in Uzbekistan (extended front end engineering and design phase, awaiting final investment decision (FID)), the US (front end engineering and design phase) and Canada (feasibility phase has been completed and a decision on the front end engineering and design phase will be taken at a later stage), as well as the Lake Charles Chemicals Complex project (an ethane cracker and chemical derivatives plant which is in the front end engineering and design phase). The development of these projects is a capital-intensive process over long durations and requires us to commit significant capital expenditure and devote considerable management resources in utilising our existing experience and know-how.

In assessing the viability of our projects, we make a number of assumptions relating to specific variables, mainly including, but not limited to:

- relative and absolute prices of crude oil, gas, petroleum and chemical products;

Table of Contents

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

fluctuations in interest rates;

access to sufficient competitively priced gas reserves;

sales opportunities and risks in the relevant countries;

government incentives in the countries in which we invest;

capital and operational costs of our facilities;

technology and catalyst performance; and

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

Such projects are subject to risks of delay and cost overruns inherent in any large construction project, including costs or delays resulting from the following:

scarcity of skilled labour and other personnel necessary to perform the work;

unexpected delays in delivery times, shortages or unforeseen increases in the cost of equipment, labour and raw materials;

unforeseen design and engineering problems, including those relating to the commissioning of newly designed equipment;

work stoppages and labour disputes;

delays in, or inability to obtain, access to financing;

failure or delay of third-party service providers and disputes with suppliers;

changes to regulations affecting the facilities, such as environmental regulations and construction standards, defective construction and the resultant need for remedial work;

adverse weather conditions; and

defective construction and the resultant need for remedial work.

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

Exposure related to investments in associates, joint ventures and joint operations may adversely affect our business, operating results, cash flows and financial condition

We have invested in a number of associates, joint ventures and joint operations as part of our strategy to expand operations globally. We are considering opportunities for further upstream GTL investments, as well as opportunities in chemicals, to continue our local and global expansion. The development of these projects may require investments in associates, joint ventures and joint operations most of which are aimed at facilitating entry into countries and/or sharing risk with third parties. Although the risks are shared, the objectives of associates, joint venture and joint operation partners, their ability to meet their financial and/or contractual obligations, their behaviour, their compliance with legal and ethical standards, as well as the increasing complexity of country specific legislation and regulations, may adversely affect our reputation and/or result in disputes and/or litigation, all of which

Table of Contents

may have a material adverse effect on our business, operating results, cash flows and financial condition, and may constrain the achievement of our growth objectives.

We may not achieve projected benefits of acquisitions or divestments

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

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

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

As at 30 June 2014, we had authorised approximately R111,4 billion of group capital expenditure in respect of projects in progress, of which we had spent approximately R52,4 billion by 30 June 2014. See "Item 5.F Capital commitments". Our capital expenditure plans and requirements are subject to a number of risks, contingencies and other factors, some of which are beyond our control, and therefore the actual future capital expenditure and investments may differ significantly from the current planned amounts.

Our operating cash flow and banking facilities may be insufficient to meet all of these expenditures, depending on the timing and cost of development of these and other projects, as well as operating performance and utilisation of our banking facilities. As a result, new sources of capital may be needed to meet the funding requirements of these developments, to fund ongoing business activities and to pay dividends. In addition, if we opt to proceed with our US growth projects, we will need to obtain additional external financing in order to fund these projects. Our ability to raise and service significant new sources of capital will be a function of macroeconomic conditions, our credit rating, the condition of the financial markets, future prices for the products we sell, the prospects for our industry, our operational performance and operating cash flow and debt position, among other factors.

Our credit rating may be affected by our ability to maintain our outstanding debt and financial ratios at levels acceptable to the credit ratings agencies, our business prospects, the sovereign credit rating of the Republic of South Africa and other factors, some of which are outside our control. Historically, our credit rating has been affected by movements in the sovereign credit rating of the Republic of South Africa, and recent rating actions and any future downgrade of the South African sovereign credit rating may have an adverse effect on our credit rating, which could negatively impact our ability to borrow money and could increase the cost of debt finance. The sovereign credit rating of the Republic of South Africa was downgraded by Standard & Poor's Ratings Services (S&P) in 2014 from BBB to BBB-, and Fitch Ratings, Inc. changed its ratings outlook to negative from stable.

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

Table of Contents

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

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

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

(a) Political, social and economic issues

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

(b) Fluctuations in inflation and interest rates

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

Our sustainability and competitiveness depend on our ability to optimise our operating cost base. As we are unable to control the market price at which the products we produce are sold, it is possible that if inflation in countries in which we operate should begin to increase, it may result in significantly higher future operational costs.

In South Africa, consumer price inflation increased to 6,0% in 2014 from 5,7% in 2013, which is the upper limit of the South African Reserve Bank's (SARB) 6% inflation-target ceiling. The SARB increased the bank lending policy interest rate by 50 basis points in January 2014 and a further 25 basis points in July 2014.

The weakening rand/US dollar exchange rate remains the factor having the greatest impact on inflation, and, accordingly the significant weakening of the rand over the past two years poses a significant risk to the inflation outlook. Producers' pricing power appears relatively limited in a weak economic growth environment, but it is unclear how long producers will still be able to absorb cost increases. We expect consumer inflation to remain above the SARB inflation-target ceiling throughout 2014, which will likely lead to an interest rate hiking cycle.

(c) Transportation, water and other infrastructure

The infrastructure in some countries in which we operate, such as rail infrastructure, electricity and water supply may need to be further upgraded and expanded, and in certain instances, possibly at our own cost. Water, as a resource, is becoming increasingly limited as world demand for water increases. In South Africa, the risk that water may become significantly limited is exacerbated by the fact that it is one of the drier countries in the world. Water use by our operations varies widely depending largely on feedstock and technology choice. While a GTL plant is typically a net producer of water, a CTL

Table of Contents

process has a significant water requirement, driven by the need to produce hydrogen and additional cooling requirements. Although various technological advances may improve the water efficiency of our processes, we may experience limited water availability and other infrastructural challenges, which could have a material adverse effect on our business, operating results, cash flows, financial condition and future growth.

(d) Disruptive industrial action

The majority of our employees worldwide belong to trade unions. These employees comprise mainly general workers, artisans and technical operators. The South African labour market remains volatile and characterised by major industrial action in key sectors of the economy. For example, in 2014 the platinum sector experienced the longest industrial action ever in the history of democratic South Africa.

Wage negotiations impacting the South African operations of the Sasol group within the Petroleum and Industrial Chemicals sectors as well as within Sasol Mining have been completed. Although we have constructive relations with our employees and their unions, we cannot assure you that significant labour disruptions will not occur in the future or that our labour costs will not increase significantly in the future.

(e) Exchange control regulations

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

(f) Localisation issues

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

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

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

The President of the Republic of South Africa gazetted the new Codes of Good Practice for broad-based black economic empowerment (BBBEE) on 11 October 2013, with a transition period until 30 April 2015. These codes provide a standard framework for the measurement of BBBEE across all sectors of the economy, other than sectors that have their own sectorial transformation charters (e.g. the mining industry). Furthermore, the BBBEE Amendment Act has been assented on 27 January 2014. The Amendment Act makes compliance with the Codes of Good Practice compulsory for all industries. The increased targets of the new codes will have a negative impact on Sasol's BBBEE contributor status. Many companies in South Africa, including Sasol, may be adversely affected by the change in B-BBEE contributor status.

Table of Contents

We have complied with the requirements of the BBBEE Codes of Good Practice as gazetted in 2007, and other requirements of the Liquid Fuels Charter and Mining Charter. We believe that the long-term benefits to the company and our country should outweigh any possible short-term adverse effects, but we cannot assure you that future implications of compliance with these requirements or with any newly imposed conditions will not have a material adverse effect on our shareholders or business, operating results, cash flows and financial condition. See "Item 4.B Empowerment of historically disadvantaged South Africans".

(g) Ownership rights

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

(h) Stakeholder relationships

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

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

acts of warfare and civil clashes;

government interventions, including protectionism and subsidies;

regulatory, taxation and legal structure changes;

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

failure to receive new permits and consents;

cancellation of contractual rights;

expropriation of assets;

lack of capacity to deal with emergency response situations;

the introduction of selective environmental and carbon taxes;

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

terrorism and kidnapping threats; and

possible demands to participate in unethical or corrupt conduct will lead us to forgo certain opportunities.

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

Table of Contents

changes in their economies and their government policies that could affect our investments in these countries.

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

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

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

With the recent commissioning of additional power generation equipment, Sasol has an installed generation capacity of approximately 70% of its total South African power supply needs internally. However, our South African operations remain dependent on power generated by the state-owned utility, Eskom for their remaining power supply requirements. During 2008, South Africa experienced significant electricity supply interruptions, and although the situation has improved since then, the electricity supply is again critically constrained and will remain so until the commissioning of new generation capacity. Although Eskom has implemented a number of short- and long-term mitigation plans, we cannot assure you that we will not experience power supply interruptions which could have material adverse effects on our business, operating results, cash flows, financial condition and future growth.

South African electricity tariffs may increase by more than the 8% already sanctioned for the year starting 1 April 2015, after the National Energy Regulator of South Africa (NERSA) determined that Eskom had under recovered R7,82 billion in revenue between 2010 and 2013. Accordingly, our 2015 cost increase may be under pressure due to higher than expected electricity price increases. A sharp increase in electricity costs may have material adverse effects on our business, operating results, cash flows, financial condition and future growth.

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

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

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

Since the enactment of the Mineral and Petroleum Resources Development Act, 28 of 2002, (MPRDA) in May 2004, our subsidiary, Sasol Mining (Pty) Ltd, has been successful in converting its prospecting permits and mining authorisations to new order prospecting and mining rights in terms of the MPRDA. The new order mining rights, known as converted mining rights, became effective on 29 March 2011. The converted new order mining right in respect of the Secunda area have initially

Table of Contents

been granted for a period of ten years, while those in respect of the Mooikraal operations at Sasolburg have been granted for a period of thirty years. We have been successful in extending our Secunda area mining right from 10 years to 30 years (expires on 28 March 2040), which is the maximum allowable period under the MPRDA. In addition to the initial validity period, our converted mining rights may, on application, be renewed for further periods not exceeding thirty years each.

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

The MPRDA Amendment Bill, 2013 has been approved by the National Assembly of the Parliament of the Republic of South Africa and now awaits to be signed by the President of the Republic of South Africa. After the signature thereof by the President, the MPRDA Amendment Act will be implemented on a date still to be published in the Government Gazette of South Africa. The Department of Mineral Resources (DMR) is currently drafting the regulations to be promulgated under the MPRDA Amendment Bill, but no information as to the content and impact thereof is available. The DMR is currently reviewing the Mining Charter. It is uncertain to what extent the revision of the Mining Charter will impact on the mining industry. The MPRDA Amendment Bill, the Regulations to be promulgated in terms thereof and the amendment of the Mining Charter may impact our business activities.

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

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

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

The South African Petroleum Industry Association confirmed that the South African government has communicated a postponement to the 1 July 2017 introduction date of new cleaner fuels standards, (Clean Fuels 2), which are aligned to EURO 5 fuel specifications, to reduce the environmental impact caused by vehicle emissions. A new target date is awaited. The introduction of the new specifications and standards will require capital investment in our manufacturing facilities. We cannot assure you that these new specifications will not have a material adverse effect on our business, operating results, cash flow and financial condition.

Table of Contents

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

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

Failure to comply with applicable safety, health and environmental laws, regulations or permit requirements may result in fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment, decommissioning or other remedial actions, any of which could entail significant expenditures.

We are subject to a wide range of general and industry-specific environmental, health and safety and other legislation in jurisdictions in which we operate. See "Item 4.B Business overview Regions in which Sasol operates and their applicable legislation". Compliance with these requirements is a significant factor in our business, and we incur, and expect to continue to incur, significant capital and operating expenditures in order to continue to comply with these requirements. These laws and regulations and their enforcement are likely to become more stringent over time. We may be required in some cases to incur additional expenditure in order to comply with such legislation. Similarly, public opinion is growing more sensitive to consumer health and safety associated with the manufacturing and use of chemicals, environmental and climate change protection matters, and, as a result, markets may apply pressure on us concerning certain of our products, manufacturing processes, transport and distribution arrangements. As a result of these additional pressures, the associated costs of compliance and other factors, we may be required to withdraw certain products from the market, which could have a material adverse effect on our business, operating results, cash flows and financial condition. We continue to engage with governments and other stakeholders where we operate and monitor this risk on an ongoing basis.

For example, we are subject to stringent new point source emission standards for a number of air pollutants. New facilities must comply with the new standards immediately. Existing facilities have five years from 1 April 2010 within which to comply with standards imposed thereon and must comply with the standards imposed for new facilities by 2020. These standards and time frames have profound implications, particularly for our existing plants, in terms of technical and financial feasibility. Sasol is using available regulatory mechanisms, such as making applications for postponements, in line with air quality requirements in South Africa to address these challenges.

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

In order to continue to comply with licences, laws and regulations regarding safety, health, environment and the manufacturing and use of chemicals, we may have to incur costs which we may

Table of Contents

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

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

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

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

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

Continued political attention to issues concerning climate change, the role of human activity in it, and potential mitigation through regulation could have a material impact on our operations and financial results. International agreements and national or regional legislation and regulatory measures to limit greenhouse emissions are currently in various stages of discussion or implementation. Key international negotiations may possibly be concluded in 2015 where governments plan to adopt a new protocol applicable to all developed and developing countries.

A reduction of greenhouse gas emissions could be achieved through market-based regulatory programmes, technology-based or performance-based standards or a combination of them. Current measures in South Africa have already resulted in increased compliance costs for power suppliers that are passed to us in the form of levies for electricity generated from fossil fuels. These types of levies may increase substantially over time. The climate change management policy process, culminated in the publication of a National Climate Change Response White Paper (NCCRWP), in November 2011 and, in May 2013, a second carbon tax discussion document was published for comment. In the NCCRWP, South Africa reiterated its intent to, subject to certain conditions, implement nationally appropriate mitigation action to enable a 34% deviation below "business as usual" emissions growth trajectory by 2020, and 42% by 2025. The NCCRWP indicates the implementation of a carbon budget process which will be cascaded to company level and suggests significant changes to the local regulatory landscape. There is uncertainty on how this will be implemented and therefore risk remains on how these targets as well as the carbon budget approach will influence Sasol's business. In addition, government is trying to implement a carbon budget together with a carbon tax, that has been decided by the South African National Treasury. In the recent 2014 Budget Speech, the South African National Treasury indicated

Table of Contents

that the carbon tax has been delayed to 2016 and that investigations on how to integrate the carbon tax with the carbon budget process are currently underway.

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

We are subject to competition and antitrust laws

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

The South African Competition Commission is conducting investigations into the petroleum and polymer industries. On 5 June 2014, the South African Competition Tribunal imposed administrative penalties of R534 million relating to the pricing of propylene and polypropylene by our subsidiary Sasol Chemical Industries (Pty) Limited (SCI) (previously Sasol Chemical Industries Limited). In addition, the Tribunal also ordered revised future pricing of polypropylene and propylene. SCI filed an appeal against the decision of the Competition Tribunal with the South African Competition Appeal Court.

The group has co-operated with competition authorities to deal pro-actively with non-compliance matters. We continue to interact and cooperate with the South African Competition Commission in respect of leniency applications as well as in the areas that are subject to the South African Competition Commission investigations. Refer to "Item 4.B Business overview Legal proceedings and other contingencies".

Although it is our policy to comply with all laws, and notwithstanding training and compliance programmes, we could inadvertently contravene competition or antitrust laws and be subject to the imposition of fines, criminal sanctions and/or civil claims and damages. This could have a material adverse impact on our business, operating results, cash flows and financial condition.

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

Table of Contents

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

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

The quality and availability of skills in certain labour markets is impacted by the challenges within the education and training systems in certain countries in which we operate. Localisation, diversity and other similar legislation in countries in which we operate are equally challenging to the attraction and retention of sufficiently skilled employees.

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

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

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

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

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

Table of Contents

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

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

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

Certain of our chemical production facilities are located in developed countries, including the US and Europe. Economic and political conditions in these countries result in relatively high labour costs and, in some regions, relatively inflexible labour markets. Increasing competition from regions with lower production costs and more flexible labour markets, for example the Middle East, India and China, exerts pressure on the competitiveness of our chemical products and, therefore, on our profit margins. This could result in the withdrawal of particular products or the closure of specific facilities, which may have a material adverse effect on our business, operating results, cash flows and financial condition.

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

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

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

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

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

Table of Contents

cover all potential risks sufficiently or that the insurers will have the financial ability to pay all claims that may arise.

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

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

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

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

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

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

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

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

Our international operations could expose us to trade and economic sanctions or other restrictions imposed by the United States or other governments or organisations, including the United Nations, the European Union and its member countries. Under economic and trading sanctions laws, governments may seek to impose modifications to business practices, and modifications to compliance programmes, which may increase compliance costs, and may subject us to fines, penalties and other sanctions.

Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations.

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

Table of Contents

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

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

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

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

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

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

Table of Contents

ITEM 4. INFORMATION ON THE COMPANY

4.A History and development of the company

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

As of 30 June 2014, we were one of the largest JSE listed companies by Sasol ordinary shares market capitalisation (R411 413 million in respect of the Sasol ordinary shares), with total consolidated turnover of R202 683 million for the year ended 2014.

4.B Business overview

Sasol is an international integrated energy and chemicals company that leverages the talent and expertise of our more than 33 000 people working in 37 countries. We develop and commercialise technologies, and build and operate world-scale facilities, to produce a range of product streams, including liquid fuels, high-value chemicals and low-carbon electricity.

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

Table of Contents

30

Table of Contents

Our activities

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

We divide our operations into the following segments:

South African Energy Cluster

Sasol Mining. We mine approximately 41,5 million tons (Mt) of saleable coal per year, mostly for gasification feedstock and utilities coal for our complexes in Secunda and Sasolburg, in South Africa, and export approximately 2,9 Mt of coal annually. Sasol Mining accounted for 1% of our total external segmental turnover in 2014.

Sasol Gas. We distribute and market Mozambican-produced natural gas and Secunda-produced methane-rich gas to customers in the Gauteng, Mpumalanga, KwaZulu-Natal, Free State and North-West provinces of South Africa. We also have a 50% interest in Republic of Mozambique Pipeline Investments Company (Pty) Ltd (Rompco), a company which owns, operates and maintains the 865 km cross-border pipeline that transmits natural gas from the Temane central processing facility in Mozambique to the gas network in South Africa. Sasol Gas accounted for 2% of our total external segmental turnover in 2014.

Sasol Synfuels. We operate the world's only commercial coal-based synfuels manufacturing facility at Secunda. We produce synthesis gas through coal gasification and natural gas reforming, using our proprietary technology to convert synthesis gas into synthetic fuel components, chemical feedstock and pipeline gas. We sell fuel components and heavy fuel oils to Sasol Oil, and methane-rich gas to Sasol Gas. Chemical feedstocks are sold to the chemical divisions of Sasol. Sasol Synfuels accounted for less than 1% of our total external segmental turnover in 2014.

Sasol Oil. We market fuels blended at Secunda and fuels refined through our 63,64% interest in the Sasolburg Natref refinery. We also market lubricants blended at Engen, Sasol Oil and the Agip (ESA) facility in Durban, in which we own a 40% stake. Products include petrol, diesel, jet fuel, illuminating paraffin, liquid petroleum gas (LPG), fuel oils, bitumen, motor and industrial lubricants and sulphur. We have 293 Sasol branded service stations, including seven Sasol branded integrated energy centres, and 87 Exel branded service stations in South Africa. Fuel is exported by way of third parties to several Southern African Development Community (SADC) countries. Sasol Oil accounted for 40% of our total external segmental turnover in 2014.

Other. This segment includes capitalised costs associated with a pre-feasibility study for the expansion of our synthetic fuels capacity in South Africa. Based on the reprioritisation of our capital projects, we have decided to put this project on hold.

International Energy Cluster

Sasol Synfuels International (SSI). We develop, implement and manage international business ventures based on Sasol's proprietary GTL technology, marketing and support subsidiary. SSI primarily focuses on securing opportunities to advance Sasol's GTL strategy. SSI is currently involved in two GTL production facilities in Qatar and Nigeria, and is in front end engineering and design (FEED) for the US GTL project and extended FEED in Uzbekistan. A feasibility

Table of Contents

study has been completed for a GTL project in Canada, and a decision on FEED will be taken at a later stage. SSI is also conducting feasibility studies for GTL facilities at various other locations globally, including Mozambique. SSI accounted for less than 1% of our total external segmental turnover in 2014.

Sasol Petroleum International (SPI). We manage the group's natural oil and gas exploration and production interests in West and Southern Africa, Canada and Australia. Our current development and production assets and exploration portfolio are shown on the maps on pages M-6 to M-9. We are mandated to pursue opportunities for the exploration, appraisal, development and production of hydrocarbon resources to supply feedstock to existing or potential future Sasol downstream plants and external customers. We operate production facilities in Mozambique, and have non-operating interests in producing assets in Canada and Gabon. SPI accounted for 1% of our total external segmental turnover in 2014.

Chemical Cluster

Sasol Polymers. We operate plants at Sasolburg and Secunda in South Africa and supply ethylene, propylene, polyethylene, polypropylene, polyvinyl chloride, chlor-alkali chemicals and mining reagents to domestic and international customers. We also have joint venture monomer and polymer interests in Malaysia and marketing facilities in China. Sasol Polymers accounted for 10% of our total external segmental turnover in 2014.

Sasol Solvents. We operate plants in South Africa and supply a diverse range of solvents (ketones and alcohols), acrylates and associated products. We disposed of the majority of our German assets in May 2014. We have a maleic anhydride investment in joint venture with Huntsman Corporation, in Germany. Sasol Solvents accounted for 8% of our total external segmental turnover in 2014.

Sasol Olefins & Surfactants. We operate plants in Germany, Italy, the US, the Slovak Republic and China and supply surfactants, linear alkylbenzene, surfactant intermediates, n-paraffins, n-olefins, C_6-C_{22} alcohols, co-monomers, ethylene and other organic intermediates to customers worldwide as well as specialty aluminas, silica aluminas and hydrotalcites. Sasol Olefins & Surfactants accounted for 28% of our total external segmental turnover in 2014.

Other chemical businesses. We are involved in a number of other activities in the chemicals industry, both in South Africa and internationally, which, among others, include production and marketing of other chemical products, like waxes, fertilisers and mining explosive products. These activities accounted for 10% of our total external segmental turnover in 2014.

Other businesses

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

Table of Contents

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

	South African Energy Cluster				International Energy Cluster			Chemical Cluster				
2014	**Sasol Mining**	**Sasol Gas**	**Sasol Synfuels**	**Sasol Oil**	**Sasol Synfuels International Other**	**Sasol Petroleum International**	**Sasol Polymers**	**Sasol Solvents**	**Sasol Olefins and Surfactants**	**Other chemicals**	**Other businesses**	**Total**
					(Rand in millions)							
South Africa	11	4 521	168	76 987			12 587	1 362	697	8 338		104 671
Rest of Africa	152	254		2 842	252	462	3 279	258	83	876		8 458
Europe	373		179	2		1 668	1 102	7 302	26 448	5 491		42 565
Middle East and India	922				473		750	2 144	896	764		5 949
Far East	115		4				2 107	(418)	5 413	516		7 737
North America (incl. Canada)			65	1		860	30	2 080	20 729	2 038		25 803
South America			1				1 068	793	812	464	53	3 191
Southeast Asia and Australasia	581		77				75	2 810	179	587		4 309
Turnover	**2 154**	**4 775**	**494**	**79 832**	**725**	**2 990**	**20 998**	**16 331**	**55 257**	**19 074**	**53**	**202 683**

	South African Energy Cluster				International Energy Cluster			Chemical Cluster				
2013[1]	**Sasol Mining**	**Sasol Gas**	**Sasol Synfuels**	**Sasol Oil**	**Sasol Synfuels International Other**	**Sasol Petroleum International**	**Sasol Polymers**	**Sasol Solvents**	**Sasol Olefins and Surfactants**	**Other chemicals**	**Other businesses**	**Total**
					(Rand in millions)							
South Africa	23	4 252	1 384	64 688			9 622	1 584	175	6 756		88 484
Rest of Africa	63	146		1 949	202	352	2 598	172	185	1 265	7	6 939
Europe	326		140	1		1 225	804	7 197	21 533	4 064		35 290
Middle East and India	712		10		679		1 101	1 920	505	379	6	5 312
Far East	160		2				2 172	1 186	2 765	512		6 797
North America (incl. Canada)			39			600	5	3 904	14 272	1 458		20 278
South America				1			1 139	536	847	371		2 894
Southeast Asia and Australasia	549		55				170	2 452	298	373		3 897
Turnover	**1 833**	**4 398**	**1 630**	**66 639**	**881**	**2 177**	**17 611**	**18 951**	**40 580**	**15 178**	**13**	**169 891**

33

Table of Contents

	South African Energy Cluster				International Energy Cluster			Chemical Cluster				
2012[1]	**Sasol Mining**	**Sasol Gas**	**Sasol Synfuels**	**Sasol Oil**	**Other**	**Sasol Synfuels International**	**Sasol Petroleum International**	**Sasol Polymers**	**Sasol Solvents**	**Sasol Olefins and Surfactants**	**Other chemicals**	**Other businesses**	**Total**
						(Rand in millions)							
South Africa	25	3 823	1 204	62 418				8 363	1 455	240	6 408	70	84 006
Rest of Africa	34	17		2 647		257	155	2 231	191	206	856	7	6 601
Europe	502		239	1 174		13	1 293	1 101	6 759	19 775	3 482		34 338
Middle East and India	491		1			396		1 029	1 319	341	211	3	3 791
Far East	485							2 316	1 099	2 735	254		6 889
North America (incl. Canada)			46				330		3 635	12 824	1 053		17 888
South America			1					636	578	652	297	10	2 174
Southeast Asia and Australasia	719		18			1		118	1 984	271	300	16	3 427
Turnover	**2 256**	**3 840**	**1 509**	**66 239**		**667**	**1 778**	**15 794**	**17 020**	**37 044**	**12 861**	**106**	**159 114**

(1) The consolidation suite of accounting standards, namely IFRS 10, Consolidated Financial Statements (IFRS 10), as amended, IFRS 11, Joint Arrangements (IFRS 11), as amended, and IFRS 12, Disclosure of Interests in Other Entities (IFRS 12), as amended became effective for annual periods beginning on or after 1 January 2013. Refer Note 1 of "Item 18 Financial statements'.

Table of Contents

Our strategy

Our primary strategic focus is:

- nurture and grow our existing foundation businesses in Southern Africa, Europe and North America;
- commercialising our technology internationally through our GTL growth strategy;
- increasing natural gas reserves through exploration; acquisitions of chemical investments or other investments that complement our GTL value proposition; and
- pursuing opportunities where we have either a feedstock, technology or market advantage across all our value chains.

In addition, we are working to develop low-carbon electricity in Southern Africa, particularly, to improve energy security and monetise our gas resources.

Nurturing and growing our existing foundation businesses To drive improved operational and overall business performance, we continue to pursue our business excellence corporate-wide initiative. This initiative cuts across all Sasol operations and is a key part of Sasol's strategy to more effectively extract value from the company's existing integrated asset base, proprietary technology and product portfolio.

We continually review and optimise our asset portfolio to maximise Sasol's foundation business performance. As a result, in 2014, Sasol disposed of its methyl-ethyl-ketone (MEK) and iso-propyl-alcohol (IPA) assets in Germany.

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

The prospects for GTL and chemical plants are promising, in light of the availability of gas at various locations in the world.

The FEED work for our world-scale chemical complex in Westlake, Louisiana is nearing completion. The economics of the complex, consisting of a world-scale 1,5 million tons per annum ethane cracker and six ethylene derivative units, remain robust. We have secured sufficient ethane transportation capacity on various pipeline systems, as well as term-based ethane supply agreements. We remain on track to take a final investment decision on the ethane cracker before the end of the 2014 calendar year.

Our well-defined contracting strategy mixes fixed-price and reimbursable contracts. This will limit undue cost contingencies and the related risk. The capital expenditure for the chemical complex includes extraordinary costs incurred to acquire additional land for the construction of the project, and establish our Lake Charles Chemical Complex as an integrated multi-asset site similar to our Secunda site. This land and enabling infrastructure will facilitate and enable future growth in the region, and benefit our Lake Charles site for decades to come.

Working alongside Technip, we are progressing with the FEED phase of our planned US GTL and chemicals value-adds facility. This facility which will be located adjacent to the ethane cracker and downstream derivatives complex in Westlake, Louisiana, will produce at least a nominal 96 000 barrels per day of product, with the potential to produce up to 10% more. The final investment decision on the GTL facility is expected to follow within 24 months of that of the US ethane cracker and derivatives complex, taking into consideration the progress made with the execution of the cracker

Table of Contents

project, prevailing market conditions, as well as the impact on Sasol's gearing and progressive dividend policy.

The air, water and wetlands permits for the ethane cracker and derivatives complex as well as the US GTL and chemical value adds facility were issued without any challenges or objections, supporting the positive view taken by stakeholders on this project.

In Nigeria, the Escravos GTL project achieved the start of beneficial operation during June 2014. Start-up activities have continued as scheduled, and the facility is expected to ramp up to full capacity in 2015.

In Mozambique, a joint pre-feasibility study for a large-scale GTL plant, based on gas from the Rovuma Basin in Northern Mozambique, is underway. The study, conducted in conjunction with Mozambique's national oil company, Empresa Nacional de Hidrocarbonetos and the Italian multinational, Eni S.p.A., will assess the viability and benefits of such a plant in the region.

We continue to assess various opportunities in a number of countries. We are conducting extended FEED activities for a GTL facility in Uzbekistan, and completed a feasibility study into a GTL facility in Western Canada in 2012. A decision on the FEED phase will be taken at a later stage.

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

Growing our chemicals portfolio The chemicals cluster represents the second leg in Sasol's portfolio, in addition to energy and fuels. The South African chemicals businesses focuses primarily on chemicals emanating from our Secunda facilities and have identified the C_2 and C_3 value chains as a source of growth. The aim in these businesses is to secure feedstock and economy of scale advantage. This is achieved through our close integration into the Fischer Tropsch value chain. Similarly, our investment in the ethane cracker in Lake Charles will provide us with a feedstock advantage, as a result of the availability of competitively priced ethane in the US.

Our international chemicals businesses are focused on the wax, linear alkyl benzene (LAB), detergent alcohols, co-monomers, phenolics and catalyst businesses. The strategic objective, in these areas, is to meet the evolving needs of the market, through focused applications, research and customer relationships, to achieve higher margins.

We are pursuing substantial growth opportunities in our chemicals portfolio through the development of a world-scale ethane cracker facility at Lake Charles in the US. We also plan to extract high value chemical feedstock from our existing and future GTL projects. These developments will benefit most of our chemicals businesses.

Outside of these opportunities, our chemical businesses continue to pursue a strategy to improve the operating performance of our existing assets and grow in selected areas of competitive advantage. In this regard, we have constructed the world's first commercial ethylene tetramerisation unit at the Lake Charles production site in the US in 2014. The capacity for this facility is 100 000 tons per annum of combined 1-octene and 1-hexene, which are co-monomers used in the plastics industry. Our chemicals businesses continue to add value through a focus on improved operational and product margin improvements. These efforts are aimed at creating value from the unique properties of many of the products that arise from Sasol's proprietary chemicals technologies. In order to take full advantage of the benefit of low ethane prices in the US, we are constructing a 470 kilotons per annum high density polyethylene (HDPE) plant in partnership with INEOS. The ethylene required for the production of HDPE will be supplied from our existing Lake Charles operations. Once the new ethane

Table of Contents

cracker is operational (subject to the final investment decision), the ethylene from the existing Lake Charles operations will be supplemented with ethylene from the new ethane cracker.

Acquiring, maturing and developing upstream hydrocarbon opportunities. In support of our upstream growth aspirations we maximise production from existing producing assets, appraise and develop our non-producing assets, mature the resources in our existing exploration portfolio, and expand our upstream asset base by evaluating opportunities to diversify and expand our portfolio.

In 2014, we completed the initial phase, and commenced the define phase of the development project for the Pande- Temane Production Sharing Agreement (PSA) asset, and converted a Technical Cooperation Permit (TCP) to an Exploration Right (ER236) in the Durban Basin, offshore South Africa. Additionally, we concluded an agreement to obtain two additional licences in Canada to extend our existing acreage in the Farrell Creek and Cypress A area. In August 2014, we also signed a conditional farm-in agreement to acquire an interest in three onshore Exploration Permits (EP76, EP98 and EP117) in the Beetaloo Basin of Australia's Northern Territory.

Our current areas of interests and activities are shown on the maps on pages M-6 to M-9. We produce natural gas and condensate from the onshore Temane and Pande gas fields in Mozambique, oil in Gabon from the offshore Etame, Avouma and Ebouri oil field cluster and natural gas and petroleum liquids from the unconventional (shale/tight gas) Farrell Creek and Cypress A asset in Canada. We continue our efforts to expand the upstream asset base in order to supply feedstock gas for existing and new downstream businesses. For that purpose, we continue to pursue a growth plan to: maximise production from existing assets; expand our exploration portfolio; consider acquisition opportunities; and investigate conventional and unconventional gas opportunities.

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

Develop and grow low carbon power generation We have successfully developed a number of gas-to-power opportunities, including the start-up of the Sasolburg 175 megawatt gas engine power plant in December 2012. We also advanced the development of our 49% share of the US$246 million, 175 megawatt gas-fired power generation plant in Ressano Garcia, Mozambique, in partnership with the country's state-owned power utility Electricidade de Moçambique which is expected to reach beneficial operation in October 2014. The plant is currently being commissioned.

South African Energy Cluster

Sasol Mining

Nature of the operations and principal activities

In South Africa, we have three coal mining operations:

The coal-to-liquids (CTL) complex, comprising of Bosjesspruit, Brandspruit, Middelbult and Syferfontein, supplied our primary customer, Sasol Synfuels, with 39,5 Mt of coal during the year. Of this amount, 32,9 Mt of coal was produced, 5,1 Mt was externally purchased and 2,3 Mt was a mixture of run of mine (ROM) and by-product coal transferred from our Export complex. At 30 June 2014, the stockpile gained 0,7 Mt on the opening stock.

The Export complex, consisting of the Twistdraai Colliery, produced 6,9 Mt during the year. 2,3 Mt was transferred to the CTL complex, 2,9 Mt exported and 1,8 Mt discarded during the beneficiation process. The stockpile reduced by 0,1 Mt.

The Sigma complex, situated near Sasolburg in the Free State province, produced 1,7 Mt from the Mooikraal Colliery during the year. In total, 2,1 Mt coal was supplied to Infrachem,

Table of Contents

approximately 1,7 Mt from Mooikraal Colliery and 0,4 Mt fine coal was purchased from the Sasol Synfuels plant in Secunda.

During 2014, we produced 41,5 Mt of coal, compared to 40,1 Mt in the previous year. The focus to add capacity, by opening additional pit room and dealing more effectively with stonework development, resulted in increased production during the latter part of the year. The Twistdraai Colliery: Thubelisha Shaft in particular, benefitted from these initiatives, and the ramp-up to full production is progressing to plan.

The higher coal production enabled Sasol Mining to increase its coal exports, thereby taking advantage of the weaker rand compared to the US dollar.

Operational statistics

	2014	**2013**	**2012**
	(Mt, unless otherwise stated)		
Sigma Colliery	**1,7**	1,7	1,9
Secunda mines	**39,8**	38,4	38,1
Total production	**41,5**	40,1	40,0
Saleable production from all mines[1]	**39,7**	38,6	38,4
External coal purchases mainly from Anglo Operations	**5,4**	5,4	4,9
Total tons produced and procured[2]	**45,1**	44,0	43,3
Sales to Sasol Infrachem, Sasolburg	**2,1**	2,0	2,0
Sales to Sasol Synfuels, Secunda	**39,5**	39,9	37,9
Additional South African market sales		0,1	0,1
Export sales (primarily Middle East and India)	**2,9**	2,5	2,8
Total sales including exports	**44,5**	44,5	42,8
Production tons per continuous miner (mining production machine) per shift (t/cm/shift)	**1 338**	1 361	1 438

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

(2) Difference between tons produced and procured and total sales is due to the movement on the stock pile.

Principal markets

We extract and supply coal mainly to our Synfuels and chemical plants under terms and conditions which are determined on an arm's length basis. We export approximately 7% of our production. In 2014, exports increased to 2,9 Mt from 2,5 Mt in 2013. In a volatile currency market, average US dollar export prices decreased by 10%, while the rand weakened by 17% compared with the prior year.

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

External market opportunities

Limpopo West Mining project. We were awarded a prospecting right in respect of the Limpopo West reserves in August 2007. The prospecting right was extended for the maximum period permitted by the Mineral and Petroleum Resources Development Act (Act 28 of 2002) (MPRDA) after its initial term, which expired on 2 September 2012. The prospecting right was committed to the Eyesizwe Sasol Waterberg Joint Venture. Exxaro Coal Mpumalanga (previously known as Eyesizwe Coal) has agreed

Table of Contents

and accepted that the prospecting joint venture with Sasol Mining has been terminated. Sasol Mining remains as the unencumbered holder of the prospecting right.

In view of the government's National Development Plan relating to the Waterberg coal resource area, which was communicated in December 2011, Sasol Mining investigated options to exploit possible future business opportunities relating to the Limpopo West reserves independent of the CTL market. Based on the outcome of study results completed in May 2012, Sasol Mining submitted a mining right application on behalf of the Eyesizwe Sasol Waterberg Joint Venture in August 2012. The mining right application was accepted on 16 January 2013. An amended Social and Labour Plan was submitted to the Department of Mineral Rights (the Department) in November 2013. On 29 October 2013, the pre-feasibility study for the Limpopo West project was approved. Sasol Mining will inform the Department of the termination of the joint venture. Depending on the Department's requirements, a new black economic empowerment partner will be identified to conclude a shareholders agreement.

Seasonality

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

Marketing channels

We make use of both a direct and an agency sales model as the chosen channels to market our products to third parties. Currently, only one agent represents Sasol Mining in a specific geographic market. The agent operates on a commission basis and is authorised to act as an intermediate only, with the aim of promoting our products and providing after-sales service. All sales require approval by Sasol Mining before they may be concluded with the customer.

Factors on which the business is dependent

Being part of the Sasol value chain, Sasol Mining is required to be engaged on an on-going basis with Sasol Synfuels, to ensure optimal delivery and utilisation of our coal resources. We also have dedicated strategic and long-term planning departments to ensure that mining and other related activities are performed in accordance with our strategic plans for the future.

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

Property, plants and equipment

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

			Production (Mt)		
Mine	**Market**	**Location**	**2014**	**2013**	**2012**
Bosjesspruit	Sasol Synfuels	Secunda	**7,9**	8,0	7,3
Brandspruit	Sasol Synfuels	Secunda	**7,7**	7,3	7,1
Middelbult	Sasol Synfuels	Secunda	**7,6**	7,4	7,4
Syferfontein	Sasol Synfuels	Secunda	**9,7**	9,6	10,0
Twistdraai	Export/Sasol Synfuels[(1)]	Secunda	**6,9**	6,1	6,3
Sigma: Mooikraal	Sasol Infrachem	Sasolburg	**1,7**	1,7	1,9
			41,5	40,1	40,0

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

Table of Contents

Some of our collieries are approaching the end of their useful lives and, accordingly, new collieries and shafts are being developed to sustain consistent supply. Approval for the construction of the Impumelelo colliery, which will replace the ageing Brandspruit Colliery, was obtained in November 2010. Despite some shaft sinking challenges related to productivity, we still expect the project to reach beneficial operation during the middle of the 2015 calendar year.

Construction work at the Shondoni Colliery, which will replace the current Middelbult Colliery production, started during February 2012. The project is expected to reach beneficial operation during the second half of the 2015 calendar year.

Construction on the Tweedraai shaft, an additional shaft for the Syferfontein complex, started in 2013 and the first development section opening up underground area started in April 2014. Tweedraai does not require shaft sinking. Beneficial operation is planned for the first half of the 2015 calendar year, coinciding with the availability of the conveyor system and ventilation shaft.

We expect these capital projects to be completed within their approved budgets.

Coal handling facility Sasol Coal Supply (SCS)

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

Beneficiation plant

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

Sasol Gas

Nature of the operations and its principal activities

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

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

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

In 2011, Sasol Gas commenced with the construction of the R1,4 billion Gauteng Network Pipeline (GNP). The GNP is a 156 km, 26 inch gas transmission pipeline between Secunda and Sasolburg, South Africa. The pipeline was completed on 28 March 2013 and beneficial operation was achieved on 23 May 2013. The pipeline added an additional capacity of 51 MGJ/a to the Gauteng network. The additional capacity has increased the delivery pressure to the Sasol Chemical Industries (SCI) complex in Sasolburg.

Table of Contents

Principal markets

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

The pipeline gas segment makes up a small part of the overall energy industry in South Africa. The market has grown since 2004 as a result of the introduction of natural gas from Mozambique. The current supply of 173,6 million gigajoules per annum (MGJ/a) of pipeline gas increased from 161,4 MGJ/a in 2013. Compared to developed countries, South Africa is a small consumer of natural gas as a percentage of its total energy requirements. Although the opportunity to increase sales of natural gas exists, there is a limitation on the amount of gas available. During 2014, natural gas volumes sold were 147,3 MGJ compared to 138,3 MGJ in 2013. Methane rich gas volumes sold were 23,4 MGJ in 2014 compared to 21,8 MGJ in 2013.

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

Seasonality

Demand for gas in South Africa is consistent throughout the year, and is generally not subject to seasonal fluctuations due to moderate temperature variances between seasons and the absence of a significant residential market.

Raw materials

The natural gas is purchased in Mozambique, from an unincorporated joint venture (UJV), consisting of Sasol Petroleum Temane Limitada (SPT), a subsidiary of Sasol Petroleum International, International Finance Corporation (IFC) and Companhia Moçambicana de Hidrocarbonetos, S.A.R.L (CMH). The gas is transported by Rompco to Secunda in South Africa. Methane-rich gas is purchased from the Sasol Synfuels facility in Secunda. The UJV has supplied Sasol Gas with natural gas since 2004 and Sasol Synfuels has been supplying methane-rich gas to Sasol Gas since 1994.

Marketing channels

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

Factors on which the business is dependent

Licences and regulations

We have obtained the necessary licences required from the National Energy Regulator of South Africa (NERSA), in terms of the Gas Act to operate our gas transmission and distribution facilities, as well as, to engage in our trading activities.

As and when expansion of our transmission and distribution facilities is required, we would apply for the required construction licences from NERSA.

Sasol Gas priced its gas in terms of the Market Value Pricing methodology, as set out in the Regulatory Agreement with the South African government. In compliance with the regulatory framework, Sasol Gas submitted two applications to NERSA in December 2012, namely a maximum

Table of Contents

price application and a transmission tariff application. NERSA approved both applications in March 2013. The standardised prices and tariffs became effective on 26 March 2014. Sasol Gas has valid arrangements in place with all its customers relating to the supply of gas at the new prices and tariffs. Seven of Sasol Gas' largest customers have initiated a judicial review of the NERSA decisions relating to its maximum price and tariff methodologies as well as NERSA's decision on Sasol Gas's maximum price application.

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

Property, plants and equipment

The Mozambique to Secunda natural gas transmission pipeline owned by Rompco is a 26 inch carbon steel underground pipeline of 865 km. The pipeline starts from the natural gas central processing facility (CPF) at Temane in Mozambique, and ends at the pressure protection station (PPS) in Secunda. The instantaneous capacity of the pipeline is 136 MGJ/a, with an annual average in excess of 120 MGJ/a without any additional compression along the pipeline. In 2010, Rompco commissioned its first compressor station near Komatipoort in South Africa. This facility supplies midpoint compression and enables the pipeline to increase gas transportation up to an annual average of 170 MGJ/a, with an instantaneous pipeline capacity in excess of 176 MGJ/a. In 2013, Rompco embarked on a R2 billion project to construct a 128 km loop line in Mozambique to expand capacity, and allow for additional monetisation of gas in Mozambique. It is expected to reach beneficial operation in October 2014.

The inland transmission network of Gauteng is fed from the PPS in Secunda via a 30 inch carbon steel underground pipeline, which feeds into a second PPS at Nigel. The section of pipeline up to the Nigel PPS is operated at a maximum allowable operating pressure (MAOP) of 4 550 kPa. From Nigel, the network is operated at a MAOP of 3 550 kPa and the capacity of the Gauteng transmission network is approximately 89 MGJ/a. The newly commissioned GNP also serves the inland network and has increased the overall capacity of the Gauteng network by 51 MGJ/a to 140 MGJ/a. These pipelines supply various low pressure distribution areas, as well as some customers directly. Where these lines enter into the distribution areas, a pressure reduction station reduces the pressure to 625 kPa. The southern part of the inland network ends in Sasolburg.

The Secunda, Witbank and Middelburg pipeline network receives methane-rich gas from Sasol Synfuels. The MAOP for this pipeline is 3 000 kPa and the capacity of the network is approximately 10 MGJ/a. Methane-rich gas, similar to that which is supplied to Witbank and Middelburg, is compressed and fed into the Transnet Pipelines transmission pipeline to supply our customers in the KwaZulu-Natal province. The MAOP for this transmission pipeline is 5 300 kPa and the capacity of the network is approximately 21 MGJ/a.

Sasol Synfuels

Nature of the operations and principal activities

Sasol Synfuels, based in Secunda, operates a coal and gas based synthetic fuels manufacturing facility. We produce syngas primarily from low-grade coal with a smaller portion of natural gas. The process uses advanced, high temperature Fischer-Tropsch technology to convert syngas into a range of synthetic fuel components, heating fuels (including industrial pipeline gas), ammonia, sulphur and chemical feedstock. Fuel components are used mainly for blending into automotive fuels as well as liquefied petroleum gas. Chemical feedstreams that are produced are used for the production of chemical and polymer building blocks, including ethylene, propylene, detergent alcohols, phenols, alcohols and ketones. Apart from the production of saleable products, we are self-sufficient in the production of utilities such as oxygen and steam required in the production process as well as

Table of Contents

generating approximately 50% of our own electricity demand. Together with Sasol New Energy's first gas-to-electricity power generation plant in Sasolburg, the group is able to increase its cumulative electricity generation capacity to approximately 70% of its own requirements. We operate the world's largest oxygen production facilities (according to Air Liquide, the French industrial gas company), currently consisting of 16 units.

The Secunda Natural Gas Growth Project (SNGGP) phase 1(a) was approved by the Sasol Limited board during March 2010. The total approved amount of R14,2 billion consists of capital and feasibility funds. This investment will result in an increase in production of approximately 3% on a production baseline of 7,3 million tons per annum, on a sustainable basis, as well as additional electricity generation from gas turbines. Many of the benefits are already evidenced by the increased production performance. Sasol Synfuels has incurred total costs of R13,4 billion to 30 June 2014 in respect of the SNGGP phase 1(a). The first set of gas heated heat exchange reformers (GHHER's) reached beneficial operation on 13 June 2013. The second set of GHHER's is expected to reach beneficial operation during the 2014 calendar year.

With regards to the Clean Fuels 2 programme, the South African Petroleum Industry Association confirmed that the South African government has communicated a postponement to the 1 July 2017 introduction date, of new cleaner fuels standards. A new target date is awaited. Furthermore, market trends are indicating upward pressure on octane demand. With the clean fuels programme schedule still uncertain, and the potential to allow for increased octane capacity, higher capital requirements are likely. Studies are in process to quantify the impact and to determine an appropriate way forward.

Principal markets

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

Raw materials

The main feedstock components used by Sasol Synfuels in the production process are low grade coal obtained from Sasol Mining and natural gas obtained from Sasol Gas. Prices of low grade coal are determined using an arm's length pricing mechanism for Sasol Mining. The natural gas price for the first three quarters of 2014 was determined by movements in the international price of Brent crude oil, the rand /US dollar exchange rate, as well as the South African Producer Price Index. From April 2014 a new methodology, based on a basket of alternative energy carriers, was introduced. The new methodology, as well as the maximum tariffs, was approved by NERSA.

Marketing channels

The bulk of our products are sold to other Sasol business units. A very small volume of carbon products are directly marketed to clients locally and abroad, via commercial distribution channels.

Property, plants and equipment

Specific product volumes

	2014	2013	2012
		(Mt)	
Total production volumes	**7,6**	7,4	7,2

Table of Contents

	2014	2013	2012
		(% of total production)	
Liquid and gaseous fuels	**59**	59	59
Petrochemical feedstock	**31**	31	32
Nitrogenous and other feedstock for fertilisers and explosives	**8**	8	7
Carbon, tar and other products	**2**	2	2

Our focus on operational improvements delivered an increase in Sasol Synfuels production volumes. Sasol Synfuels managed to maintain stable plant operations for 2014 resulting in an increase in production volumes by 2,3% from 7,44 Mt in 2013 to 7,61 Mt in 2014 despite a full and phase shutdown during the year.

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

Sasol Synfuels has approved R5,8 billion for environmental projects to date. This amount further includes spending on site remediation, stabilisation of sludges and solids in the black product site, the reduction of VOC emissions and the sulphuric acid plant. At 30 June 2014, the total expenditure on these projects was R3,6 billion, with the remaining R2,2 billion to be spent in the upcoming years.

The VOC abatement project was approved in stages, with the most recent capital expenditure being approved during February 2014. The total amount approved for the project is R2,5 billion, including development funds of R6,2 million. At 30 June 2014, the total expenditure on this project amounted to R1,3 billion with beneficial operation expected during June 2016.

A total amount of R2,2 billion was approved for the replacement of tar tanks and separators. This will ensure that the production capacity of the Secunda complex is maintained. As at 30 June 2014, the total expenditure on this project amounted to R1,2 billion. The project is expected to reach beneficial operation in September 2015.

The coal tar filtration (CTF) east project is another significant project at Sasol Synfuels, with a total approved amount of R2,9 billion. At 30 June 2014, the total expenditure on this project was R1,0 billion. The CTF east project will ensure compliance with environmental and health requirements and will also increase tar processing capacity to avoid tar dumping. Beneficial operation is expected during January 2017.

Sasol Oil

Nature of the operations and principal activities

Sasol Oil encompasses the established liquid fuels, bitumen, heating fuels and lubricants marketing activities of Sasol through wholesale and commercial interests featuring the Sasol brand, as well as retailing interests which feature both the Sasol and the Exel brands. Operations include fuel blending and storage facilities in Secunda where fuel components procured from Sasol Synfuels are blended to be marketable liquid fuels. Sasol Oil is also responsible for crude oil procurement, shipping and the subsequent refining of crude oil through our interest in the Natref refinery in Sasolburg. Products include petrol, diesel, jet fuel, illuminating paraffin, liquid petroleum gas (LPG), fuel oils, bitumen and sulphur. Sasol Oil utilises its 40% share in the Engen, Sasol Oil, Agip (ESA) lubricants blending facility to produce both motor and industrial lubricants for marketing purposes.

Table of Contents

Liquid fuels marketed

	2014	2013	2012
		(million m^3)	
Total liquid fuel sales	**9,35**	8,93	9,57
Total liquid fuel sales (exported)	**0,37**	0,22	0,36

Principal markets

Sasol Oil's fuel production is primarily located in South Africa's industrial heartland, where an estimated 58% of the country's petrol and diesel is consumed. Sasol's production of approximately 7,7 million m^3 of white products per year is insufficient to supply this market. The balance of the requirement is supplied from coastal refineries and imports, transported via road, rail and pipelines. Limited volumes of white products are exported overland to neighbouring countries.

Seasonality

The total South African demand for road transportation fuels is fairly consistent throughout the year. Slightly higher demand for petrol is evident during the December summer holiday period. Diesel demand tends to peak during October due to the summer grain planting season. In recent years, the decrease in December diesel consumption due to reduced business activity was offset by increased diesel demand from motorists. The demand for fuel oil and LPG tends to be stronger in winter as a result of heating demand.

As described in "Item 3.D Risk Factors", South African fuel prices are derived from international reference prices as a result of a regulatory dispensation based on import alternatives. Local prices reflect northern hemisphere seasonality for petrol and diesel.

Despite a slow economic recovery, international petrol and diesel crack-spreads were lower during 2014, mainly as result of a reduction in refinery disruptions compared to the previous year, as well as new refining additions and increased capacity.

Raw materials

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

Blending components

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

Crude oil

Natref historically obtained approximately 50% of its crude oil requirements from the Middle East (Iran and Saudi Arabia) through crude oil term contracts. Purchases from Iran were terminated in 2012. Iranian crude oil has been partially replaced with Saudi Arabian crude oil. The balance is purchased on the spot market from West Africa and other sources. Volatility in crude oil prices has increased since the late 1990's as a result of international supply/demand dynamics and geo-politics. Crude oil prices traded in a range of US$117,13/bbl to US$103,18/bbl in 2014, with supply disruptions in the Middle East and North Africa related to geo-political stability outweighing increased non-OPEC production (mainly US shale oil). These developments resulted in relatively stable prices, trading in a narrow band, during the year.

Table of Contents

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

Lubricant base oils

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

Marketing channels

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

Licenced wholesalers

Licenced wholesalers include multinational oil companies with their own South African refining capacity including, BP, Engen Petroleum (Engen), Royal Dutch Shell (Shell), Chevron, Total South Africa (Total) and PetroSA as well as non-refinery wholesalers without South African refinery capacity.

The bulk of Sasol's fuel sales in South Africa are to licensed wholesalers that either do not have their own refinery production or market more fuel than what they themselves produce. Therefore these wholesale customers either buy from Sasol Oil or import the balance of their fuel supply requirements.

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

We also sell base bitumen to wholesalers and construction companies.

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

We currently operate a dual branded network of retail convenience centres (Exel and Sasol), which consists of 373 service stations and seven Sasol branded integrated energy centres, across South Africa. Our current national retail market share is estimated to be 10%. We have commenced with a process to phase out the Exel brand and to convert existing Exel retail service stations to the Sasol brand. New site development is progressing satisfactorily although the regulatory environment remains a challenge. In 2013, we signed an exclusive agreement with Burger King to open fast food outlets at our retail convenience centres. This creates an opportunity for us to expand our retail footprint and increase the average throughput at the Sasol service stations. The first Burger King site, Sasol Circle Centre in Centurion, commenced operations in February 2014 and exceeded all expectations to date.

We have also partnered with ABSA Bank in South Africa to offer a rewards programme to customers at the retail convenience centres which has added value to the network.

We recently introduced 10ppm diesel at a limited number of retail sites in Gauteng and Mpumalanga with very successful results. We are in the process of rolling the product out to the rest of our network in the Gauteng region.

Table of Contents

Liquid fuels (i.e. fuel oil, diesel, petrol and LPG) are sold to a variety of end -users through the commercial marketing channel. Our customer base includes companies in the transportation, mining, food and electricity generation industries.

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

Jet fuel marketing is focused on South Africa's premier airport, OR Tambo International Airport, with Sasol's market share estimated at 17%.

Africa marketing

Exel Lesotho, a wholly owned subsidiary of Sasol Oil, is involved in retail and commercial marketing of transport fuels in Lesotho. The company sells its products through 20 dealer owned (or leased) and operated retail convenience centres, and to 23 commercial customers. Exel Lesotho has a 42% percent share of the Lesotho petrol and diesel markets.

Sasol Oil, through Exel Swaziland, markets transport fuels through six retail convenience centres. Exel Swaziland has 44 commercial customers and a 10% market share in Swaziland. Exel Lesotho and Exel Swaziland were classified as held for sale on 31 December 2013. On 23 May 2014, Sasol Oil entered into agreements to sell these businesses, and the transaction is expected to be completed in the second half of calendar year 2014.

We also hold a 49% interest in Petromoc e Sasol Sarl (PeSS), which is a joint venture with the Mozambican National State Oil Company, Petromoc. PeSS markets its product through eight company owned and three dealer owned retail convenience centres. PeSS has approximately 50 commercial customers and has an 8% share of the petrol and diesel market in Mozambique. PeSS also markets illuminating paraffin and lubricants.

Exports (Africa Overland)

We are ideally situated to supply volumes into Africa Overland. Volumes available for exports are limited by demand in South Africa, hence only limited volumes are available to be supplied into the inland area.

Sales are made on a carriage paid to (CPT) basis.

Factors on which the business is dependent

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

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

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

Table of Contents

Property, plants and equipment

Natref refinery operational statistics [1]

	2014	2013	2012
Crude oil processed (million m^3)	**3,1**	2,6	3,3
White product yield (% of raw material)	**90,7**	90,1	89,2
Total product yield (%)	**97,6**	98,2	98,2

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

Natref is an inland refinery, focused on producing refined petrol and distillate fuels. It is designed to upgrade relatively heavy crude oil with high sulphur content (sour) and yield about 91% white petroleum products. Refinery production includes petrol, diesel, propane, jet fuel, and multiple grades of bitumen, fuel oils, sulphur and various gasses.

Natref is managed by the Natref board and is governed by the Natref shareholders agreement between Sasol Oil and Total South Africa (TSA). The shareholders agreement gives TSA veto rights over a number of corporate actions, including, increasing or reducing Natref's share capital, amending Natref's Memorandum of Incorporation and the rights attaching to its shares, appointing the Natref senior managers and determining directors' remuneration. Sasol Oil and TSA are responsible for procuring their own crude oil and marketing their own products.

In June 2012, the South African Government gazetted the Clean Fuels 2 specification regulations. The South African Petroleum Industry Association confirmed that the South African government has communicated a postponement to the 1 July 2017 introduction date of new cleaner fuels standards. A new target date is awaited. The Clean Fuels 2 project will enable Natref to produce petrol and diesel that complies with Euro V specifications as required by the new regulations. Delays in the clean fuels project schedule and an investment in additional octane capacity to fulfil rising demand will result in increased capital requirements. The construction of a fuel pipeline, owned by Sasol Oil, to integrate Sasol Synfuels and Natref was completed in May 2013. This pipeline will facilitate and optimise the production of new specification fuels by both plants.

International Energy Cluster

Sasol Synfuels International

Nature of operations and principal activities

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

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

The Sasol SPD process

Based on our long and extensive experience in the commercial application of the FT technology, we have successfully developed the FT-based Sasol SPD process for converting natural gas into

Table of Contents

high-quality, environment-friendly GTL diesel, GTL kerosene and other liquid hydrocarbons. The SPD process consists of three main steps, each of which is commercially proven. These include:

- the Haldor Topsøe reforming technology, which converts natural gas and oxygen into syngas;
- our Slurry Phase FT technology, which converts syngas into hydrocarbons; and
- the Chevron Isocracking technology, which converts hydrocarbons into particular products, mainly diesel, naphtha and LPG.

Currently we believe, based on our knowledge of the industry and publicly available information, that on a worldwide basis we have the most extensive experience in the application of FT technology on a commercial scale. Given the increasing discovery of extensive natural gas reserves, our Sasol SPD process can be applied with significant commercial advantages in various parts of the world. As a consequence, our technology has evoked interest from countries and companies with extensive natural gas reserves as an appealing alternative for commercialising these reserves. The Sasol SPD process converts natural gas into diesel and other liquid hydrocarbons, which are generally more environmentally friendly and of higher quality and performance compared to the equivalent crude oil-derived products. In view of product specifications gradually becoming more stringent, especially with respect to emissions, we believe that the option of environmentally friendly GTL fuels will become increasingly appealing. GTL diesel can be used with optimised engines for best performance, although it can also be utilised with current compression ignition engines. GTL diesel is currently used as a cost-competitive blend stock for conventional diesels, thereby enabling conventional diesel producers to improve the quality and capacity of their product without investing substantially in sophisticated new plants and infrastructure. We anticipate that the combined factors of GTL diesel's superior characteristics and the prevailing market conditions in developed economies will enable GTL diesel to command premium prices for either niche applications or as a blend stock for upgrading lower-specification products. The construction of GTL facilities and the production of GTL fuels require significant capital investment.

GTL developments utilising the Sasol SPD process

SSI is progressing with GTL projects in the US (FEED), Uzbekistan (extended FEED) and Nigeria (started beneficial operation) and has achieved record, sustainable operations at ORYX GTL, in Qatar.

As a result of the magnitude of Sasol's growth portfolio, as well as significant sustenance capital required for our South African operations, Sasol regularly reviews projects in its project pipeline. As a result of these reviews, the Sasol Limited board, approved a decrease in our shareholding in the Uzbekistan GTL project from 44,5% to 25,5% at the end of the front end engineering and design phase. The final investment decision remains subject to key conditions, including successful project financing, confirming a suitable partner to take up Sasol's 19% share in the project and non-state ownership of at least 50,1%. We expect to make a final decision on this project before the end of 2015.

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

Principal markets

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

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

Table of Contents

Seasonality

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

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

Raw materials

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

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

Marketing channels

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

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

Factors on which the business is dependent

Technology

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

Feedstock

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

Remaining cost competitive

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

GTL and CTL ventures

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

Table of Contents

Property, plants and equipment

Production capacity at 30 June 2014

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

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

Sasol Petroleum International

Nature of the operations and principal activities

Sasol Petroleum International (Pty) Ltd (SPI) was founded to undertake oil and gas exploration and production in selected high potential areas in West and Southern Africa. Our principal activities are the exploration, appraisal, development and production of hydrocarbon resources. We currently hold equity in three producing assets with proved natural oil and gas reserves in Mozambique, Gabon and Canada. We also have equity in non-producing assets and exploration licences in West and Southern Africa and Australia.

In Mozambique we operate the onshore Pande- Temane Petroleum Production Agreement (PPA) asset, producing natural gas and condensate from the Temane and Pande gas fields. Gas production from the Temane field commenced in 2004 and from the Pande field in 2009.

In British Columbia, Canada we have a non-operated interest in the unconventional (shale/tight gas) Farrell Creek and Cypress A asset, which is operated by Progress Energy Canada Limited. The asset has produced gas and small volumes of petroleum liquids since before we acquired our interest in 2011.

In Gabon we have a non-operated interest in the VAALCO Gabon (Etame) Inc operated offshore Etame Marin Permit asset. Oil production from the Etame field commenced in 2002, followed by production in 2007 and 2009 from the associated Avouma and Ebouri fields.

Principal markets and marketing channels

Mozambique production

Gas produced from the Pande-Temane PPA asset, other than royalty gas that is provided to the Mozambican government, is supplied in accordance with long-term gas sales agreements (GSAs). The gas sold in accordance with GSA1 and GSA2 is sold to Sasol Gas, with a base-case supply of 120 MGJ/a and 27 MGJ/a respectively, for use as part of the feedstock for our chemical and synthetic fuel operations in Secunda and Sasolburg. There are three GSA3 contracts that supply gas to the Mozambique market, which satisfies a licence condition that a portion of gas produced is utilised in-country. The contracts are with Matola Gas Company S.A., Empresa Nacional de Hidrocarbonetos (ENH) and Central Térmica de Ressano Garcia S.A.(CTRG). Additionally, in 2014, gas was sold to Aggreko Mozambique Limitada (Aggreko) under a short term, two year, sales agreement executed in 2012, for power generation in Mozambique. The natural gas condensate produced in Mozambique is sold to Temane Trading, who then transports the condensate by truck, for export via the port of Beira or to the Matola depot for export via the port of Maputo.

Table of Contents

Canada production

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

Gabon production

Oil produced from the Etame Marin Permit asset is sold internationally on the open market. An annual crude oil sale and purchase agreement is typically entered into for the sale of oil, based on a competitive bidding process, with sales prices linked to international oil prices. In 2014, oil was sold to Mercuria Trading NV and to Vitol S.A. (Vitol). The contract with Mercuria Trading NV was effective until March 2014 as a fixed term agreement. The contract with Vitol was effective from April 2014. This contract required all production to be lifted by and sold to Vitol in accordance with marketing and agency agreements.

Property, plants and equipment

We operate production facilities in Mozambique and have non-operating interests in producing assets in Canada and Gabon.

Production capacity at 30 June 2014

Plant description	Location	Design capacity[1]
Central Processing Facility	Pande-Temane PPA, Mozambique	183 MGJ/a gas
Floating, Production, Storage and Offloading facility	Etame Marin Permit, Gabon	25 000 bpd oil
Processing Facilities	Farrell Creek, Canada	320 MMscf*/day gas
Processing Capacity[2]	Cypress A, Canada	10 MMscf*/day gas

(1) Includes our attributable share of the production capacity.

(2) Utilising third party processing facility.

Chemical Cluster

Sasol Polymers

Nature of the operations and its principal activities

In Sasol Polymers, we produce ethylene by separating and purifying an ethylene-rich mixture and by cracking of ethane and propane supplied by Sasol Synfuels. Propylene is separated and purified from a Fischer-Tropsch stream produced in the Sasol process. The ethylene is polymerised into low density polyethylene (LDPE), linear low density polyethylene (LLDPE) and the propylene into polypropylene (PP). We operate a fully integrated chlor-alkali/polyvinylchloride chain. Ethylene and chlorine, from on-site chlor-alkali plants, are reacted to produce vinyl chloride monomer and then polymerised to polyvinylchloride (PVC). Caustic soda, hydrochloric acid and calcium chloride are other chlor-alkali products which are produced. Liquid sodium cyanide is produced from methane, ammonia and caustic soda.

We are a major South African plastics and chemicals operation and our vision is to be an exceptional producer of polymers and a preferred supplier in our market. We supply quality monomers, polymers, chlor-alkali chemicals and mining reagents.

Table of Contents

We manage the following international investments:

Our 12% shareholding in PETRONAS Chemicals Olefins Sdn Bhd (previously known as Optimal Olefins Sdn Bhd) with PETRONAS, a manufacturer of ethylene and propylene. PETRONAS Chemicals produces 600 kilotons per annum (ktpa) ethylene in an ethane/propane cracker. The cracker co-produces 90 ktpa of propylene;

Our 40% shareholding in PETRONAS Chemicals LDPE Sdn Bhd (previously known as Petlin Malaysia Sdn Bhd) with PETRONAS, a manufacturer and supplier of LDPE with a capacity of 255 ktpa is operated by PETRONAS Chemicals LDPE; and

A wholly owned marketing and sales business Wesco China Limited, a polymer distributor in China and Taiwan.

Principal markets

Over the past three years between 64% and 67% of our revenue has been earned from sales into the South African market.

We are the sole polymer producer of PVC, LDPE and LLDPE in South Africa and have the leading share of sales of these products in South Africa, where the competition is in the form of polymer imports primarily from Asian and Middle Eastern producers. We supply 160 ktpa ethylene and 110 ktpa propylene under contract to Safripol (Pty) Ltd (Safripol) in Sasolburg by pipeline for the production of HDPE and polypropylene, respectively. We compete directly with Safripol in the polypropylene market, where we have a large share of the South African market. Caustic soda is sold primarily in South Africa into the pulp and paper, minerals beneficiation and soap and detergent industries. We are the sole local producer of sodium cyanide solution which is sold to the local gold mining industry. Currently, we export polymers from our South African operations to the African continent, South East Asia, Europe and South America. Product from the PETRONAS Chemicals LDPE plant in Malaysia is sold into Malaysia, India, China, Australia and New Zealand.

Former activities in Iran

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

Arya Sasol Polymer Company

Until the Divestment Date, Sasol held a 50% shareholding in ASPC, an Iranian joint venture with Pars Petrochemical Company. ASPC is a manufacturer and supplier of ethylene, low density polyethylene, and medium and high density polyethylene.

In 2014, Sasol received dividend payments from ASPC in an amount equal to R185 958 825.

Sale of Arya Sasol Polymer Company products

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

In 2014, Sasol's marketing and distribution of ASPC products generated a gross revenue of R1 177 111 106 and a net profit of R61 376 561.

Table of Contents

In 2014, Sasol made payments to ASPC in an aggregate amount equal to R1 059 703 237 in respect of polymer products manufactured by ASPC that were marketed and distributed by Sasol.

Other matters

During 2014, ASPC paid management service fees in an amount equal to R2 434 944 to Sasol in exchange for management services.

Sale of SPI International (Pty) Ltd

On the Divestment Date, Sasol Investment Company (Pty) Ltd entered into a definitive sale and share purchase agreement pursuant to which Main Street 1095 (Pty) Ltd, a South African subsidiary of the Armed Forces Social Welfare Investment Organization of Iran, an Iranian pension fund, completed and effected the acquisition of 100% of the shares of SPI International (Pty) Ltd. SPI International (Pty) Ltd is the indirect owner of Sasol's 50% shareholding in ASPC. The total purchase price for the sale of SPI International (Pty) Ltd was R2 402 million (AED 873 541 486 or US$238 million), was paid by Main Street 1095 (Pty) Ltd to Sasol Investment Company (Pty) Ltd in several installments, all of which have been paid in 2014.

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

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

Prior to the Divestment Date, Sasol made commitments on product offtake (and has certain Sasol branded inventory in ASPC which Sasol has procured in order to prevent ASPC selling this branded product in the market). All products were delivered by ASPC by 31 October 2013 and Sasol settled all related amounts payable to ASPC by 31 December 2013. Sasol has no other commitments to acquire products from ASPC and will not make further purchases of ASPC products.

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

Seasonality

Global polymer demand does not show any marked annual seasonality although higher demand tends to arise in the third quarter of each calendar year as converters stock up for increased sales over the South African festive season.

The global polymer industry is, however, cyclical in terms of margins earned, given irregular investment patterns caused by large capital requirements and size of plants. The duration of a typical cycle has been seven years and margins can vary from low trough conditions to extreme peak conditions. During tight supply/demand periods, which usually coincide with increases in economic activity as measured by gross domestic product (GDP), margins may increase disproportionately with high peaks. Over time margins reduce as investment is stimulated or as demand slows down in line with GDP. It may happen that excess capacity is installed, which results in collapsed margins.

Table of Contents

Raw materials

Feedstock for ethylene and propylene in South Africa is purchased from Sasol Synfuels at market-priced fuel-alternative values. The mechanism for determining the fuel-alternative value is based on the South African Basic Fuel Price (BFP) mechanism administered by the Department of Energy. Feedstock prices have increased in line with the oil price. Salt used in our chlor-alkali production process is imported from Namibia and Botswana at US dollar denominated prices. Electricity is purchased from Eskom, South Africa's state-owned electricity provider.

Feedstock namely, ethane and propane, for our joint venture cracker in Malaysia (PETRONAS Chemicals Olefins Sdn Bhd), is purchased from PETRONAS at set prices, unrelated to oil, that escalates annually in line with US inflation rates. PETRONAS Chemicals LDPE Sdn Bhd buys its ethylene feedstock from PETRONAS Chemicals Olefins at prices related to the South East Asian ethylene market.

Marketing channels

Our sales in South Africa are made directly to customers using our own marketing and sales staff. Sales offices are located in Johannesburg, Durban and Cape Town, South Africa. Account managers are responsible for management of our relationship with customers. For exports from South African operations, we sell directly into Southern Africa and through distributors and agents into East and West Africa, the Far East, Europe and South America. All sales, administration and logistics are arranged from the Johannesburg office.

Property, plants and equipment

The construction of a 47 000 tpa ethylene purification unit (EPU) in Sasolburg, which will yield additional ethylene to support our polymer plants to run continuously, achieved beneficial operation on 18 October 2013. We also constructed a 58 000 tpa propylene stability unit in Secunda. This facility will enable full capacity utilisation of the polypropylene plants and achieved beneficial operation on 27 June 2014.

The following table summarises the production capacities of each of our main product areas:

Production capacity at 30 June 2014

Product	South Africa[2]	Malaysia[1],[2]	Total
	(ktpa)		
Ethylene	615	72	**687**
Propylene	950	11	**961**
LDPE	220	102	**322**
LLDPE	150		**150**
Polypropylene-1	220		**220**
Polypropylene-2	300		**300**
Ethylene dichloride	160		**160**
Vinyl chloride	205		**205**
PVC	200		**200**
Chlorine	145		**145**
Caustic soda	167		**167**
Cyanide	40		**40**
Hydrochloric acid	90		**90**
Calcium chloride	10		**10**

(1) Includes our attributable share of the production capacity of joint operations.

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

Table of Contents

Sasol Solvents

Nature of the operations and its principal activities

We are one of the leading manufacturers and suppliers of a diverse range of solvents, co-monomers and associated products. Solvent products are supplied to customers in approximately 90 countries and are used primarily in the coatings, printing, packaging, plastics, pharmaceutical, fragrance, aerosol paint and adhesive industries, as well as in the polish, cosmetics, agriculture and mining chemicals sectors. Pentene, hexene and octene are used as co-monomers in polyethylene production. As of 1 July 2013, the marketing and sales of the co-monomers portfolio has been transferred to Sasol O&S. We have production facilities in South Africa in Secunda and Sasolburg and in Germany in Moers. In May 2014, we disposed of the majority of our German assets to INEOS. Our product range includes ketones, glycol ethers, acetates, alcohols, acrylates and mining chemicals. Our joint venture with Huntsman Corporation (Sasol Huntsman) produces maleic anhydride in Europe. We believe that the breadth of our product portfolio provides a competitive advantage relative to the more limited portfolios of most of our competitors in the global market.

Principal markets

In 2014, approximately 1,32 Mt of products were sold worldwide. Our global business is managed from offices in Johannesburg in South Africa. We have sales offices in Europe, Asia, the Middle East and the US.

We market our products throughout the world, with a large proportion of our alcohols being distributed in Europe. We are a leading producer of solvents in South Africa. Our competition varies depending on the products sold and includes a number of major international oil and chemical companies. Our competitors include ExxonMobil, BP Chemicals, Chevron Phillips, INEOS, the Dow Chemical Company, Celanese and Eastman.

Seasonality

Production and sales volumes are generally not subject to seasonal fluctuations but tend to follow the broader global industry trends. In terms of the global cyclical nature of our products, periods of high demand and higher prices are followed by an increase in global production capacity which can depress global margins. The global economic crisis has had a detrimental effect on our sales prices, and market demand has shown signs of contraction as a result of increased volatility, caused in part by the continuing European debt crisis, as well as declining growth in China. The rising feedstock prices, on the back of stable but high crude oil prices accompanied by the weakness of the rand, have resulted in margins decreasing from the highs experienced during 2011. In South Africa, we have seen a progressive increase in chemical prices and our margins were positively impacted in 2014.

Raw materials

Feedstocks for our operations in Secunda are derived mainly from Sasol Synfuels at market-priced fuel-alternative values based on the Basic Fuel Price (BFP) mechanism. Fluctuations in the crude oil price and rand/US dollar exchange rate have a direct impact on the cost of our feedstocks and hence on margins. Feedstocks in Sasolburg are purchased from Sasol Polymers (based on fuel-alternative value) and Sasol Infrachem based on a long-term supply contract price with an annual inflation-linked escalation clause.

Ethylene, propylene, raffinate, butylene and butane, used in our production facilities in Germany, were purchased at market prices from third party suppliers under a combination of long-term supply contracts and open market purchases.

Table of Contents

Some products are produced by converting primary chemical commodities produced in our facilities to higher value-added derivatives. These include:

- Methyl iso-butyl ketone from acetone;
- Ethyl acetate from ethanol;
- Ethyl and butyl acrylates from acrylic acids and the corresponding alcohols; and
- Ethylene glycol butyl ethers from butanol and ethylene oxide.

Marketing channels

We operate thirteen regional sales offices and nine storage hubs in South Africa, Europe, the Asia-Pacific region, the Middle East and the US. We utilise a number of distributors and agents worldwide as an extension of our sales and marketing force to enable increased market penetration.

A combination of product and account managers ensures continued, long-term relationships with our customers. Our in-house sales and administrative staff manage order processing, logistics and collection of payments as well as customer relationships. The use of bulk supply facilities situated in China, Dubai, Europe, Singapore, South Africa and the US allows for timely delivery to our customers.

Factors on which the business is dependent

Our plants operate using a combination of proprietary technology developed by Sasol, primarily by Sasol Technology, as well as technology licenced from various suppliers. Our acrylates and n-butanol technology is licenced from the Mitsubishi Chemical Company. Our maleic anhydride technology (utilised in Sasol Huntsman) is licenced from Huntsman Corporation. We own the licence to the MiBK technology. The hydroformylation technology for use in our Safol and Octene 3 plants is licenced from Davy Process Technology.

Table of Contents

We licence our technology for alcohol recovery to PetroSA. Being fully integrated into the Sasol operations in South Africa, we are dependent on Sasol Synfuels and Sasol Infrachem for the supply of both our raw materials and utilities (electricity, water and air).

Property, plants and equipment

Production capacity as at 30 June 2014

Product	South Africa	Germany	Total[1]
		(ktpa)	
Ethylene	293		**293**
Acetone	175		*175*
MEK	60		*60*
MiBK	58		*58*
Glycol ethers		80	**80**
Butyl glycol ether		80	*80*
Acetates	54		**54**
Ethyl acetate	54		*54*
Mixed alcohols	215		**215**
Pure alcohols	473		**473**
Methanol (C_1)	140		*140*
	114		*114*

Ethanol (C_2)			
n-Propanol (C_3)	54		*54*
Isopropanol (C_3)			
n-Butanol (C_4)	150		*150*
iso-Butanol (C_4)	15		*15*
Acrylates	125		**125**
Ethyl acrylate	35		*35*
Butyl acrylate	80		*80*
Glacial acrylic acid	10		*10*
Maleic anhydride		53	**53**
Other	19		**19**

(1) Consolidated nameplate capacities excluding internal consumption and including our attributable share of the production capacity of our Sasol Huntsman joint venture.

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

Approximately 92% of our production capacity is located at sites in South Africa and 8% in Germany. Our second MiBK plant at Sasolburg, with a nameplate capacity of 30 ktpa, started up in April 2010.

Sasol Olefins & Surfactants

Nature of the operations and its principal activities

Sasol Olefins & Surfactants (Sasol O&S) comprises ten areas of activity, grouped into two business divisions, namely the Organics and Inorganics Divisions.

Table of Contents

The Organics Division consists of:

- Alkylates;
- Alcohols;
- Surfactants;
- Co-monomers;
- Organic intermediates; and
- Ethylene.

The Inorganics Division consists of:

- Specialty aluminas;
- Specialty silica aluminas;
- Multi-element doped aluminas; and
- Hydrotalcites.

Alkylates

The main alkylate products are paraffins, olefins and linear alkyl benzene (LAB). LAB is the feedstock for the manufacture of linear alkyl benzene sulfonate (LAS), an essential surfactant ingredient for the detergents industry. Paraffins (n-paraffins) and n-olefins are produced mainly as feedstock for the production of LAB and oxo-alcohols. A portion of this business unit's products are used internally for the production of downstream surfactants.

Alcohols

These products cover a diversified portfolio of linear and semi-linear alcohols of carbon range between C_6 and C_{22}+. The diversity of this product portfolio is supported by the wide range of feedstocks (petrochemical, oleochemical and coal-based), technologies and manufacturing facilities used. A portion of the alcohols production is consumed internally to produce surfactants and specialty plasticisers.

Surfactants

These products include nonionic and anionic surfactants, based on alcohol, LAB and other organic intermediates.

Co-monomers

These products include pentene, hexene and octane, and are primarily used as co-monomers in polyethylene production. Competitors include Chevron Phillips, Shell and INEOS.

Organic intermediates

Other organic intermediate chemicals include ethylene oxide, alkyl phenols, alkanolamines, etc.

Ethylene

Our ethane-based cracker in Lake Charles, Louisiana, the US, produces ethylene for the US market. A portion of the ethylene production is consumed internally to manufacture Ziegler alcohols, ethylene oxide and co-monomers.

Table of Contents

In 2011, Sasol commenced with a pre-feasibility study to assess the technical and commercial viability of a world-scale ethane cracker and associated ethylene derivatives in Louisiana. This project has subsequently moved into FEED with a final investment decision expected during the 2014 calendar year.

Inorganics

These products involve mainly specialty aluminas and related products. The inorganics specialities are further processed by means of a variety of technical processes to adapt the product characteristics to highly specialised products. The inorganics division also manufactures shaped catalyst carriers, as well as ultra-high purity alumina for sapphire applications as required for LED lighting.

Principal markets

The bulk of the production from the alkylates product group ends up as surfactants, either produced internally (our surfactants product group) or by other parties having acquired the intermediates from us. The bulk of these surfactants result in the making of detergents and industrial or institutional cleaning products. The main competitors include Shell and Cepsa in n-paraffins; Huntsman Corporation, Cepsa and ISU in the LAB market.

Although a substantial portion of the alcohols and resultant surfactants products also end up in detergents and industrial and institutional cleaning products, these products also find wide application in industries such as metalworking, flavours and fragrances, personal care, cosmetics, plastic additives, textiles and agriculture. The main competitors include Shell and BASF, as well as a growing number of oleochemical alcohol producers in Southeast Asia.

Specialty aluminas and related products from the inorganic division are used in a broad range of applications, including catalyst support, raw material for ceramics, coatings, polymer additives and synthetic sapphires. Competitors in aluminas include UOP and Sumitomo.

Ethylene, based on ethane as feedstock, is sold to plastic manufacturers in the US Gulf Coast region and is used internally to manufacture alcohols and ethylene oxide.

Seasonality

There is very little seasonality associated with our products or the markets in which they participate. Cyclicality of this business is more related to the general chemical investment cycle, which impacts the supply side of the market equation. Many of the markets that we serve typically follow global and regional gross domestic product growth trends and are therefore impacted more by macro-economic factors.

Raw materials

The main feedstocks used in this business are kerosene, benzene, ethane, ethylene, oleochemical and aluminium (all purchased externally with the exception of some portion of our ethylene which is produced at our Lake Charles facility and the Fischer-Tropsch based feedstock used for our South African alcohol and co-monomer production). The prices of most of these materials are related to crude oil and energy pricing and the prices follow the movement of crude oil and energy pricing reasonably closely and, to a lesser extent, lauric oils. In view of the expected increase in oleochemical-based alcohol production, the differential between crude oil and lauric oils is expected to become increasingly important in determining competitiveness.

Table of Contents

Marketing channels

Over 90% of the products produced by Sasol O&S are sold directly to end-user customers by our sales and marketing personnel. A limited number of distributors are used. Approximately 60% of the total sales by Sasol O&S are conducted under annual and, in some cases, multi-year contracts.

Factors upon which the business is dependent

The business, especially margins, is dependent on the supply and demand of the various products that we make and the feedstock costs. Demand growth is typically GDP driven with some exceptions of higher growth products and markets. Supply is primarily influenced by the build-up of new capacity in the developing regions, especially China, India and Southeast Asia. Feedstock costs generally follow the trends of crude oil and vegetable oil.

We are in the on-going process of obtaining the relevant data required in order to comply with the EU REACH regulation (REACH), which became effective on 1 June 2007. We have already complied with the first two major deadlines by registering our highest volume products (tiers one and two). We are now working on the next tier of products (volumes below 100 tons per year) with the deadline of 31 May 2018. The estimated total costs of compliance over the 10 year registration period amounts to approximately €22 million. To date, €11 million has been incurred to comply with REACH.

Property, plants and equipment

The following table summarises the production capacity for each of the main products marketed by Sasol O&S.

Production capacity at 30 June 2014

Product	Facilities location	Total[(1)] (ktpa)
Surfactants	United States, Europe, Far East	**1 000**
C_{6+} alcohol	United States, Europe, South Africa, Far East	**630**
Ethylene	United States	**455**
Inorganics	United States, Europe	**70**
Paraffins and olefins	United States, Europe	**750**
LAB	United States, Europe	**435**
C_5-C_8 alpha olefins	United States, South Africa	**456**

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

Other chemical businesses

Other chemical businesses include Sasol Wax, Sasol Nitro, Sasol Phenolics (previously Merisol), Sasol Infrachem and various smaller chemical businesses.

Sasol Wax produces and markets wax and wax-related products to commodity and specialty wax markets globally. The division refines and blends crude oil-derived paraffin waxes, as well as synthetic waxes produced on the basis of our Fischer-Tropsch technology. The division markets its products globally, but its main markets are in Europe, the US and Southern Africa. The overall world market for waxes is estimated at about 4 500 ktpa and our main competitors in the commodity market are ExxonMobil, Shell, China Oil and Sinopec.

Table of Contents

Sasol Nitro manufactures and markets fertilisers, commercial explosives and related products. The division also markets sulphur produced by other Sasol divisions. All production activities are located in Southern Africa. The business's products are mainly sold within Southern Africa with increasing exports into Western Africa. Fertiliser products produced at the South Africa Secunda manufacturing plant are limited to ex-works sales as per the agreement with the South African Competition Commission.

Sasol Phenolics manufactures the pure products, phenol, ortho-cresol, meta-cresol and para-cresol, and a diverse range of blended products, consisting of mixtures of phenol, cresols, xylenols and other phenol derivatives.

Sasol Infrachem is the supplier of utilities and services to various Sasol business units (Sasol Polymers, Sasol Solvents, Sasol Wax, Sasol Phenolics and Sasol Nitro) as well as external businesses in Sasolburg. Sasol Infrachem operates and maintains the auto thermal reformer (ATR), which reforms natural gas into synthesis gas. Sasol Infrachem is the custodian of the Sasolburg gas loop and the primary responsibility of this function is to ensure that the reformed gas demand/supply is balanced and that reformed gas is supplied to the users of gas on its site.

Sasol Infrachem also produces ammonia. About half of Sasol's total ammonia production is used by Sasol Nitro to produce ammonium nitrate-based fertilisers and explosives. The balance of ammonia is sold mainly to other South African explosives and fertiliser manufacturers with relatively small quantities sold for use in other industrial applications, which include chemical manufacture and mineral beneficiation. Sasol is the only ammonia producer in South Africa, with a total nameplate production capacity of 660 ktpa.

Property, plants and equipment

The following table summarises the production capacity of our other chemical businesses at 30 June 2014:

Product	Europe	South Africa	United States	Total[1]
		(ktpa)		
Sasol Wax				
Paraffin wax and wax emulsions	430			**430**
FT-based wax and related products		220		**220**
Paraffin wax		30	100	**130**
Sasol Nitro				
Granular and liquid fertilisers		700		**700**
Ammonium sulphate		100		**100**
Explosives		300		**300**
Sasol Phenolics				
Phenol		35	10	**45**
Ortho-cresol		9	6	**15**
Meta- and para-cresol			16	**16**
Meta-, para-cresol mixtures			30	**30**
Cresylic acids and xylenols		25	20	**45**
High-boiling tar acids		3	1	**4**
Butylated products			13	**13**

Table of Contents

Sasol Infrachem

Product	Facilities location	Total[1]
Steam	South Africa	1 750 tons per hour (tph)
Electricity	South Africa	137 megawatts (MW)
Water	South Africa	123 mega litres per day (Ml/day)
Reformed gas (ATR)	South Africa	50 million gigajoules per annum (GJ/a)
Ammonia	South Africa	660 ktpa

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

Other businesses

Sasol Technology

Nature of the operations and its principal activities

Sasol Technology, as the technology partner in the group, is fully committed to the Sasol group growth objectives by working together with the business units and taking responsibility for the long-term research and development of technology improvements as well as developing new technologies. Through engineering and project execution activities Sasol Technology demonstrates its commitment to the delivery of viable solutions to our business partners for their operations.

Acquiring technology research and development

The central research and development division in Sasolburg focuses on process research and competency development, while the decentralised divisions focus on product applications. The Sasolburg research facility was expanded and modernised in 2012 with the aim to:

- enhance infrastructure through the installation of new pilot plants to improve operational efficiency and flexibility;
- enable enhanced reactor and catalyst development programs in support of our advanced Fischer-Tropsch technology development objectives; and
- improve information and data management.

The enhanced facilities allow the opportunity to commercialise new and improved petrochemical processes more effectively. The central research function has a full suite of state-of-the-art pilot plants to support the development of both current and future technologies. As new technologies are developed, these facilities are growing, with new pilot plant and laboratory facilities being added on an on-going basis. Two significant pilot plants to support chemical and GTL process development and demonstration were installed in 2013 and 2014. As a result of our investment in facility upgrades in recent years, we are now seeing the benefits in the improved quality and efficiency of our research efforts.

The Sasolburg research activities, supplemented by a presence at the University of St Andrews in Scotland and in Enschede in The Netherlands, are also conducted through external alliances and research collaborations with over 100 research institutions, consortia and universities worldwide. In addition, we acquired a further GTL pilot plant facility in Tulsa, Oklahoma, to support the optimisation and commercialisation of new technology.

Sasol Technology research and development projects over the past decade include the development of the slurry phase and advanced synthol reactors, the development of the proprietary cobalt catalyst,

Table of Contents

the low temperature Fischer-Tropsch process, ethylene tetramerisation and the extraction of value added chemicals from the GTL process. A significant part of the research focuses on supporting the GTL technologies and associated products. The production of chemicals from the primary Fischer-Tropsch products is of particular interest.

Research is also focused on the reduction of the Sasol operations' environmental footprint which includes greenhouse gas reduction, water treatment and purification. In this regard, special attention is given to water utilisation, given the location of some of the current and future plants in semi-arid areas. For example, one of the new water treatment processes developed by Sasol is currently being commercialised at Sasol's Synfuels site. Additionally, we inaugurated a new pilot plant last year to demonstrate a novel water treatment process for future GTL facilities. Reduction in greenhouse gases focuses on improving plant efficiencies, carbon dioxide capturing and understanding potential utilisation alternatives. Sasol Technology has also increased its focus on exploring technology options adjacent to, but beyond, our current technology portfolio, with a view to diversifying the options available to Sasol.

Commercialising technology front end engineering and technology management

All front end engineering and technology integration and management are performed by specialist Sasol Technology teams and supported by specialised external partners where appropriate. The team takes the idea from our research and development departments and engineers it into a commercial proposition for exploitation by the group. The conceptual studies, basic design and engineering management of projects are undertaken on an integrated basis with the business unit, leveraging external technology suppliers and contractors.

Installing technology project execution and engineering

Sasol Technology is responsible for the execution of capital projects and project engineering in the group. The involvement is not only focused in South Africa but also elsewhere in the world where Sasol is undertaking studies and the execution of projects. Delivery of some smaller projects and shutdowns are also undertaken. These initiatives are highly leveraged with external engineering and construction contractors providing support to deliver projects.

Optimising technology operations support

Technical support groups work on an integrated basis with the operations personnel of the business units to improve the profitability and optimise plant performance throughout the group.

Principal Markets

Sasol Technology partners with all business units in the Sasol group. However, in line with the group's strategic priorities Sasol Technology mainly is focused on:

South African energy landscape

- ensuring sustainable South African synthetic fuels capacity, specifically in the Secunda Complex, that meets all environmental and modern fuel requirements.

International energy landscape

- implementing prospective GTL facilities globally; and
- catalyst manufacture facilities to supply GTL plants with proprietary FT cobalt catalyst.

Chemicals landscape

- co-monomers, solvents, polymers and waxes;

Table of Contents

extracting value added products including chemicals from GTL and CTL products; and

exploring chemical opportunities that do not rely on the Fischer-Tropsch value chain.

New energy landscape

understanding the energy landscape and evaluating various alternatives with a view to introducing low-carbon electricity into our energy mix.

Sasol group landscape

long-term strategic research in gas monetisation via GTL, chemical processes.

Property, plants and equipment

The Sasolburg research facility was expanded affording the opportunity to commercialise new and improved petrochemical processes more effectively. The central research function has a full suite of state-of-the-art pilot plants to support the development of both current and future technologies. Besides the new laboratories and the fuels research facilities in Sasolburg, plans have been approved to expand the fuel testing and engine emissions laboratory in Cape Town, South Africa, to more effectively research the application of our unique GTL and CTL fuels at sea level.

Legal proceedings and other contingencies

Sasol Nitro As previously reported, Sasol Nitro, formerly a division of Sasol Chemical Industries (Proprietary) Limited (SCI), concluded a settlement agreement with the Competition Commission of South Africa (the Commission) in May 2009. This settlement agreement was in full and final settlement of contraventions relating to price fixing, market division and collusive tendering.

In May 2012, 58 individual farmers, through facilitation of the Transvaal Agricultural Union, filed civil claims totalling approximately R52 million against SCI. The applicants alleged that they had been overcharged by SCI for products purchased, and that this overcharge arose from conduct which was admitted to by SCI in the settlement agreement concluded with the Commission in May 2009.

The pleadings have closed. The trial will commence on 11 August 2015. RBB Economics (RBB) has submitted a draft economic expert report regarding the alleged damages suffered by the applicants. In July 2014, RBB and Sasol Nitro's counsel held a meeting to discuss the draft RBB report. Sasol Nitro requested RBB to reconsider some aspects of the draft report and to resubmit an updated version in August 2014. It is currently not possible to make an estimate of any contingent liability.

Sasol Chemical Industries complaint referral by Omnia On 31 August 2011, Omnia Group (Pty) Ltd (Omnia) submitted a complaint against SCI to the Commission. The complaint related to, inter alia, allegations of excessive pricing for ammonia and price discrimination in respect of ammonia.

On 7 March 2012, the Commission issued a notice of non-referral in respect of the complaint on the grounds that the conduct complained of was substantially the same as the conduct in respect of which the Commission had concluded a settlement agreement with Sasol in July 2010.

On 5 April 2012, Omnia referred the complaint themselves to the South African Competition Tribunal (the Tribunal). Omnia alleges that:

a) SCI charged Omnia an excessive price for ammonia during the period from May 2006 to December 2008;

b) SCI has prevented Omnia from expanding within the markets for the supply of certain fertilisers during this period; and

c) SCI has engaged in prohibited price discrimination in respect of ammonia.

65

Table of Contents

SCI does not agree with the allegations made and is defending the matter. The allegations made are substantially similar to allegations in a civil claim for damages made by Omnia in 2009, which SCI is also defending in arbitration proceedings.

Sasol continues to prepare its defence in this matter. The parties have agreed that Omnia will argue its case before the Tribunal from 1 - 12 December 2014 and SCI will thereafter present its case to the Tribunal from 16 February 2015 to 6 March 2015. It is currently not possible to make an estimate of a contingent liability for the claim and, accordingly, no provision was recognised at 30 June 2014.

Sasol Wax As previously reported, on 1 October 2008, the European Commission found that members of the European wax industry, including Sasol Wax GmbH, had formed a cartel and violated antitrust laws. A fine of EUR 318,2 million was imposed by the European Commission on Sasol Wax GmbH and was subsequently paid. On 15 December 2008, all Sasol companies affected by the decision lodged an appeal with the European Union's General Court against the decision of the European Commission on the basis that the fine is excessive and should be reduced. On 11 July 2014, the European General Court reduced the fine by EUR 168,22 million to EUR 149,98 million. The European Commission did not appeal the decision. Sasol has accounted for this as a post balance sheet adjusting event. The effect of the reduced fine has been accounted for in Sasol's 2014 income statement. The refund was received in August 2014.

As a result of the fine imposed on Sasol Wax GmbH, on 23 September 2011, Sasol Wax GmbH and Sasol Wax International AG were served with a law suit in The Netherlands by a company to which potential claims for compensation of damages have been assigned to by eight customers.

On 9 December 2013, Sasol Wax GmbH and the other defendants concluded a joint defence agreement and submitted a joint non-binding offer to pay a lump sum of EUR5 million (including interest and costs of the plaintiff) to settle all claims. Sasol Wax's share in this offer was approximately EUR3,2 million. The plaintiff rejected the offer and indicated that it would continue pursuing its claims against Sasol and the other three main defendants in court. As a consequence, Sasol prepared a statement of defence which was submitted to the court on 5 February 2014. The hearing will take place on 3 November 2014 in The Hague.

The plaintiff has not yet specified the amount of the claim. Further detailed information will be exchanged during the court proceeding. Accordingly, a reliable estimate of the amount of the claim could not be made at this point in time.

Sasol Polymers The Commission alleges that SCI charged excessive prices for propylene and polypropylene in the South African market from 2004 to 2007. Sasol disputes the Commission's allegations. In 2010, the matter was referred by the Commission to the Tribunal. The matter was heard before the Tribunal during 2013.

On 5 June 2014, the Tribunal released its decision in respect of Sasol Polymers' pricing of propylene and polypropylene. In its decision, the Tribunal made a finding against SCI in relation to its pricing of both propylene and polypropylene, for the period in question. In respect of purified propylene, the Tribunal has imposed an administrative penalty of R205,2 million. In respect of polypropylene, the Tribunal has imposed a penalty of R328,8 million. In addition, the Tribunal also ordered revised future pricing of propylene and polypropylene.

On 27 June 2014, SCI filed an appeal against the decision of the Tribunal with the South African Competition Appeal Court. SCI recognised a provision for the fine of R534 million. The outcome of the appeal process cannot be predicted.

Table of Contents

On 11 July 2014, the Commission delivered a Notice of Cross- Appeal in requesting the Competition Appeal Court to increase the administrative penalties imposed on SCI to R1 094 million for propylene, and R1 754 million for polypropylene.

Abuse of dominance investigation Sasol Chemical Industries (Sasol Polymers), Sasol Synfuels, Sasol Oil and Sasol Limited

In November 2011, Safripol (Pty) Ltd (Safripol) initiated a complaint with the Commission against SCI. In the complaint, Safripol alleged that SCI had contravened various sections of the Competition Act with regard to pricing and supply of propylene and ethylene. Safripol subsequently, withdrew the complaint.

The Commission however elected to continue with its investigation into the matter. Sasol was informed of the investigation in a letter from the Commission dated 30 July 2011. The Commission alleges that Sasol engaged in the following conduct:

Excessive pricing of propylene and ethylene required by Safripol;

Constructive refusal to supply scarce goods (namely propylene and ethylene);

Margin squeezing in respect of the supply of propylene and polypropylene; and

Price discrimination in relation to the sale of propylene and ethylene.

The Commission stated in the above mentioned letter that as the alleged conduct relates to pricing of inputs, and may be linked with the pricing and supply of feedstock propylene and ethylene, their investigation extends to Sasol Limited, Sasol Oil, Sasol Synfuels and SCI. The period under investigation is from 2008 to 30 July 2012.

Although there had been no engagement with the Commission on this matter, since Sasol's last submission in November 2012, Sasol received a further information request from the Commission on 7 August 2014. Sasol is in the process of gathering the information.

The outcome of this matter cannot be estimated at this point in time and accordingly, no provision was recognised at 30 June 2014.

Sasol Oil Commercial diesel On 24 October 2012, the Commission referred allegations of price-fixing and market division against Chevron SA, Engen, Shell SA, Total SA, Sasol Limited, BP SA and the South African Petroleum Industry Association ("SAPIA") to the Tribunal for adjudication.

The Commission is alleging that the respondents exchanged commercially sensitive information, mainly through SAPIA, in order to ensure that their respective prices for commercial diesel followed the Wholesale List Selling Price published by the Department of Energy.

This is not a new matter and Sasol began engaging with the Commission in this regard in 2008 as part of its group-wide competition law compliance review, which preceded the Commission's investigation into the liquid fuels sector.

Sasol has reviewed the Commission's referral documents and does not agree with the Commission's allegations. Accordingly, Sasol is assessing the legal options available to it.

Other From time to time Sasol companies are involved in other litigation and similar 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.

Table of Contents

Competition matters

Sasol continuously evaluates its compliance programmes and controls in general, and its competition law compliance programme and controls. As a consequence of these compliance programmes and controls, including monitoring and review activities, Sasol has also adopted appropriate remedial and/or mitigating steps, where necessary or advisable, lodged leniency applications and made disclosures on material findings as and when appropriate. These ongoing compliance activities have already revealed, and may still reveal, competition law contraventions or potential contraventions in respect of which we have taken, or will take, appropriate remedial and/or mitigating steps including lodging leniency applications.

The Commission is conducting investigations into the South African liquid petroleum, piped gas, fertilisers and polymer industries. Sasol continues to interact and co-operate with the Commission in respect of the subject matter of current leniency applications brought by Sasol, conditional leniency agreements concluded with the Commission, as well as in the areas that are subject to the Commission's investigations.

Environmental Orders

Sasol is subject to loss contingencies pursuant to numerous national and local environmental laws and regulations that regulate the discharge of materials into the environment and that may require Sasol 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.

Sasol's environmental obligation accrued at 30 June 2014 was R11 013 million compared to R9 831 million at 30 June 2013. Included in this balance is an amount accrued of approximately R4 852 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 on-going monitoring. Due to uncertainties regarding future costs the potential loss in excess of the amount accrued cannot be reasonably determined.

Although Sasol has 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, occupational 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.

Regulation

The South African government has, over the past 20 years, introduced a legislative and policy regime with the imperative of redressing historical, social, and economic inequalities, as stated in the Constitution of the Republic of South Africa, by way of the empowerment of historically disadvantaged South Africans (HDSAs) in the areas of ownership, management and control, employment equity, skills development, procurement, enterprise development and socio-economic development.

Table of Contents

The majority of our operations are based in South Africa, but we also operate in numerous other countries throughout the world. In South Africa, we operate coal mines and a number of production plants and facilities for the storage, processing and transportation of raw materials, products and wastes related to coal, oil, chemicals and gas. These facilities and the respective operations are subject to various laws and regulations that may become more stringent and may, in some cases, affect our business, operating results, cash flows and financial condition.

Empowerment of historically disadvantaged South Africans

Broad-based Black Economic Empowerment Act, 53 of 2003

Sasol is well aligned with the economic transformation and sustainable development objectives embodied in the South African legislative and regulatory framework governing Broad-based Black Economic Empowerment (BBBEE). The key elements of this framework are the BBBEE Act, the Codes of Good Practice (the new Codes were gazetted on 11 October 2013, with a transition period until 30 April 2015) for BBBEE issued by the Minister of Trade and Industry in terms of the Act (the Codes), as well as the Charters (i.e. the Mining Charter and Liquid Fuels Charter in South Africa addressing employment equity) adopted by the various sectors within which Sasol operates businesses and related scorecards. The measures discussed below reflect Sasol's commitment to giving meaningful effect to the letter and spirit of the BBBEE legislative and regulatory framework.

Sasol Inzalo share transaction

The Sasol Inzalo share transaction is one of the major broad-based black economic empowerment initiatives undertaken by Sasol. Its components include employee trusts, the Sasol Inzalo Foundation, a transaction for selected participants, as well as a public offering targeted at black participants. It resulted 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 black South Africans (BEE participants).

It has a tenure of 10 years and 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 2008. The effective date for the black public invitations was 8 September 2008. Refer to "Item 5A Operating results Sasol Inzalo share transaction".

The Mining Charter

In October 2002, the government and representatives of South African mining companies and mineworkers' unions reached broad agreement on the Mining Charter, which is designed to facilitate the participation of HDSAs in the country's mining industry.

The Mining Charter, together with a scorecard which was published on 18 February 2003 to facilitate the interpretation of and compliance with the Mining Charter (the scorecard), requires mining companies to ensure that HDSAs hold at least 15% ownership of mining assets or equity in South Africa within five calendar years and 26% ownership within 10 calendar years from the enactment of the new MPRDA which came into force on 1 May 2004.

The Mining Charter was revised after the initial five year period and the revised Mining Charter became effective on 13 September 2010. The revised Mining Charter stated objectives include the:

Promotion of equitable access to the nation's mineral resources to all the people of South Africa;

Substantial and meaningful expansion of opportunities for HDSAs to enter the mining and minerals industry and to benefit from the exploitation of the nation's mineral resources;

Table of Contents

Utilisation and expansion of the existing skills base for empowerment of HDSAs and to serve the community;

Promotion of employment and advancement of the social and economic welfare of mine communities and major labour sending areas;

Promotion of beneficiation of South Africa's mineral commodities; and

Promotion of sustainable development and growth.

The scorecard reporting template released by the Department of Mineral Resources also added further elements, not contained in the revised Mining Charter. The current Mining Charter will end during the 2014 calendar year and will be reviewed during this year. It is uncertain whether the revised Mining Charter will be aligned with the revised Department of Trade and Industry Codes of Good Practice (DTI Codes) which came into effect during October 2013.

The President of South Africa gazetted the new Codes of Good Practice for broad-based black economic empowerment (B-BBEE) on 11 October 2013, with a transition period until 30 April 2015. These codes provide a standard framework for the measurement of B-BBEE across all sectors of the economy, other than sectors that have their own sectoral transformation charters (e.g. the mining industry). Furthermore, the B-BBEE Amendment Act was enacted on 27 January 2014. The B-BBEE Amendment Act makes compliance with the Codes of Good Practice compulsory for all industries. The B-BBEE Amendment Act provides that where any black economic empowerment legislation existed prior to the implantation of the B-BBEE Amendment Act, the B-BBEE Amendment Act will prevail. This is commonly referred to as the trumping provision. It is uncertain to what extent the revision of the Mining Charter, the revised DTI Codes and the trumping provisions will have an impact on our mining operations.

On 11 October 2007, Sasol Mining announced the implementation of a BEE transaction valued at approximately R1,8 billion in terms whereof a black-woman controlled mining company called Ixia Coal (Pty) Ltd (Ixia), acquired 20% of Sasol Mining's shareholding through the issue of new shares. The transaction increased Sasol Mining's BEE ownership component by 20%. The effective date of the Ixia Coal transaction was 29 September 2010, when the remaining conditions precedent were met. Refer to "Item 5A Operating results Sasol Mining Ixia BEE transactions".

We are a participant in transformation charters in the liquid fuels and mining industries in South Africa, pursuant to which we have undertaken to enable HDSA's to hold at least 25% equity ownership in our liquid fuels business and 26% equity ownership in our mining business by 2014. We have met these targets, with Sasol Mining's BEE ownership currently above 40%.

The Liquid Fuels Charter

In 2000, following a process of consultation, the Department of Minerals and Energy (now the Department of Energy) and a number of companies in the liquid fuels industry, including Sasol Oil, signed the Liquid Fuels Charter (the Charter) which sets out the principles for the empowerment of HDSA's in the South African petroleum and liquid fuels industry.

The Charter requires liquid fuels companies, including Sasol Oil, among other things, to ensure that HDSAs hold at least 25% equity ownership in the South African entity holding their operating assets by the end of a period of 10 years from the date of the signing of the Charter.

In order to meet the equity ownership objective of the Charter, Sasol Limited concluded a black economic empowerment (BEE) transaction with an HDSA owned company, Tshwarisano LFB Investment (Pty) Ltd (Tshwarisano), in terms of which Sasol Limited disposed of 25% of its shareholding in Sasol Oil to Tshwarisano. Refer to "Item 5A Operating results Broad-based Black Economic Empowerment transactions".

Table of Contents

The Charter also requires liquid fuels companies to adopt policies to further the other empowerment objectives of the Charter, among other things, employment equity, preferential procurement and skills development.

The Charter further provides for the evaluation by the Department of Energy, from time to time, of the industry's progress in achieving the objectives of the Charter. Given the fact that the aforementioned 10 year period had run its course, the Department of Energy initiated a compliance audit in respect of the Charter in the latter part of the 2010 calendar year. Sasol Oil's compliance with the Charter was audited during the first half of the 2011 calendar year and the final industry report, albeit that the written report has not yet been issued to industry, has been discussed with industry by the Department of Energy on an aggregated basis. Sasol Oil awaits the issuance of the final written report.

BEE policies and legislation

The Broad-based Black Economic Empowerment Act, underpinned by the scorecard setting out clear targets for broad-based BEE, was promulgated into law on 9 February 2003. The scorecard measures the following areas:

- ownership;
- management and control;
- employment equity;
- skills development;
- procurement;
- enterprise development; and
- socio-economic development.

As from 1 July 2006, Sasol Oil has met the 25% BEE ownership target with Tshwarisano holding 25% of the shares in Sasol Oil in line with the Charter.

Employees

In keeping with the spirit of the Charter, as well as the Employment Equity Act, we have set employment equity targets. This requires that advantageous treatment be given to HDSAs in aspects of employment such as hiring and promotion. Employment equity targets are set out and reviewed periodically to ensure that they are met. Special training and mentorship programmes are in place to create a work environment that is suited to the successful nurturing of HDSA staff.

Procurement

Procurement is a crucial element of BEE as set out in the Charter, as well as in other industry charters and government policy. BEE procurement affords smaller industry players the opportunity to participate meaningfully in the sector. As prescribed in the Charter, HDSA owned companies are accorded preferred supplier status as far as possible.

Sasol Oil has established a BEE procurement policy; an enhanced procurement governance model and unique strategies to stimulate growth in its BEE spend.

Corporate social investment

We focus on facilitating the socio-economic development of the communities in which we operate, through partnerships with key stakeholders in these communities.

Table of Contents

Social investment is presently channelled into five main areas:

- Education (particularly in mathematics and science);
- Job creation and capacity building;
- Health and welfare;
- Arts, culture and sport development; and
- Environment.

The Restitution of Land Rights Act, 22 of 1994

Our privately held land could be subject to land restitution claims under the Restitution of Land Rights Act, 22 of 1994. Under this act, any person who was dispossessed of rights to land in South Africa as a result of past racially discriminatory laws or practices is granted certain remedies, including, but not limited to:

- restoration of the land claimed with or without compensation to the holder;
- granting of an appropriate right in alternative state-owned land to the claimant; or
- payment of compensation by the state or the holder of the land to the claimant.

The Restitution of Land Rights Amendment Act became law in February 2004. This act would entitle the minister to expropriate land in the absence of agreement. Such an expropriation could be for restitution or other land reform purposes. Compensation payable to the owner of the land would be subject to the provisions of the Expropriation Act 63 of 1975 and section 25(3) of the South African Constitution which provides, in general, that compensation must be just and equitable.

All claims had to have been lodged with the Land Claims Commission by 31 December 1998. The Restitution of Land Rights Amendment Bill of 2013 that was passed by the National Assembly and the National Council of Provinces on 25 February 2014 and 27 March 2014, respectively, reopens the period for filing of land claims by extending the period until 31 December 2018.

Sasol has been notified of a potential land claim over a property that belongs to Sasol Synfuels, namely the farm Goedehoop 301 IS. Although we have not received any written confirmation in respect of the remedy that will be granted to the claimants in this matter, the Land Claims Commission did indicate verbally that they acknowledge that the land is not suitable for restoration of ownership and all indications are that compensation may be paid to the claimants by the government. In 2012, Sasol received a notification of a further land claim instituted over parts of the farm Grootvlein 293 IS. Sasol Mining is the owner of Portions 13 and 29 of the farm Grootvlein 293 IS. At this stage it is unclear which portions of the farm fall within the land claim and whether the claim has any merit. In February 2013, Sasol received a notification of a further land claim instituted over Portion 8 of the farm Rietvley 320 IS that belongs to Sasol Synfuels. A new ash dam will be partly constructed on this property. This property is already traversed by a Sasol Mining conveyor belt and another conveyor belt is due to cross the property in future. Sasol has engaged with the Land Claims Commission and the claimants on this issue to resolve the matter. Another piece of land was identified to be sold to the Land Claims Commission in place of Portion 8 of Rietvley 320 IS, subject to the withdrawal of the claim.

Regulation of mining activities in South Africa

The Mineral and Petroleum Resources Development Act (MPRDA)

A fundamental shift in the regulation of mineral resources was brought about by the MPRDA, which came into effect on 1 May 2004. As a result of this legislation, South Africa transitioned from private ownership of minerals to a system where the state will act as the custodian of all mineral

Table of Contents

resources, and is entrusted with the responsibility of regulating the mining industry to the benefit of the nation. The MPRDA recognises that the mineral resources of the country are the common heritage of all South Africans and therefore belong to all citizens of South Africa. The MPRDA introduced a comprehensive statutory framework whereby the state, as guardian of mineral resources, may grant prospecting and mining rights to applicants who comply with the required minimum criteria. The MPRDA also introduced extensive new requirements for prospecting- and mining work programmes and the prescribed social and labour plans which accompany applications for mining rights.The MPRDA adopts the environmental management principles and environmental impact assessment provisions of the National Environmental Management Act (NEMA). The MPRDA addresses the allocation of responsibilities for environmental damage, pollution and degradation and imposes rehabilitation obligations. It significantly extends the scope of liability of directors who may be jointly and severally liable for any unacceptable negative impact on the environment, advertently or inadvertently caused by the company. It also allows the state to take remedial action and claim costs from the holder of the applicable right. It requires the approval of an environmental management programme/plan for all prospecting and mining operations and prohibits the carrying out of mining activities prior to the approval of the programme/plan. When rehabilitation is required, it is not limited to the land surface.

The South African government has also enacted the MPRDA Amendment Act, 49 of 2008, and the NEMA Amendment Act, 62 of 2008, in an effort to streamline environmental approvals. The MPRDA Amendment Act of 2008 came into effect on 7 June 2013, but the government intends to make further changes through the proposed MPRD Amendment Bill, 2013 which has already been approved by the National Assembly and the National Council of Provinces, and is awaiting the President's signature.

Whilst the implementation of the 2008 MPRDA Amendment Act had some impact on our business, the 2013 MPRD Amendment Bill initially contained several clauses which caused significant concerns for Sasol Mining, as well as the mining industry as a whole. These concerns related mainly to broad delegations of authorities to ministries and restrictions on the export of minerals and compulsory sale of an undetermined percentage of coal production to local beneficiaries. A further concern was that mining companies will remain liable for rehabilitation post mine closure even if a closure certificate is granted by the Department of Mineral Resources.

Various industry members, including the Chamber of Mines and Sasol, presented submissions to the National Assembly's portfolio committee on minerals during the public hearings on the proposed MPRD Amendment Bill. The Department of Mineral Resources eventually reached a compromise with the industry and changed the wording of almost all of the contentious provisions. Although far from ideal, these amendments were acceptable to most industry members. The provision which entitles the government to a free carried interest in all new petroleum ventures still remains a concern. A number of critical issues will be dealt with in the new regulations to be published under the MPRD Amendment Bill. These regulations are not yet available and their impact on Sasol remains unclear.

Mining rights

All Sasol Mining's old order prospecting and mining rights have been converted to new order rights. Sasol Mining's mining rights in respect of its Mpumalanga operations (Secunda Complex) as well as its Sigma: Mooikraal operations in the Free State have been extended to 2040, and can be renewed for further periods of 30 years at a time.

We are a participant in transformation charters in the liquid fuels and mining industry in South Africa, pursuant to which we have undertaken to enable historically disadvantaged South Africans to hold at least 25% equity ownership in our liquid fuels business and 26% equity ownership, by 2014, in our mining business. We have met these targets, with Sasol Mining's BEE ownership currently above

Table of Contents

40%. Sasol Mining achieved an overall score of 88% for its Secunda operations and 91% for Sigma: Mooikraal operations with regard to its Mining Charter compliance for the 2013 calendar year. The scores have been verified by an independent verification agency.

Furthermore, royalties from mining activities are payable to the state, as from 1 March 2010, under provisions contained in the Mineral and Petroleum Resources Royalty Act, 28 of 2008, and the Mineral and Petroleum Royalty Administration Act, 29 of 2008. The most significant feature of the acts is that the royalty is determinable in accordance with a formula-based system. The impact on Sasol Mining for the year ended 30 June 2014 is a cost of R51,9 million (2013 R44,3 million). The royalty is deductible for normal income tax purposes.

Regulation of pipeline gas activities in South Africa

The Gas Act

The Gas Act, which is currently being revised, came into effect on 1 November 2005. The Gas Act regulates matters relating to gas transmission, storage, distribution, liquefaction and re-gasification activities. Among its stated objectives are:

promoting the efficient development and operation of the respective facilities and the provision of respective services in a safe, efficient, economically and environmentally responsible way;

promoting companies in the gas industry that are owned or controlled by HDSAs;

promoting competition and investment in the gas markets; and

securing affordable and safe access to gas services.

The Gas Act provides for the powers of the National Energy Regulator of South Africa (NERSA) regarding pipeline gas, whose powers include the issuance of licences for a range of activities including:

the construction, conversion or operation of gas transmission, storage, distribution, liquefaction and re-gasification facilities; and

trading in gas.

NERSA has the authority to determine maximum prices for distributors, reticulators and all classes of consumers where there is inadequate competition as contemplated in the South African Competition Act. The Gas Act gives NERSA the authority to impose fines and other punitive measures for failure to comply with the licence conditions and/or the provisions of the Gas Act.

The National Energy Regulator Act

The National Energy Regulator Act came into operation on 15 September 2005. The National Energy Regulator Act provides for the establishment of a regulator to regulate the piped gas, petroleum pipeline and electricity industries and for the functions and composition of the energy regulator. On 1 November 2005, NERSA, pursuant to the National Energy Regulator Act, came into existence.

A draft National Energy Regulator Amendment Bill has been published for comment and Sasol has subsequently commented on the proposed changes.

All construction activities relating to the distribution and transmission pipeline networks of Sasol Gas are also undertaken subject to the relevant construction licences as prescribed by the Gas Act. All gas trading, distribution and transmission activities of Sasol Gas are undertaken subject to the applicable licences issued by NERSA.

Table of Contents

The Mozambique Gas Pipeline Agreement (Regulatory Agreement)

This agreement entered into between Sasol Limited and the South African Government, represented by the Minister of Minerals and Energy, and the Minister of Trade and Industry in connection with the introduction of natural gas by pipeline from Mozambique into South Africa is incorporated into the Gas Act through the reference thereto in Section 36 of the act. The Gas Act provides that the terms of the agreement bind the Gas Regulator for a period until 10 years after natural gas is first received from Mozambique (26 March 2004). From the date of the conclusion of the agreement, the terms of the agreement relating to the following matters constitute conditions of the licences to be issued to Sasol Gas and Rompco under the Gas Act:

our rights and periods granted in respect of transmission and distribution of gas;

third party access to the transmission pipeline from Mozambique and to certain of our pipelines;

prices we charge for gas;

our obligation to supply customers, distributors and reticulators with gas; and

the administration of the agreement.

At the conclusion of the 10 year period provided for in the Regulatory Agreement, on 25 March 2014, the transmission tariffs for piped gas and gas prices charged by Sasol Gas became subject to regulation by NERSA in terms of the regulatory powers of NERSA established by the Gas Act. In this regard, NERSA has promulgated the tariff methodology that will apply to gas transmission and storage operations and NERSA has published the methodology that will apply to the approval of maximum prices in terms of the Gas Act.

As part of the Gas Act, the Regulatory Agreement forms part of the legislation and, as such, the same legislative processes generally applicable to changes in legislation would apply to it.

The 10 year regulatory dispensation negotiated with the South African government with respect to the supply of Mozambican natural gas to the South African market expired in March 2014.

In accordance with the regulatory framework relating to gas prices and tariffs, NERSA has on 26 March 2013 approved transmission tariffs and maximum gas prices which will apply to our gas business in South Africa after the expiry of the aforesaid regulatory dispensation. Pursuant to the approved tariffs and maximum prices, Sasol Gas implemented a standardised pricing mechanism in its supply agreements with customers in compliance with the applicable regulatory and legal framework. Seven of Sasol Gas' largest customers initiated a judicial review of the NERSA decisions relating to its maximum price and tariff methodologies and NERSA's decision on Sasol Gas's maximum price application. This review application has not concluded. It is uncertain how the outcome of this review application will affect the tariffs and gas prices that Sasol Gas charges. We cannot assure you that the provisions of the Gas Act, the implementation of a new gas price and tariff methodology pursuant to the NERSA approvals and the outcome of the review application will not have a material adverse impact on our business, operating results, cash flows and financial condition.

The Gas Regulator Levies Act

The Gas Regulator Levies Act came into effect on 1 November 2005. It provides for the imposition of levies by the Gas Regulator on the amount of gas delivered by importers and producers to inlet flanges of transmission or distribution pipelines. These levies will be used to meet the general administrative and other costs of the gas regulation activities of NERSA and the functions performed by NERSA in this regard. During the NERSA financial year which ended on 31 March 2014, Sasol Gas paid a total amount of R52 million (2013 R56,1 million) in levies under this Act. For the NERSA financial year ending on 31 March 2015, the levies proposed have been R0,3793/GJ. The levies have yet to receive the required ministerial approval. It is anticipated that approximately R62 million will be paid in levies during this period.

Table of Contents

Regulation of petroleum-related activities in South Africa

The Petroleum Products Amendment Act (Amendment Act)

The Amendment Act, which amends the Petroleum Products Act and became effective in 2006, prescribes that a person may not be involved in the activities of manufacturing, wholesaling, holding or development of retail sites and retail sale of petroleum products without the appropriate licence having been issued in terms of the Amendment Act. The Amendment Act deems any person, who was, at the time of commencement of an act amending the Petroleum Products Act in 2003, involved in the aforementioned activities, to be a holder of a licence for that activity, provided such person has applied for such licence. With the exception of licences for new retail site developments, applications for which are approved on an on-going basis on a per site basis, Sasol Oil is not at risk from a licensing perspective.

The Amendment Act entitles the Minister of Energy to regulate the prices, specifications and stock holding of petroleum products and the status in this regard is as follows:

A regulatory price review was conducted by the Department of Energy which resulted in new price calculation methodologies. The new pricing structures came into effect during December 2013;

Changes to align South African liquid fuels specifications with those prevailing in Europe are currently under discussion. It is uncertain as to when these new specifications, which pertain to all liquid fuels consumed in South Africa, will be effective. Compliance with these new specifications will require substantial, however as yet not finalised, capital investments at both National Petroleum Refiners of South Africa (Pty) Ltd (Natref) and Sasol Synfuels. Discussions regarding cost recoveries and/or incentives for these prospective capital investments are on-going with the South African government; and

Regulations to oblige licenced manufacturers and/or wholesalers to keep minimum levels of market-ready petrol, diesel, illuminating paraffin, jet fuel and liquid petroleum gas (LPG) are currently under consideration by the Department of Energy. No indications on volumes, cost recovery and compensation mechanisms available as yet.

We cannot assure you that the application of these regulations will not have a material adverse effect on our business, operating results, cash flows and financial condition.

The Petroleum Products Act authorises the Minister of Energy to promulgate regulations and we cannot assure you that the application of these provisions of the Act, or the promulgation of regulations in terms thereof, will not have a material adverse effect on our business, operating results, cash flows and financial condition.

The Petroleum Pipelines Act

The Petroleum Pipelines Act (the Act), which became effective in 2005, establishes a petroleum pipelines authority, namely NERSA, as custodian and enforcer of the regulatory framework applicable to petroleum pipelines, storage facilities and loading facilities.

The Act provides that no person may construct, or operate, a petroleum pipeline, loading facility or storage facility without a licence issued by NERSA. It enables NERSA to impose conditions on such licences including the setting and approval of petroleum pipeline, storage facility and loading facility tariffs for third party access.

We have been granted licences for our regulated facilities. Applications for tariffs have been submitted in terms of the NERSA rules. The applications are of an interim nature, as Sasol Oil is not yet in a position to fully comply with the applicable regulatory information request from NERSA. Sasol

Table of Contents

Oil has agreed a process with NERSA to implement the NERSA prescribed RRM that will enable NERSA to fully execute its regulatory mandate in this regard.

It is unlikely that the tariffs, once approved, will have a material financial impact on Sasol Oil.

The Act authorises the South African Minister of Energy to promulgate regulations and we cannot assure you that the application of these provisions of the Act, or the promulgation of regulations in terms thereof, will not have a material adverse effect on our business, operating results, cash flows and financial condition.

Safety, health and environment

Regions in which Sasol operates and their applicable legislation

South Africa

In South Africa, we operate a number of plants and facilities for the manufacture, storage, processing and transportation of chemical feedstock, products and wastes. These operations are subject to numerous laws and ordinances relating to safety, health and the protection of the environment.

Environmental regulation

The Constitution of the Republic of South Africa provides the framework for the environmental legislation in South Africa. Section 24 of the constitution enshrines the right of all citizens to an environment that is not harmful to their health and well-being and provides individuals with a right to the protection of the environment. It further provides that these rights can be enforced through reasonable legislative and other measures to prevent pollution and degradation, to promote conservation and to secure ecologically sustainable development. Below is an analysis of some of these laws, which are material to our operations.

National Environmental Management Act. The Act regulates environmental authorisation requirements to manage the environmental impact associated with certain identified activities, as well as, compliance enforcement. These governance and enforcement measures also extend to special environmental management acts, such as the Waste Act, the Water Act and the Air Quality Act. The Act principally imposes a duty of care on persons who have or may pollute or degrade the environment and other responsible parties to take reasonable measures to prevent and remediate environmental damage, protects workers' rights and provides for control over emergency incidents. Non-compliances with provisions on, amongst other things, the duty of care and reporting of significant incidents, are regarded as offences under the Act.

Mineral and Petroleum Resources Development Act. Environmental governance with respect to mining, prospecting, production and exploration is regulated under the MPRDA, consistent with the provisions of the National Environmental Management Act. This act makes provision for the effective management of impacts associated with mining activities. An environmental management programme or plan (EMP) must be compiled and approved by the Department of Mineral Resources, and regularly reviewed. The EMP is required to cover potential environmental as well as socio-economic impacts. This act further requires the making of financial provision for the rehabilitation or management of negative environmental impacts.

Water protection

The National Water Act (the Act) provides for the equitable allocation of water for beneficial use, sustainable water resource management and the protection of the quality of water resources. The Act establishes water management procedures and protects water resources through the licensing of various uses of water. It also includes provisions for pollution prevention, remediation requirements and

Table of Contents

emergency incident management. The Department of Water Affairs is implementing a pricing strategy (in future to include a Waste Discharge Charge System) aimed at allocating the appropriate price for the use of water, which may have a significant impact on operational costs. Sasol is supporting the Department of Water Affairs in developing an implementation plan for the National Water Resource Strategy 2.

A significant part of our operations, including mining, chemical processing and others, require use of large volumes of water. South Africa is generally an arid country and prolonged periods of drought or significant changes to current water laws could increase the cost of our water supplies or otherwise impact our operations.

Air quality protection

The National Environmental Management: Air Quality Act. In terms of this act, the Department of Environmental Affairs (the Department) imposes stricter standards on air quality management in South Africa, through the adoption of ambient and minimum point source emission standards. The minimum point source emission standards impose different standards for new and existing facilities. New facilities must comply with the standards immediately. Existing facilities have five years from 1 April 2010 within which to comply with standards imposed thereon and must comply with the standards imposed for new facilities within 10 years. Compliance with the minimum point source emission standards will result in significant capital and operational costs.

In respect of the licencing conditions, that will require Sasol to comply with the prescribed point source emission standards contained in the applicable regulations issued under the Act, Sasol is in the process of applying for a postponement of the mandated compliance date of 1 April 2015. Sasol has already engaged the public and the authorities on its intended applications. Draft applications have already been submitted for public comment, and a further commenting period is underway in respect of some of its applications.

Sasol participated individually and through industry associations, in air quality law reform initiatives in 2013. The most significant of these included amendments to the minimum emission standards in November 2013. Sasol continues to constructively engage with all stakeholders, including the regulatory authorities, to achieve reasonable and sustainable ambient air quality improvements. Sasol recently submitted extensive comments on the draft offset policy published by the Department of Environmental Affairs. Currently, the outcomes of these applications are uncertain and we cannot confirm that the postponement applications will be successful.

The Department has declared the Vaal Triangle (where the Sasolburg plant is situated) and the Highveld area (where our Secunda operations are situated) as Priority Areas. The Vaal Triangle and Highveld Priority Area Air Quality Improvement Plans are being implemented. Compliance with the provisions of these plans will have significant cost implications.

Climate change management: Some of our processes in South Africa, especially coal gasification, result in relatively high carbon dioxide emissions. South Africa is considered a developing country in terms of the United Nations Framework Convention on Climate Change and, accordingly, is largely exempt from the emissions reductions required. However, the South African government has committed to an emission reduction pledge under the voluntary Copenhagen accord which has been incorporated into the National Climate Change Response White Paper published in November 2011. In May 2013, a second carbon tax discussion document was published for comments and early in 2014 it was indicated that the carbon tax would be integrated with the carbon budget as contemplated in the National Climate Change Response White Paper. This represents a step forward in developing an integrated mitigation approach for South Africa. South Africa has agreed to implement mitigation actions that will collectively result in a 34% and 42% deviation below its "Business As Usual" emissions trajectory by 2020 and 2025, respectively.

Table of Contents

Waste

The National Environmental Management: Waste Act. The act introduces legislative requirements on all aspects of waste management in a comprehensive manner. The act also regulates on contaminated land management. The act imposes various duties on holders of waste including prohibitions on waste disposal. These duties are potentially far reaching as waste is broadly defined. The act also requires licences to be obtained for the commencement, undertaking or conducting of waste management activities. The act further regulates waste information systems and provides for specific regulation of priority wastes. New landfill prohibition standards were introduced in 2013, which will be phased in over the next 15 years. Sasol is actively participating in an industry waste forum established to enable the Department of Environmental Affairs and Business to address implementation challenges with the new legislation. We believe that compliance with specific provisions of the Waste Act may have significant cost implications.

Hazardous substances

Hazardous Substances Act. This act provides for the control and licensing of substances that may cause injury, ill-health or death to human beings by reason of their toxic, corrosive, irritant, strongly sensitising or flammable nature. Regulations have also been proposed providing for the adoption of the United Nations Globally Harmonised System for the classification and labelling of chemicals. This will facilitate alignment with existing international practices.

Health and safety

Occupational Health and Safety Act. This act covers a number of areas of employment activity and use of machinery in South Africa, excluding mining activities. This act and specific regulations thereunder impose various obligations on employers and others to reasonably and practicably maintain a safe and healthy workplace and minimise the exposure of employees and the public to workplace hazards, and establish penalties and a system of administrative fines and other measures for non-compliance.

Mine Health and Safety Act. The purpose of this act is to protect the health and safety of persons at mines by requiring that employers and others ensure that their operating and non-operating mines provide a safe and healthy working environment, determining penalties and a system of administrative fines and other enforcement measures for non-compliance. It specifically gives the Minister of Mineral Resources the right to restrict or stop work and requires an employer to take steps to minimise health and safety risks at any mine.

Compensation for Occupational Injuries and Diseases Act. The purpose of this act is to provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases. This act is administered by the Minister of Labour who manages a compensation fund to which employers contribute, directly or indirectly.

Occupational Diseases in Mines and Works Act. This act relates to the payment of compensation in respect of certain diseases contracted by persons employed at mines. Any mine (including the Sasol Mining operations) at which risk work takes place is deemed to be a controlled mine in respect of the employees for whom the employer is required to make payments to the fund for occupational diseases, in order to meet relevant claims. For further information, refer to "Item 6.C Board Practices The risk and safety, health and environment committee".

Table of Contents

Germany

In Germany, we operate a number of plants and facilities for the manufacture, storage, processing and transportation of chemical feedstock, products and waste. These operations are subject to numerous laws and ordinances relating to safety, health and the protection of the environment.

General environmental care

In terms of the act regulating the Assessment of Environmental Impacts, the environment impact assessment (EIA), is an instrument of preventative environmental care that is legally binding. Issues relating to general environmental care are addressed by the environmental provisions of the Regional Planning Act and other specific and planning law. Installations that pose a particular risk to the environment must have provisions for sufficient cover, an obligation which may be met by arranging liability insurance.

Criminal law provisions are included in the act to combat environmental crime, which targets a range of polluting activities, including water, soil and air pollution, environmentally damaging waste disposal and noise. It also addresses licensing of the operation of installations and the handling of hazardous substances and goods and particularly serious environmental offences.

Specific environmental protection legislation

Emission control. The guideline legislation to protect humans and the environment from air pollution and noise pollution is the Federal Emission Control Act. This act and the ordinances promulgated under it provide the framework for environmental protection and the technical safety of installations. It provides for licensing for installations that are particularly susceptible to causing harmful environmental impacts, including chemical facilities or mineral oil refineries.

Avoidance, recovery and disposal of waste. The Closed Substance Cycle and Waste Management Act regulates the avoidance, recovery and disposal of waste. The aim of this act is to promote an economy based on closed substance cycles, thus conserving resources, and to guarantee the environmentally sound disposal of waste. Wherever waste cannot be avoided, recovered or used to produce energy, it must be removed from the cycle and, as a matter of principle, be disposed of within Germany in a way that is not detrimental to the common good.

Water protection. The guideline legislation in the field of water protection is the Federal Water Act. This requires everyone to exercise adequate care when carrying out measures which may have an impact on a water body so that water pollution or any other negative effect on water is prevented. Surface waters and groundwater are, as public utilities, subject to a public management and utilisation code, which leaves the allocation of users' rights at official discretion.

The Waste Water Charges Act complements the Water Management Act and authorises an annually rising waste water charge linked to the toxicity of the discharged waste water.

Soil protection. The protection and care of soil as an environmental medium and part of the ecosystem is promoted by a range of environmental provisions, primarily the Federal Soil Protection Act. Soil protection measures, preventative or remedial, aim at avoiding or reducing substance inputs into the soil, or removing already existing soil damage, and at addressing the extensive land consumption caused by soil sealing.

Hazardous substances

Regulation of hazardous substances. Provisions for the protection of humans and the environment against the harmful effects of hazardous substances and preparations are provided in the Chemicals Act, the related ordinances on the Prohibition of Certain Chemicals and the Hazardous Incidents

Table of Contents

Ordinance. All hazardous substances, as per the scope identified in the EU REACH Regulation, are subject, to a registration and notification obligation before they can be brought onto the market. Hazardous substances and mixtures must be classified, labelled and packed in accordance with the EU Classification, Labelling and Packaging (CLP) Regulation in line with their hazardous properties. Further regulations prohibiting and limiting manufacture, marketing and use also apply.

Health and safety

The Health and Safety at Work Act provides for protection of the health and safety of employees. It places the employer under a duty to assess hazards at the workplace, to take appropriate preventive measures, and to instruct employees about measures used. The employer must take precautions for especially hazardous areas and situations and provide preventive occupational healthcare. This act is complemented by the Safety at Work Act, which places employers under a duty to appoint appropriately qualified officers to support them in occupational health and safety matters, including ergonomic workplace design.

Italy

In Italy, we operate a number of plants and facilities for the storage and processing of chemical feedstock, products and wastes. These operations are subject to numerous laws and ordinances relating to safety, health and the protection of the environment.

General environmental care

The Environmental Decree (Legislative Decree 152/2006) regulates the most important environmental matters, including authorisations, emissions, water management, wastes and remediation and environmental damages. Several decrees were issued detailing different aspects of the law.

The Industrial Emissions Directive (2010/75/EU) provides that companies must obtain an integrated authorisation for all environmental impacts.

Specific environmental protection legislation

Emission control. Environmental protection and the technical requirements for the licensing of all installations from which emissions emanate is regulated by Legislative Decree 152/06, section 5.

Avoidance, recovery and disposal of waste. Legislative Decree 152/06, Part 4, incorporates the 'polluters pay' principle and further provides for cradle to grave liability for waste. Legislative Decree 4/2008 introduced some requirements about Waste Water Treatment and Risks analysis compliance for underground water contamination.

Water protection. Legislative Decree 152/2006, Part 3, defines the authorisation procedure and discharge limits, in order to protect surface and underground water. Surface water and groundwater are, as public utilities, subject to a public management and utilisation regulation which leaves the allocation of users' rights at official discretion.

Soil protection. The protection and care of soil as an environmental medium and part of the ecosystem is promoted by Legislative Decree 152/06, which essentially follows the Ministerial decree 471/1999 with some simplification as far as documentation is concerned. Soil protection measures, preventative or remedial; aim at avoiding or reducing substance inputs into the soil, or removing already existing soil damage. The Legislative Decree sets forth both the acceptable limits and the rules for monitoring communication and reclamation.

Table of Contents

Hazardous substances

Regulation of hazardous substances. Legislative Decree 52/1997, implemented in Italy, the EU Directive, relevant to classification, packaging and labelling of dangerous substances. Legislative Decree 65/2003 implemented the EU Directives relevant to classification, packaging and labelling or dangerous preparations. All hazardous substances, as per the scope identified in the EU REACH Regulation, are subject, to a registration and notification process before they can be brought onto the market. Hazardous substances and mixtures must be classified in accordance with the EU CLP Regulation in line with their hazardous properties. Further regulations prohibiting and limiting manufacture, marketing and use also apply.

Health and safety

Legislative Decree (LD) 81/08, governs Safety and Occupational Health (including construction work) with the exclusion of Major Hazards (Seveso). This Decree imposes obligations on an employer with regards to workplace health and safety and also provides for liability related to health and safety incidents.

United States

In the US, we operate a number of plants and facilities for the storage and processing of chemical feedstock, products and wastes. These operations are subject to numerous laws and ordinances relating to safety, health and the protection of the environment.

Environmental compliance

Sasol's US operations and growth projects are subject to numerous federal, state, and local 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. As with the chemical industry, 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 our operations and projects to make significant expenditures of both a capital and expense nature.

Canada

In Canada, Sasol is a 50% partner in a partnership with Progress Energy Canada Ltd (previously Talisman Energy Inc.) for the development and operation of the Farrell Creek and Cypress A assets in British Columbia. Progress Energy Canada Ltd. is the managing partner and operates the assets on behalf of the partnership. A feasibility study for a proposed gas-to-liquids facility in Alberta was completed, including purchasing of land for a future gas-to-liquids site, which Sasol now owns and maintains.

The operation of these assets is subject to various Canadian federal and provincial laws and regulations.

Oil and natural gas production

The British Columbia Petroleum and Natural Gas Act (PNGA) and Oil and Gas Activities Act (OGAA) are the primary sources of regulatory controls over Sasol's joint interests in oil and gas producing areas in Canada. These statutes include a wide array of tenure, operational and public review requirements. A common theme of the requirements is that producers must hold applicable

Table of Contents

licences, leases, permits and other approvals. As of 1 January 2014, British Columbia introduced mandatory public disclosure of hydraulic fracturing fluid ingredients.

Water protection

Substantial volumes of water are needed for oil and gas production in British Columbia. Extractions of water from ground and surface sources are regulated by the OGAA, PNGA and the British Columbia Water Act, the latter of which will be replaced by the Water Sustainability Act in 2015. Water extraction wells are subject to requirements governing well tenure and location, construction and aquifer management. The piping of water to exploration or production sites is governed by special approval requirements (covering fisheries, pipeline construction, tenure and surface rights issues).

Emissions

British Columbia's Environmental Management Act (EMA) prohibits emissions, discharges and the like into the environment without prescribed permits. Several permits apply to activities at the British Columbia subject properties, covering releases to air and water.

Contaminated sites

Soil and groundwater contamination in the British Columbia oilpatch is regulated primarily by the contaminated sites regime in the EMA and its supporting Contaminated Sites Regulation (CSR).

Environmental assessment

Further development of the British Columbia oil and gas assets might trigger one or both of provincial and federal environmental assessment (EA) requirements. EAs commonly will require substantive public review and Aboriginal (or First Nations and Metis group consultation) consultation. To date, none of the activities undertaken in relation to the British Columbia operations have triggered an EA.

Aboriginal consultation

A unique aspect of Canadian law is the recognition of Aboriginal rights. The Crown (the federal or provincial government) is obliged to consult with, and where appropriate, accommodate, Aboriginal groups in making governmental decisions which may infringe on Aboriginal rights. This duty continues to evolve in response to judicial decisions.

Occupational and workplace safety

The British Columbia Workers Compensation Act and supporting regulations and policies set out detailed rules respecting workplace safety in British Columbia. Special rules (in regulations to this act) apply to the oil and gas sector.

Mozambique

In Mozambique, Sasol operates a processing plant and associated facilities for the extraction and processing of natural gas and condensate and transportation of natural gas. The Central Processing Facility (CPF) has been in operation since February 2004. These operations are subject to numerous Mozambican laws and regulations as well as World Bank requirements and best practice standards.

Environmental, health and safety regulations. The Ministry for the Coordination of Environmental Affairs (MICOA) coordinates environmental affairs in Mozambique. A National Environmental Management Programme is the policy document outlining the priorities for environmental management

Table of Contents

and sustainable development in Mozambique. This programme contains a National Environmental Policy, a proposal for Framework Environmental Legislation and Environmental Legislation and an Environmental Strategy.

The Framework Environmental Law (20/97) provides a legal framework for the use and correct management of the environment and its components and to assure sustainable development in Mozambique. The Petroleum Industry in Mozambique is regulated by both Environmental Impact Assessment Regulations (Decree 45/2004 and its update Decree 42/2008) and the Environmental Regulations for Petroleum Operations (Decree 56/2010).

An Environmental Impact Assessment (EIA) is a legal requirement under the Framework Environmental Law for any activity which may have direct or indirect impacts on the environment. Article 2 of Decree no. 45/2004 states that EIA's are required for oil, gas and mineral resource-related activities or developments. Regulations on Petroleum Operations (Decree 24/2004) and Environmental Regulations for Petroleum Operations (Decree 56/2010) govern EIA for petroleum and gas projects.

Environmental Regulations for Petroleum Operations (Decree 56/2010)

These following regulations establish the EIA requirements for petroleum operations and the associated prevention, control, mitigation and rehabilitation procedures to be followed. This is achieved through Environmental Impact Assessments (EIAs), Simplified Environmental Impact Assessments (SEIAs) and/or the adoption of good environmental management norms according to the classification of a new project's activities.

Regulations on Environmental Quality and Emission Standards (Decree 18/2004), with additions and amendments in supplement (Decree 67/2010). This Regulation aims to establish the standards for environmental quality and for effluents release in order to assure the effective control and maintenance of the admissible standards of concentration of polluting substances on the environmental components.

Regulations on Solid Waste Management (Decree 13/2006 of 15 June). The Regulations establish rules on the production, emission or disposal in the soil and subsoil, in water or the air, of any toxic or polluting substance, as well as the execution of activities that accelerate deterioration of the environment, in order to avoid or minimize their negative impact on health and the environment.

Regulations on Water Quality for Human Consumption (Ministerial Diploma 180/2004). The Regulations establish quality parameters and control procedures for water intended for human consumption. The purpose of these regulations is to protect consumers from the harmful effects of contamination in the water supply system.

In terms of environmental protection and safety, the Petroleum Act (3/2001) and the Petroleum Operations Regulations (24/2004) require holders of exploration and production rights to conduct petroleum operations in compliance with environmental and other applicable legislation. Petroleum operations must be understood as all or any activities related to exploration, development, separation and treatment, storage, transportation and sale or delivery of petroleum from the point of export, or to the agreed supply point in the Republic of Mozambique will have to comply with the environmental and other applicable legislation, and includes Natural Gas processing and the closure of all concluded activities.

Mineral Rights. Petroleum activities are regulated by the Petroleum Act and Regulation (Law 3/2001, of 21 February and Decree 24/2004, of 20 August, respectively). The National Petroleum Institute administers and regulates petroleum operations on behalf of the Mozambique Government.

Mining Law no. 14/2002, of 26 June 2002. This law governs the terms for the exercise of the rights and obligations regarding the use of mineral resources taking into account the environment, aiming its rational utilisation to the benefit of the national economy.

Table of Contents

Qatar

In Qatar, we participate in a joint venture involving a number of plants and facilities for the storage and processing of chemical feedstock, products and wastes. These operations are subject to numerous laws and ordinances relating to safety, health and the protection of the environment.

Environmental regulation. All public or private development plans, including industrial, agricultural and infrastructure projects are required to follow the Environmental Protection Law and obtain an environmental authorisation permit from the Ministry of Environment (MOE). The MOE is also responsible for environmental protection and conservation in the State of Qatar.

The Environmental Protection Law, Decree-Law No. (30) of 2002 is aimed at protection of the environment, prevention of pollution (short -and long-term) and sustainable development by providing for development of natural resources for the benefit of the present and future generations, the protection of society, human health and other living creatures, and protection of the environment from the damaging effect of activities outside of the State of Qatar.

The Executive By-Law for the Environmental Protection Law, issued vide the Decree Law No. 30 for the Year 2002 (the By-Law) stipulates specific standards and regulations to meet the objectives of The Environmental Protection Law. This includes regulations on determining the environmental impact of projects (requirements to conduct an EIA), emergency response plans for environmental disasters, hazardous wastes and materials, air pollution, water pollution, protection of marine environment. It also includes annexure regulations on:

Air protection. Prescribing standards for air quality for different industries;

Water protection. Prescribing standards for pollutants and limitations for discharges into the water; and

Waste. Regulates the management and trans-boundary movement of hazardous wastes. In addition it regulates the import, production, handling and transportation of hazard materials including the categorisation, labelling, separation and packing of hazardous materials.

Consent to Operate (CTO). This is ORYX GTL's operating permit issued under the Authority of Law, 30 of 2002, and its By-Law No. 4 of 2005 and is renewable on an annual basis. This permit stipulates general monitoring requirements, waste water quality standards, point source air emission standards, overall noise level limit, handling and storage of hazardous wastes, chemical use, records and emergency response programmes.

The State of Qatar has implemented a Clean Development Mechanisms (CDM), an initiative to reduce the emission of greenhouse gases. Gas flaring mitigation and the reduction of carbon emissions were among the two key areas focused on by the State of Qatar as part of its commitment towards CDM.

Occupational Health and Safety Administration (OSHA). There is no regulatory authority for safety or health in Qatar and therefore ORYX GTL used the internationally recognised OSHA standards as guidelines where applicable.

Other countries

In a number of other countries we are engaged in various activities that are regulated by local and international laws, regulations and treaties. In Malaysia, China and other countries, we operate plants and facilities for the storage, processing and transportation of chemical substances, including feedstock, products and waste. In the United Arab Emirates, Nigeria, Gabon and other countries, we are involved, or are in the process of being involved, in exploration, extraction, processing or storage and transportation activities in connection with feedstock, products and waste relating to natural oil and

Table of Contents

gas, petroleum and chemical substances. Our operations in the respective jurisdictions are subject to numerous laws and regulations relating to exploration and mining rights and the protection of safety, health and the environment.

4.C Organisational Structure

Sasol Limited (Sasol) is the ultimate parent of the Sasol group of companies. Our wholly owned subsidiary, Sasol Investment Company (Pty) Ltd, a company incorporated in the Republic of South Africa, holds primarily our interests in companies incorporated outside South Africa.

The following table presents a list of Sasol's significant subsidiaries (including direct and indirect subsidiaries), the nature of business, percentage of shares of each subsidiary owned and the country of incorporation or residence at 30 June 2014.

Name	Nature of business	Percentage ownership	Country of incorporation
Sasol Mining (Pty) Ltd	Coal mining activities	89,8[1]	South Africa
Sasol Mining Holdings (Pty) Ltd	Holding company for the group's mining interests	100	South Africa
Sasol Synfuels (Pty) Ltd	Production of liquid fuel components, gases and chemical products and refining of tar acids	100	South Africa
Sasol Technology (Pty) Ltd	Engineering services, research and development and technology transfer	100	South Africa
Sasol Financing (Pty) Ltd	Management of cash resources, investment and procurement of loans (for South African operations)	100	South Africa
Sasol Investment Company (Pty) Ltd	Holding company of the group's foreign investments (and investment in movable and immovable property)	100	South Africa
Sasol Chemical Industries (Pty) Ltd[2]	Production and marketing of mining explosives, gases, petrochemicals, fertilisers and waxes	100	South Africa
Sasol Gas Holdings (Pty) Ltd	Holding company for the group's gas interests	100	South Africa
Sasol Oil (Pty) Ltd	Marketing of fuels and lubricants	75	South Africa
Republic of Mozambique Pipeline Investments Company (Pty) Ltd (ROMPCO)	Owning and operating 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	50[3]	South Africa
Sasol Chemical Holdings International (Pty) Ltd	Investment in the Sasol Chemie group	100	South Africa
Sasol UK Limited[4]	Marketing and distribution of chemical products	100	United Kingdom
Sasol Chemicals Pacific Limited	Marketing and distribution of chemical products	100	Hong Kong
Sasol Financing International Plc	Management of cash resources, investment and procurement of loans (for operations outside South Africa)	100	Isle of Man

Table of Contents

Name	Nature of business	Percentage ownership	Country of incorporation
Sasol Gas (Pty) Ltd[5]	Marketing, distribution and transportation of pipeline gas and the maintenance of pipelines used to transport gas	100	South Africa
Sasol Group Services (Pty) Ltd	Supplier of functional core and shared services to the Sasol group of companies	100	South Africa
Sasol Oil International Limited	Buying and selling of crude oil	75[6]	Isle of Man
Sasol New Energy Holdings (Pty) Ltd	Developing and commercialising renewable and lower-carbon energy as well as carbon capture storage solutions	100	South Africa
Sasol Petroleum International (Pty) Ltd	Exploration, appraisal, development, production, marketing and distribution of natural oil and gas and associated products	100	South Africa
Sasol Canada Holdings Limited	Exploration, development, production, marketing and distribution of natural oil and gas and associated products in Canada	100	Canada
Sasol Synfuels International (Pty) Ltd	Develop and implement international GTL and CTL ventures	100	South Africa
Sasol Wax International Aktiengesellschaft	Holding company for Sasol Wax (outside South Africa) operations	100	Germany
Sasol Germany GmbH	Production, marketing and distribution of (chemical products) olefin and surfactant products	100	Germany
Sasol Italy SpA	Trading and transportation of oil products, petrochemicals and chemical products and derivatives	99,9	Italy
Sasol North America Inc.	Manufacturing of commodity and specialty chemicals	100	United States
Sasol Holdings (Asia Pacific) (Pty) Ltd	Holding company for Sasol Polymers' foreign investments	100	South Africa

(1) This represents our effective holding through Sasol Mining Holdings (Pty) Ltd.

(2) Company changed from a public company to a private company on 7 June 2014.

(3) This represents our effective holding through Sasol Gas Holdings (Pty) Ltd, through contractual arrangements Sasol exercises control over the relevant activities of ROMPCO.

(4) Name change from Sasol Chemicals Europe Limited to Sasol UK Limited. Moved from being a subsidiary of Attan AG (Switzerland), to being a subsidiary of Sasol European Holdings Limited on 1 July 2014.

(5) Company changed from a public company to a private company on 10 June 2014.

(6) This represents our effective holding through our 75% interest in Sasol Oil (Pty) Ltd.

Table of Contents

4.D Property, plants and equipment

Plants and facilities

We operate coal mines and a number of plants and facilities for the storage, manufacturing, processing and transportation of oil, chemicals and gas related raw materials, products and wastes. For a detailed discussion regarding the use, capacity and products of these facilities provided for each business, including joint arrangements, refer to "Item 4.B Business Overview".

Coal mining facilities

Our main coal mining facilities are located at the Secunda Mining Complex, consisting of underground mines (Bosjesspruit, Brandspruit, Middelbult, Syferfontein and Twistdraai export mine) and Sigma: Mooikraal near Sasolburg.

Pages M-1 to M-5 include maps showing the location of our coal properties and major manufacturing plants in South Africa.

Our Secunda facilities

Our main manufacturing facilities are located at Secunda, and they are the base for our Synfuels operations and a range of our chemical industries operations, including explosives, fertilisers, monomers and polymers, solvents and tar. The approximate size of this property is 82,5 square kilometres (km^2) with operating plants accounting for 8,35 km^2.

Our Sasolburg facilities

Our facilities at Sasolburg are the base for a number of our chemical industries operations, including ammonia, explosives, fertilisers, mining chemicals, phenols, solvents, polymers, tars and wax operations. The approximate total size of these properties is 51,4 km^2.

The size of the Natref refinery, also based in Sasolburg, is approximately 2,0 km^2.

Our Mozambique facilities

In Mozambique natural gas and condensate is produced from the Pande-Temane PPA asset operated by Sasol Petroleum Temane (SPT) Limitada, a subsidiary of SPI. Production from the Temane field is routed from wellheads via infield flowlines and pipelines to the central processing facility (CPF) on a site of approximately 400 000 m^2 which is located some 700 km north of Maputo, the capital of Mozambique. Production from the Pande field is routed from the wellheads via infield flowlines, infield pipelines, a trunkline and a slug catcher to the CPF.

Our Canada facilities

In Canada, natural gas and liquids are produced from the unconventional (shale/tight gas) Farrell Creek and Cypress A assets operated by Progress Energy Inc. Production is by means of production wells, flowlines, gathering lines and processing facilities located in British Columbia. Farrell Creek gas is processed through facilities owned by Sasol and Progress Energy, covering a site of approximately 160 000 m^2. Cypress A gas is processed and sold through third party production facilities.

Our Gabon facilities

In Gabon oil is produced from the Etame Marin Permit asset which is operated by VAALCO Gabon (Etame) Inc. The facilities are located some 35 km offshore southern Gabon. Production from the Etame field is by means of subsea wells and through a floating production, storage and off-loading vessel (FPSO) contracted from Tinworth and which is moored offshore at the field location. Production

Table of Contents

from the Avouma and Ebouri fields is through minimum facilities fixed platforms which are tied back by pipelines to the FPSO. The processed oil is stored in tanks on the FPSO and is exported by shipping tanker according to a nominations and lifting schedule.

Our facilities in Germany

Sasol Olefins & Surfactants operations are based at two locations in Germany, namely at Brunsbüttel (site size approximately 2,0 million m^2; plant size 500 000 m^2) and Marl (site size approximately 160 000 m^2; plant size 75 000 m^2).

Sasol Wax facilities are based in Hamburg (site size approximately 160 000 m^2; plant size 100 000 m^2).

Our facilities in Italy

The operations of Sasol Olefins & Surfactants are based at three locations in Italy. The primary facilities are at Augusta (site size approximately 1,36 million m^2; plant size 510 000 m^2) and Terranova (site size approximately 330 000 m^2; plant size 160 000 m^2).

Our facilities in the United States

Various operations of Sasol Olefins & Surfactants are based at a number of locations in the US. The most significant of these facilities is located at Lake Charles, Louisiana (site size approximately 3 million m^2; plant size 540 000 m^2).

Sasol Phenolics also has operations based at Oil City, Pennsylvania and Houston and Winnie, Texas.

Sasol Wax's production facility is located in Richmond, California.

Our facilities in Qatar

ORYX GTL is a gas-to-liquids plant, located at Ras Laffan Industrial City, situated along the northeast coast of Qatar (site size approximately 8 km^2).

Our catalyst manufacturing facilities in Sasolburg and The Netherlands

Sasol Cobalt Catalyst Manufacturing (Pty) Ltd is a wholly owned subsidiary of SSI and has the following catalyst manufacturing interests:

- A fully owned 680 tpa cobalt catalyst manufacturing unit, situated in Sasol's Sasolburg site, 80 km south of Johannesburg, South Africa; and

- A manufacturing agreement with BASF, De Meern, The Netherlands, which currently has two 680 tpa cobalt catalyst manufacturing units fully operational, dedicated exclusively to Sasol.

The units above are sufficient to supply cobalt catalyst to current committed ventures and as future GTL ventures are realised. Sasol plans to expand its cobalt catalyst capacity to ensure supply.

For more information regarding capital expenditure in respect of these properties and the related facilities and operations, refer to "Item 5.F Liquidity and capital resources" for a description of our material plans to construct, expand and enhance our facilities.

Table of Contents

Mining properties and operations

Mine systems and their production capacity

Sasol Mining operates six mines, the annual nominated capacities and actual production values are indicated in the following table:

Nominated capacity and production

Mine	Nominated capacity per year[(1)] (Mt)	2014 actual production (Mt)	2013 actual production (Mt)
Bosjesspruit (Secunda)	7,9	7,9	8,0
Brandspruit (Secunda)	6,9	7,7	7,3
Middelbult (Secunda)	7,4	7,6	7,4
Syferfontein (Secunda)	9,5	9,7	9,6
Twistdraai Export (Secunda)	6,9	6,9	6,1
Sigma : Mooikraal (Sasolburg)	1,9	1,7	1,7

(1) The nominated capacity of the mines is the expected maximum production of that mine during normal operational hours.

All mines employ the underground board and pillar mining method, using continuous miners. At Sasolburg, the Sigma Mine was established in 1950 and the Mooikraal shaft started production during 2006. In the Secunda area, production at the first two mines, Brandspruit and Bosjesspruit, commenced in 1977. Twistdraai and Middelbult followed during the early 1980s, while Syferfontein started production in 1992. The Brandspruit mine reserves are almost depleted and will be replaced by a new greenfields mine, Impumelelo, in a phased approach from 2015. In 1996, the Twistdraai Export mine was commissioned. The mine boundaries are extended based on on-going studies and new planning. All the production equipment is either replaced or overhauled on a regular basis according to a managed maintenance system.

Processing operations

Export business Secunda operations. The export business was initiated in August 1996 as part of a growth strategy. To date, a total of 54,3 Mt and 2,3 Mt of beneficiated coal has been exported and sold locally, respectively. This was beneficiated from 140 Mt of run of mine coal (ROM) at the Twistdraai Export Plant, between 1996 and 2014. Run of mine Coal is sourced from the existing Twistdraai Colliery shafts (138,2 Mt) and the new Thubelisha Shaft (1,8 Mt). The Twistdraai colliery reserves are almost depleted and are replaced by the new greenfields mine, Thubelisha, in a phased approach from 2013. The beneficiation plant produces a primary export product with an ash content of approximately 13,5% (air dried) as well as a secondary product for the Sasol Synfuels market.

The export beneficiation plant has a design throughput capacity of 10,5 Mt per annum. In 2014, 5,8 Mt was processed. The plant consists of a primary and secondary beneficiation stage. The primary stage consist of three modules, each module divided into two identical feed streams. The coal is fed at a rate of 500 ton per per hour, per module to a total of 18 primary cyclones. The secondary stage consists of two modules, each equipped with a 1 000 mm diameter dense medium cyclone.

The run of mine (ROM) coal is transported via overland conveyor belts to the export beneficiation plant from the Twistdraai and Thubelisha Collieries respectively. The export product is loaded onto trains by means of a rapid load-out system, and then transported to the Richards Bay Coal Terminal (RBCT) in KwaZulu-Natal.

Table of Contents

The existing nameplate capacity at the RBCT was increased from 76 Mt to 91 Mt per year, following the commissioning of the Phase V expansion in May 2010. Sasol Mining has a 5% share in the original capacity of this terminal, which corresponds to the existing entitlement of 3,6 Mt per year. For the foreseeable future, it is anticipated that Sasol Mining will only export approximately 3 Mt per year. This is largely due to the phasing in process of the Phase V entrants and availability of export entitlement to new participants at RBCT.

Sasol Coal Supply Secunda operations. Sasol Coal Supply operates the coal handling facility between Sasol Mining and Sasol Synfuels by stacking and blending coal on six live stockpiles. The overland conveyors from the mining operations to the coal handling facility are, in total, 35 km long and also form part of the Sasol Coal Supply operation.

The operation has a live stockpile capacity of 660 000 tons, which is turned over approximately 1,2 times per week. In addition, there is a strategic stockpile capacity of more than 2,0 Mt. The objectives of this facility are:

to homogenise the coal quality supplied to Sasol Synfuels;

to keep mine bunkers empty;

to keep the Sasol Synfuels bunkers full with a product that conforms to customer requirements;

to maintain a buffer stockpile to ensure even supply; and

to prevent fine coal generation.

The daily coal supply to Sasol Synfuels is approximately 108 000 tons.

Coal exploration techniques

Sasol Mining's geology department employs several exploration techniques in assessing the geological risks associated with the exploitation of the coal deposits. These techniques are applied in a mutually supportive way to achieve an optimal geological model of the relevant coal seams, targeted for production purposes. The Highveld Basin is considered to be structurally complex when compared to the other coalfields in South Africa where mining activities are taking place. As a result, Sasol Mining bases its geological modelling on sufficient and varied geological information. This approach is utilised in order to achieve a high level of confidence and support to the production environment.

Core recovery exploration drilling. This is the primary exploration technique that is applied in all exploration areas, especially during reconnaissance phases. In and around operational mines, the average vertical borehole density varies from 1:10 to 1:15 (boreholes per hectare), while in medium term mining areas, the average borehole density is in the order of 1:25. Depths of the boreholes drilled vary, depending on the depth to the Pre-Karoo basement, from 160 m to 380 m. The major application of this technique is to locate the coal horizons, to determine coal quality and to gather structural information about dolerite dykes and sills, and the associated de-volatilisation and displacement of coal reserves. This information is used to compile geological models and forms the basis of geological interpretation.

Directional drilling. Directional drilling from surface to in-seam has been successfully applied for several years. A circular area with a radius of approximately 1,6 km of coal deposit can be covered by this method, from one drill site. The main objective of this approach is to locate dolerite dykes and transgressive dolerite sills, as well as faults with displacements larger than the coal seam thickness.

Horizontal drilling. This technique is applied to all operational underground mines and supplies short-term (minimum three months) exploration coverage per mining section. No core is usually recovered, although core recovery is possible, if required. The main objective is to locate dolerite dykes

Table of Contents

and transgressive sills intersecting the coal mining horizon, by drilling horizontal holes in the coal seam from a mined out area. A drilling reach of up to 1 km is possible, although the average length is usually 800 m in undisturbed coal.

Aeromagnetic surveys. Many explorations were usually aero-magnetically surveyed before the focused exploration was initiated. The main objective is to locate magnetic dolerite sills and dykes, as well as large-scale fault zones.

Airborne electro-magnetic surveys. Due to the occurrences of non-magnetic dolerite dykes and sills, it has been necessary to survey certain exploration areas electro-magnetically to pinpoint these structures to optimise mine deployment.

Geophysical wireline surveys of directional boreholes. Geophysical surveys are routinely conducted in the completed directional drilled boreholes. This results in the availability of detailed information leading to increased confidence of the surface directional drilling results. This technique has also been applied in underground directional drilling with excellent results.

Secunda operations

The coal supplied to Sasol Synfuels is the raw coal mined from the four mines supplying Sasol Synfuels exclusively and the secondary product from the export mine's beneficiation plant.

Extensive geological exploration has been done in the coal resource areas. Additional exploration is undertaken to update and refine the geological models, which allows accurate forecasting of geological conditions and coal qualities, for the effective planning and utilisation of the coal reserves.

Computation and storage of geological information

Geological information is stored in the Acquire database. Data validation and quality checking through several in-house methods is conducted regularly. Data modelling is conducted by manual interpretation and computer-derived geological models, using the Minex 6 edition of the GEOVIA/MINEX software. Reserves and composite qualities are computed using established and recognised geo-statistical techniques.

General stratigraphy

The principal coal horizon, the Number 4 Lower Coal Seam, provides some 89,97% (2013 90,26%) of the total proved and probable reserves. The Number 4 Lower Coal Seam is one of six coal horizons occurring in the Vryheid Formation of the Karoo Supergroup, a permo-carboniferous aged, primarily sedimentary sequence. The coal seams are numbered from the oldest to the youngest.

Characteristics of the Number 4 Lower Coal Seam. The Number 4 Lower Coal Seam is a bituminous hard coal, characterised by the following borehole statistics:

The depth to the base of the seam ranges from 40 m to 241 m with an average depth of 135 m below the surface topography. All the current mining done on this seam is underground;

The floor of the seam dips gently from north to south at approximately 0,5 degrees;

The thickness of the seam varies in a range up to 10 m with a weighted average thickness of 3,3 m. In general, thinner coal is found to the south and thicker coal to the west adjacent to the Pre-Karoo basement highs;

The inherent ash content (air dried basis) is an average 28,6%, which is in line with the coal qualities supplied during the past 30 years to Sasol Synfuels;

The volatile matter content is tightly clustered around a mean of 19,5% (air dried); and

Table of Contents

The total sulphur content (air dried), which primarily consists of mineral sulphur in the form of pyrite and minor amounts of organic sulphur, averages 1,08% of the total mass of the coal.

The other potential coal seam is:

The Number 2 Coal Seam at Middelbult mine and Impumelelo colliery have been included in our reserve base.

Mining parameters and assumptions used during reserve estimation

Minimum mining height (meters): the minimum mining height used is 1,8 m.

Maximum mining height (meters): the maximum mining height used is 4,8 m for the Twistdraai colliery Thubelisha shaft.

Primary safety factor[(1)]: the safety factor used in the mine planning, for primary development, in normal ground conditions is 1,8.

Secondary safety factor[(1)]: the safety factor used in the mine planning, for secondary development, in normal ground conditions is 1,6.

Minimum dry ash free volatile matter content: the dry ash free volatile matter content gives an indication of devolatilised coal. During estimations, areas with a dry, ash free volatile matter content of less than 28% are excluded, and considered to be devolatilised coal areas.

Geological loss factor: the geological loss factors vary in the respective blocks from 5,0% (Twistdraai) to 27,0% (Block 2S and Block 3 South) and averages at 11,01% in the operational mines. The geological loss factor is a discount factor applied to the gross in situ tonnage to take into account as yet unobserved geological features, which may occur. The geological loss factor is therefore a function of the borehole density and known geological complexity of the area, as well as the judgement of the competent person involved.

Mine layout losses: the mine layout loss factors, expressed as a percentage of the in situ coal reserves used varies between 10,0% for Twistdraai colliery Thubelisha shaft and 55,6% for Brandspruit where panels have been laid out but not scheduled. The mine layout loss factor is a discount factor required to account for the expected loss of coal reserves, due to actual mining activities, not reaching the defined boundary of the mineable in situ coal reserve block. The mine layout loss factors applied are therefore a function of the complexity of the depicted actual and anticipated geological structures and the actual historical loss factors experienced.

Mine method losses: this is the coal left behind in the roof due to not mining the full seam. The reason for this being safety, leaving a protective layer of coal in the roof of the coal seam. Losses reported are 23,9% (2013 21,0%) for Syferfontein, and 11,2% (2013 7,3%) for Sigma Mooikraal.

Mining losses: mining loss factor, expressed as a percentage of the mineable in situ coal reserve, vary between 33,1% for Twistdraai colliery Thubelisha shaft and 63,7% for the Number 2 Seam at Impumelelo. The mining loss factor is the discount factor required to account for the expected loss of coal reserves, due to actual mining activities, which requires support pillars to be left in situ. The mining loss factors applied are therefore a function of the mining method used and planned to be used, as well as the actual historical loss factors experienced.

(1) The safety factor is calculated by dividing the strength of the pillar by the stress acting on the pillar. The strength of the pillar is determined by the inherent strength of the coal material, the width of the pillar and the height of the pillar. The stress on the pillar is the result of the pillar load, which is determined by the depth of mining, the pillar width and the board width.

Table of Contents

Contamination factor: the contamination factor expressed as a percentage of the extractable coal reserve, varies between 0,5% (2013 0,5%) for Syferfontein and 3,9% for Impumelelo and the average is 2,8%. The contamination factor refers to the extraneous coal and non-coal material which is unintentionally added to the practical mining horizon, as a result of the mining operations. The contamination factors applied are therefore a function of expected geological conditions in the immediate roof and floor of the mining horizon, as well as the actual and historical contamination factors experienced. Contamination factors are also influenced by the equipment selection relative to the planned mining height.

Superficial moisture factor: the superficial moisture factor, expressed as a percentage of the extractable coal reserve, varies between 3,6% for Twistdraai colliery and 6,8% for the coal seam 2 (C2) at Middelbult. The superficial moisture refers to the extraneous moisture added to the extracted coal as a result of the mining operations. The factors applied are therefore based mostly on the historical factors experienced.

Reserve estimation (remaining reserves at 31 March 2014)

We have approximately 3,7 billion tons (Bt) (2013 3,9 Bt) of gross in situ proved and probable coal reserves in the Secunda Deposit and approximately 1,3 Bt (2013 1,3 Bt) of recoverable reserves. The coal reserve estimations are set out in table 1 below. Reported reserves have not been decreased by the synthetic oil reserves as reported in the supplemental oil and gas information, as the reserve disclosure in this section is inclusive of Sasol Mining's total coal resources and reserves available for mining operations. The different reserve areas are depicted on maps on pages M-4 and M-5, as well as whether a specific reserve area has been assigned to a specific mine.

Table 1.

Coal reserve estimations[1] as at 31 March 2014, in the Secunda area where we have converted mining rights (signed on 29 March 2010) in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002

Reserve area	Gross in situ coal resource[2] (Mt)[5]	Geological discount (Mt)[5]	Mine layout losses (Mt)[5]	Extraction rate (%)	Recoverable reserves[3] (Mt)[5]	Beneficiated yield[4] (%)	Proved/ probable
Middelbult mine, number 4 seam	598	91	179	42	239	100	Proved
Middelbult mine, number 2 seam	61	13	8	39	19	100	Proved
Bosjesspruit mine	319	29	94	49	130	100	Proved
Twistdraai mine	15	1	3	52	10	P51,S20	Proved
Syferfontein mine	258	19	13	35	73	100	Proved
Brandspruit mine	96	5	54	43	23	100	Proved
Twistdraai Thubelisha shaft	646	118	123	67	262	P34,S39	Proved
Impumelelo, Block 2, number 4 seam	686	48	147	45	232	100	Proved
Impumelelo, Block 2, number 2 seam	384	27	118	36	63	100	Probable
Block 2 South, number 4 seam	363	98	48	54	122	100	Probable
Block 2 South, number 2 seam	133	36	18	54	45	100	Probable
Block 3 South	141	38	19	58	52	100	Probable
Total Secunda area	**3 700**				**1 271**		

(1)

The coal reserve estimations in this table were compiled under supervision of Mr Viren Deonarain and Mr Jakes Lock. The "South African Code for Reporting of Minerals Resources and Minerals Reserves

Table of Contents

(The SAMREC Code 2007 edition)" dealing with competence and responsibility, paragraph 7, state Documentation detailing Exploration Results, Mineral Resources and Mineral reserves from which a Public Report is prepared, must be prepared by, or under the direction of, and signed by a Competent Person. Paragraph 9 states: A 'Competent Person' is a person who is registered with SACNASP, ECSA or PLATO, or is a Member or Fellow of the SAIMM, the GSS or a Recognised Overseas Professional organisation (ROPO). The Competent Person must comply with the provisions of the relevant promulgated Acts. Mr J Swart (Pr.Nat.Sc), on behalf of Golder and Associates performed a comprehensive and independent audit of the coal resource/reserve estimations in July 2011 and the estimates were certified as correct. The current estimation is still in line with the audited reserve and resources statement of July 2011. The estimation of the reserves is compliant with the definition and guidelines as stated in the SAMREC and Joint Ore Reserve Committee (JORC) codes, as well as SEC Industry Guideline 7.

(2)

The gross in situ coal resource is an estimate of the coal tonnage, contained in the full coal seam above the minimum thickness cut off and relevant coal quality cut off parameters. No loss factors are applied and seam height does not include external dilution or contamination material.

(3)

The recoverable coal reserve is an estimate of the expected recovery of the mines in these areas and is determined by the subtraction of losses due to geological and mining factors and the addition of dilatants such as moisture and contamination.

(4)

The P% of P51and P34 refers to the export product yield from the recoverable coal reserve and the S% of S20 and S39 refers to secondary product yield, which will be supplied to the Sasol Synfuels factory. The balance of this is discard material.

(5)

Mt refers to 1 million tons. Reference is made of tons, each of which equals 1 000 kilograms, approximately 2 205 pounds or 1 102 short tons.

Coal qualities per associated reserve estimation (remaining reserves at 31 March 2014)

In tables 2 and 3, additional information regarding coal qualities is provided.

Table 2.

Coal qualities, on an air dry basis, in respective coal reserve areas, where Sasol Mining has converted mining rights in respect of the Secunda mining complex in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Wet/ dry tons	Average Inherent Moisture Content (%)	Average Superficial Moisture Content (%)	Assigned/ unassigned	Steam/ metallurgical coal	Heat Value (air dry) basis MJ/kg	Sulphur (air dry basis) (%)
Middelbult mine	Wet	4,0	n/a	Assigned	Steam	20,4	0,8
Bosjesspruit mine	Wet	3,5	n/a	Assigned	Steam	20,5	1,1
Twistdraai mine	Wet	3,6	n/a	Assigned	Steam	21,0	1,1
Syferfontein mine	Wet	5,3	n/a	Assigned	Steam	21,8	0,8
Brandspruit mine	Wet	3,8	n/a	Assigned	Steam	18,4	1,3
Twistdraai, Thubelisha shaft	Wet	4,1	n/a	Assigned	Steam	21,0	1,1
Impumelelo, Block 2, number 4 seam.	Wet	4,1	n/a	Assigned	Steam	18,1	1,2
Impumelelo, Block 2, number 2 seam	Wet	3,7	n/a	Assigned	Steam	17,5	0,8
Block 2 South, number 4 seam	Wet	4,1	n/a	Unassigned	Steam	18,2	1,2
Block 2 South, number 2 seam	Wet	3,6	n/a	Unassigned	Steam	17,4	0,7
Block 3 South	Wet	3,6	n/a	Unassigned	Steam	21,9	0,7

Table of Contents

Table 3.

Coal qualities, on an as received basis, in respective coal reserve areas, where Sasol Mining has converted mining rights in the Secunda mining complex in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Wet/ dry tons	Average Inherent Moisture Content (%)	Average Superficial Moisture Content (%)	Assigned/ unassigned	Steam/ metallurgical coal	Heat Value (as received) basis MJ/kg	Sulphur (as received basis) (%)
Middelbult mine	Wet	4,0	4,8	Assigned	Steam	20,3	0,8
Bosjesspruit mine	Wet	3,5	4,2	Assigned	Steam	20,5	1,0
Twistdraai mine	Wet	3,6	3,4	Assigned	Steam	20,8	1,1
Syferfontein mine	Wet	5,3	3,9	Assigned	Steam	21,7	0,9
Brandspruit mine	Wet	3,8	3,8	Assigned	Steam	18,4	1,3
Twistdraai mine, Thubelisha shaft	Wet	4,1	4,0	Assigned	Steam	20,9	1,0
Impumelelo, Block 2, number 4 seam	Wet	4,1	3,7	Assigned	Steam	18,0	1,1
Impumelelo, Block 2, number 2 seam	Wet	3,7	3,7	Assigned	Steam	17,5	0,8
Block 2 South, number 4 seam	Wet	4,1	3,1	Unassigned	Steam	18,0	1,1
Block 2 South, number 2 seam	Wet	3,6	2,7	Unassigned	Steam	17,2	0,7
Block 3 South	Wet	3,4	3,6	Unassigned	Steam	21,8	0,7

Criteria for proved and probable

Over and above the definitions for coal reserves, probable coal reserves and proved coal reserves, set forth in Industry Guide 7, under the US Securities Act of 1933, as amended, which are included in our glossary, we consider the following criteria to be pertinent to the classification of the reserves.

Probable reserves are those reserve areas where the drill hole spacing is sufficiently close in the context of the deposit under consideration, where conceptual mine design can be applied, and for which all the legal and environmental aspects have been considered. Probable reserves can be estimated with a lower level of confidence than proved coal reserve. Currently this classification results in variable drill spacing depending on the complexity of the area being considered and is generally less than 500 m, although in some areas it may extend to 880 m. The influence of increased drilling in these areas should not materially change the underlying geostatistics of the area on the critical parameters such as seam floor, seam thickness, ash and volatile content.

Proved reserves are those reserves for which the drill hole spacing is generally less than 350 m, for which a complete mine design has been applied which includes layouts and schedules resulting in a full financial estimation of the reserve. This classification has been applied to areas in the production stage or for which a detailed feasibility study has been completed.

Legal rights on coalfields

Since the enactment of the Mineral and Petroleum Resources Development Act, 28 of 2002 (MPRDA) in May 2004, our subsidiary Sasol Mining (Pty) Ltd, has been successful in converting its prospecting permits and mining authorisations to new order prospecting permits and mining authorisations to new order prospecting and mining rights in terms of provisions of the MPRDA. In respect of the Secunda Complex, the new order mining rights, known as converted mining rights, became effective on 29 March 2011. The Secunda Complex mining rights, in extent approximately 168 439ha, have been granted for a period of ten years and comprise the total reserve area depicted in table 1 and plan in attachment page M-5. Please also refer to "Item 4.B Business Overview Regulation of mining activities in South Africa". An application to extend the validity of the Secunda

Table of Contents

Complex mining rights to 30 years, the maximum allowable period under the MPRDA, was submitted to the regulator and approval was granted during February 2014. The amendment to the Secunda Complex mining right has still to be notarially executed. In respect of the Mooikraal Operation in the Free State, the relevant old order mining right was also converted and signed on 29 March 2010 and a mining right in respect of small reserve blocks situated within or adjacent to the Sigma: Mooikraal operation was signed on 30 March 2010. The mining rights, approximately 6 647 ha, have been granted for a period of thirty years. An application to consolidate the two mining rights held over the Sigma: Mooikraal operation was submitted, and we are awaiting approval from the regulator. The validity period of our mining rights may, on application, be renewed for further periods not exceeding thirty years each.

Sasolburg operations

Exploration history

The Northern Free State area in South Africa was first explored in the late 1930s. The exploration was conducted by drilling core recovery boreholes over the current Sasolburg area. Some boreholes were initially drilled by the South African government. The Sigma mine was established in 1950. Subsequent drilling by the General Mining and Finance Corporation in the 1960s identified more coal reserves in the southwest of the existing Sigma mine as well as extensions to the south and east. Page M-4 includes a map showing the location of our Sasolburg coal operations.

The geological models are continually updated and refined with additional drill and analytical results.

Coal seam geology

There are two primary coal seams of importance, the Number 2 Coal Seam and the Number 3 Coal Seam. These coal seams are separated by a carbonaceous mudstone to siltstone parting and consist of a number of coal plies and carbonaceous mudstone interburdens. The individual coal plies are numbered from the base upwards and selected mining horizons are identified on the basis of the coal quality required. The major controlling factor on the coal development is the pre-Karoo basement.

Selective mining within coal seams implies that strict horizon control is exercised to maintain mining on the selected horizon. This has been done very successfully at the old Sigma underground operations and at the Mohlolo underground operation. The same principles which were applied when mining the old Sigma and Mohlolo underground operations are applied at the Sigma: Mooikraal mine. In the visible coal seam a well-defined sulphide marker within the seam assists in the identification and verification of the pre-determined minable horizon underground, even in areas where the coal seam is displaced by faulting.

In general, the quality of the coal (the ash yield or the fixed carbon content) deteriorates from the base of the coal seam to the top of the coal seam.

In-seam occurrence of inorganic material is rare in the selected mineable area and may consist of locally developed carbonaceous mudstone lenses. Inorganic material occurs mainly towards the top of the coal seam, but has been excluded from the selected mineable horizon.

Sigma mine has been active since 1950 and has completed total extraction of board and pillar and longwall mining on both the major coal seams. The operations at the Mohlolo underground mines, developed from the highwalls of the Wonderwater strip mine, were closed during the 2006 calendar year.

The Sigma: Mooikraal mine started production during 2006. The production for 2014 is 1,7 Mt (2013 1,7 Mt), where the number 3 B seam is mined.

Table of Contents

Selected mining horizon

The determination of the selected mining horizon is driven primarily by the required coal quality for the steam process at Sasol Infrachem. In order to define the mining horizon, detailed sampling, with associated coal seam descriptions, are conducted. From this, both a visual and chemical correlation of the plies are made.

Reserve estimation

Sasol Mining has 53 Mt (2013 57 Mt) proved recoverable coal reserves for supply to Sasol Infrachem for steam generation from the number 3B coal seam. The reserve estimation is depicted in Table 4 below.

Table 4.

Coal reserve estimation[1] of proved and probable reserves, in areas where we have converted mining rights in the Sasolburg mining complex, in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Coal seam	Gross in situ coal resource[2] (Mt)[5]	Geological discount (Mt)[5]	Mine layout losses (Mt)[5]	Extraction rate (%)	Recoverable coal reserves[3&4] (Mt)[5]	Proved/ probable
Sigma : Mooikraal (Remainder)	3B	165	14	24	30	53	Proved
Total Sasolburg area		**165**				**53**	

(1) The coal reserve estimations in this table were compiled under supervision of Mr Viren Deonarain and Mr Jakes Lock. The "South African Code for Reporting of Minerals Resources and Minerals Reserves (The SAMREC Code 2007 edition)" dealing with competence and responsibility, paragraph 7, state Documentation detailing Exploration Results, Mineral Resources and Mineral reserves from which a Public Report is prepared, must be prepared by, or under the direction of, and signed by a Competent Person. Paragraph 9 states: A 'Competent Person' is a person who is registered with SACNASP, ECSA or PLATO, or is a Member or Fellow of the SAIMM, the GSS or a Recognised Overseas Professional organisation (ROPO). The Competent Person must comply with the provisions of the relevant promulgated Acts. Mr J Swart (Pr.Nat.Sc), on behalf of Golder and Associates performed a comprehensive and independent audit of the coal resource/reserve estimations in July 2011 and the estimates were certified as correct. The current estimation is still in line with the audited reserve and resources statement of July 2011. The estimation of the reserves is compliant with the definition and guidelines as stated in the SAMREC and JORC codes, as well as SEC Industry Guideline 7.

(2) The gross in situ coal resource is an estimate of the coal tonnage, contained in the full coal horizon, selected for mining, above the minimum thickness cut off a relevant coal quality cut off parameters. No loss factors are applied and seam height does not include external dilution or contamination material.

(3) Recoverable coal reserve refers to the economically mineable coal, inclusive of diluting and contaminating material, and allows for losses that may occur when material is mined.

(4) At Sasolburg, no coal beneficiation is conducted with 100% of the recoverable coal supplied to the client.

(5) Mt refers to 1 million tons. One ton equals 1 000 kilograms, approximately 2 205 pounds or 1 102 short tons.

Coal qualities per associated reserve estimation (remaining reserves at 31 March 2014)

In tables 5 and 6 additional information regarding coal qualities is provided.

Table of Contents

Table 5.

Coal qualities on an air dry basis, per reserve estimation area, in areas where Sasol Mining has converted mining rights in the Sasolburg mining complex in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Wet/ dry tons	Average inherent moisture content (%)	Average superficial moisture content (%)	Assigned/ unassigned	Steam/ metallurgical coal	Heat Value (air dry basis) MJ/kg	Sulphur (air dry basis) (%)
Sigma : Mooikraal (Remainder)	Wet	4,7	n/a	Assigned	Steam	20,9	0,9

Table 6.

Coal qualities on an as received basis, per reserve estimation area, in areas where Sasol Mining has converted mining rights in the Sasolburg mining complex in terms of the Mineral and Petroleum Resources Development Act, Act 28 of 2002.

Reserve area	Wet/ dry tons	Average inherent moisture content (%)	Average superficial moisture content (%)	Assigned/ Unassigned	Steam/ metallurgical coal	Heat value (as received basis) MJ/kg	Sulphur (air dry basis) (%)
Sigma : Mooikraal (Remainder)	Wet	4,7	4,2	Assigned	Stream	20,4	0,9

Synthetic oil activities

Refer to "Item 4. D Property, plants and equipment Mining properties and operations" for details regarding our mining properties, coal exploration techniques and the mining parameters and assumptions used during the estimation of synthetic oil reserves.

Synthetic oil equivalent production, production prices and production costs

The following table sets forth a summary of the synthetic oil equivalent average sales price and related production costs for the year shown:

	2014 South Africa	2013 South Africa	2012 South Africa
Average sales price per barrel (Rand per unit)	1 126,88	949,20	865,76
Average production cost per barrel (Rand per unit)	372,2	307,69	376,65
Production (millions of barrels)	51,7	49,7	42,4

Oil and gas operations

Through SPI, its subsidiaries and Sasol's Canadian holding companies, we currently hold equity in three producing assets with proved natural oil and gas reserves in Mozambique, Gabon and Canada; and interests in West and Southern Africa and Australia for exploration, appraisal and development.

Mozambique assets

In Mozambique, we have one producing asset, one asset that is being considered for development and interests in three exploration licences.

The Mozambique producing asset is held under the Pande-Temane Petroleum Production Agreement (PPA). Sasol Petroleum Temane Limitada, a subsidiary of SPI, is the operator of the

Table of Contents

onshore Pande-Temane PPA asset and holds a 70% working interest in the asset under the terms and conditions of the Pande-Temane PPA.

In 2014, the net economic interest production from the Pande-Temane PPA asset amounted to 105,1 Bscf gas and 0,2 MMbbl condensate, and the net economic interest proved reserves at 30 June 2014 are 1 388,4 Bscf gas and 4,1 MMbbl condensate.

The Pande-Temane Production Sharing Agreement (PSA) onshore Mozambique asset, which is operated by the SPI subsidiary, Sasol Petroleum Mozambique Limitada, includes areas that have been declared commercial discoveries, which are currently being assessed for development. We hold a 100% interest in the asset, with Empresa Nacional de Hidrocarbonetos (ENH) the national oil company of Mozambique, being entitled, under the terms and conditions of the Pande-Temane PSA to a calculated share in any production. The immediate project goals are to obtain a final investment decision on the first phase of the project and to submit a field development plan to the government by February 2015.

One of the three Mozambique exploration licences is located onshore and the other two are located offshore. All are operated by SPI subsidiaries.

We hold a 100% interest in the onshore Mozambique licenced area of the Exploration and Production Concession Block A, with ENH assigned a 10% carried interest until field development. SPI is in the process of farm down, which is subject to governmental approval.

In the offshore Mozambique Exploration and Production Concession for Blocks 16&19, the deepwater parts of the licence were relinquished in June 2013. In the remaining shallow water area, we currently hold a 58,8% paying interest, which, when the assignment of our partner's interests is concluded, will increase to 100%. ENH is assigned a 15% carried interest until field development. Petroleum operations in the shallow areas were suspended in 2008 and will remain so until the Strategic Environmental Assessment (SEA) is made public.

The other offshore Mozambique Exploration and Production Concession is Sofala, in which we have a 100% interest, with ENH assigned a 15% carried interest until field development.

Canada assets

In Canada, natural gas and petroleum liquids are produced from the unconventional (shale/tight gas) Farrell Creek and Cypress A asset located in British Columbia. We acquired our 50% economic interest in Farrell Creek and Cypress A from Talisman Energy Inc. in two transactions, with licence participation commencing on 1 January 2011. During November 2013, Talisman announced that it received an offer from Progress Energy Canada Limited, for its 50% economic interest in Farrell Creek and Cypress A. The transaction between Talisman and Progress Energy closed on 12 March 2014, resulting in Progress Energy taking over as operator under the same terms and conditions of the Talisman Sasol Montney Partnership agreements.

In 2014, the net economic interest production from the Farrell Creek and Cypress A asset amounted to 21,3 Bscf gas and 0,1 MMbbl petroleum liquids, and the net economic interest proved reserves at 30 June 2014 were 72,5 Bscf gas and 0,2 MMbbl liquids.

Gabon assets

In Gabon, oil is produced from the offshore Etame Marin Permit asset. Under the terms of the Etame Marin Permit Exploration and Production Sharing Contract, Sasol holds a 27,75% economic interest in the areas covered by Exclusive Exploitation Authorisations and a 30% paying interest in the exploration areas. The permit contains three oil fields (Etame, Avouma and Ebouri) as well as other discoveries and prospects.

In 2014, the net economic interest production from the Etame Marin Permit asset amounted to 1,4 MMbbl oil, and the net economic interest proved reserves at 30 June 2014 were 4,2 MMbbl oil.

Table of Contents

Other exploration and development assets

Australia

In the offshore Northwest Shelf of Australia, we have a 30% economic interest in the Finder Exploration (Pty) Ltd operated ACP-52 licence. This follows the farm-down to Shell Development Australia (Pty) Ltd (Shell Australia), which is now the operator.

Onshore Australia we have signed a conditional farm-in agreement with Falcon Oil & Gas Limited (Falcon) to acquire a 35% economic interest in three onshore exploration permits (EP76, EP98 and EP117) in Australia's Northern Territory within the highly prospective Beetaloo Basin. The agreement is subject to certain conditions precedent, including regulatory approval, which was obtained during August 2014.

Botswana

In Botswana, we have 50% equity in three coalbed methane and coal prospecting licences (PL134/2010, PL135/2010 and PL136/2010). The licences, which are operated by Kubu Energy Resources (Pty) Ltd (Kubu), a joint venture between SPI and Origin Energy Southern Africa Holdings Pty Ltd, are in the process of being relinquished.

Nigeria

Sasol holds interests in two offshore deepwater licences in Nigeria. In the Oil Mining Licence (OML) 140, Sasol holds a 5% paying interest and 2% economic interest. The licence is operated by Chevron. One area of OML 140 has been declared a discovery, and the development potential is currently being assessed.

The OML 140 licence also includes part of the Bonga South West and Aparo (BSWAp) development project, in which Sasol holds a 0,375% paying interest and 0,15% participating interest. As well as part of OML 140, the development project spans the OML 118 (Shell) and OML 132 (Chevron) licences and is operated by Royal Dutch Shell under the terms of a Pre-Unitisation Agreement and Contractors' Pre-Unitisation Operating Agreement. The development project is currently being defined, with the final investment decision targeted for later in calendar year 2014 and first oil in calendar year 2020.

In the Oil Prospecting Licence (OPL) 214, Sasol holds a 5% paying and economic interest. The licence is operated by Esso. One area of OPL 214 has been declared a discovery, and the development potential is being assessed. In April 2012 the operator applied for conversion of OPL 214 to an Oil Mining Licence (OML 145). The conversion will be effected on payment of the signature bonus.

Papua New Guinea

The Papua New Guinea government has approved the transfer of operatorship and the sale of our interests in both licences (PPL-426 and PPL-287) to Talisman. This has fulfilled the sale conditions and will enable us to conclude the Sales & Purchase Agreements for both licences, effective August 2014.

South Africa

In November 2013, the application for an Exploration Right over the former TCP032 in the Durban Basin was granted as ER236 on a 100% basis to SPI. SPI has signed a conditional farm-down agreement to grant a 40% economic interest to Eni SpA (Eni), which is subject to government approval.

Table of Contents

In May 2014, an application for an Exploration Right over the 3A/4A area (previously covered by a Technical Co-operation Permit) was submitted, with SPI and PetroSA each holding a 50% economic interest. Approval from government is currently pending.

Reserve disclosure

Proved developed and proved undeveloped reserves estimates: The table below summarises the proved developed and proved undeveloped reserves of synthetic oil and natural oil and gas for the producing assets, as at 30 June 2014. The total proved reserve estimate for synthetic oil is 680,7 million barrels in oil equivalent terms. The total proved reserves estimate for natural oil and gas is 252,0 million barrels in oil equivalent terms.

Summary of synthetic and natural oil and gas proved reserves at 30 June 2014

	Synthetic oil (Millions of barrels)	Oil (Millions of barrels)	Natural gas (Billions of cubic feet)	Total Oil equivalent[1] (Millions of barrels)
Proved developed				
South Africa	680,7			680,7
Mozambique		1,4	591,7	100,0
Canada[2]		0,2	72,5	12,3
Gabon		1,9	0,0	1,9
	680,7	3,5	664,2	794,9
Proved undeveloped				
Mozambique		2,7	796,7	135,5
Canada[2]		0,0	0,0	0,0
Gabon		2,3	0,0	2,3
		5,0	796,7	137,8
Total proved reserves	**680,7**	**8,5**	**1 460,9**	**932,7**

(1) Six billion cubic feet of natural gas is converted to one million barrels of oil equivalent.

(2) Canada reserves relate to unconventional natural gas (shale/tight gas).

South Africa proved reserves: The South African proved reserves are contained in our Sasol Mining properties. Refer "Item 4.D Property, plants and equipment Mining properties and operations."

Mozambique proved reserves: The Mozambique proved reserves are contained in the Pande-Temane PPA asset. These represent the net economic interest volumes that are attributable to SPI after the deduction of production tax. The reserves are limited by take or pay quantities defined in the five existing gas sales agreements for the remainder of the terms of the contracts.

Canada proved reserves: The Canada proved reserves are contained in the unconventional (shale/tight gas) Farrell Creek and Cypress A asset. Full development of the asset will require around 3 000 wells, of which only some 5% have been drilled and completed to date. In view of the low natural gas price in Western Canada and North America, the extensive remaining development plan has slowed to adjust to market conditions. Reserves are presently limited to those volumes of gas and condensate that are forecast to be produced from existing wells.

Gabon proved reserves: The Gabon proved reserves are contained in the Etame Marin Permit asset. These represent the net economic interest volumes attributable to SPI after application of the terms of the Exploration and Production Sharing Contract.

Table of Contents

Changes to proved reserves: The table below presents in oil equivalent terms the proved reserves of natural oil and gas for the producing assets managed by SPI, over the years shown and identifies the reasons for the changes in the estimates.

Changes in Synthetic and Natural Oil and Gas Proved Reserves at 30 June 2014
(oil equivalent, million barrels[1])

	Synthetic oil South Africa	Mozambique	Canada[2]	Gabon	Total
Balance at 30 June 2012	776,3	245,4	9,4	4,0	1 035,1
Revisions	(13,3)	(4,1)	1,1	0,6	(15,7)
Improved recovery		10,8	1,5	1,0	13,3
Commercial arrangements		21,6			21,6
Production	(49,7)	(16,1)	(3,8)	(1,3)	(71,1)