sasol
reaching new frontiers

annual financial statements 2007

about this report

Sasol's reporting aims to provide a balanced, understandable, complete and easily comparable view of its business, performance and prospects over the course of a financial year. Alongside the ongoing stakeholder interactions and communications expected of a responsible global organisation committed to accountability, Sasol produces a full suite of reporting publications.

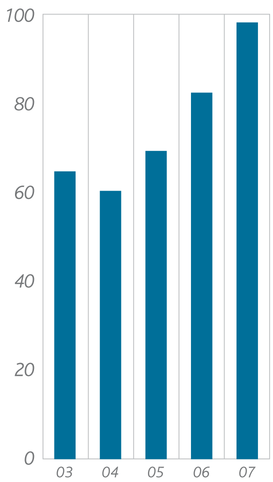
In addition to our annual financial statements for the year ended 30 June 2007, stakeholders are advised to read Sasol's annual review, our Form 20-F (produced in accordance with US Securities and Exchange Commission (SEC) regulations) as well as our sustainable development report (produced in accordance with the Global Reporting Initiative's (GRI) guidelines) for a complete view of the group's business, strategy, performance against objectives, and prospects.

Stakeholders are advised to refer to important information about the forward-looking statements made in this report, on the inside back cover of this report.

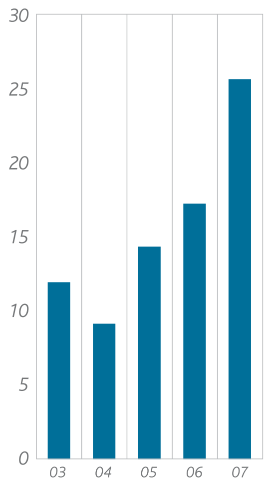
highlights

- *Operating profit up **18%** (excluding Sasol O&S).*
- *Headline earnings per share up **10%**.*
- *Total dividend up **27%** to **R9,00** per share.*
- *Oryx GTL producing on specification product.*
- ***68** projects worth **R3,4 billion** reach ready-for-operation stage.*
- *Capital expenditure of **R12 billion**, **54%** in South Africa.*
- *Sasol O&S retained – turnaround in progress.*
- *BEE transformation progressing well – **10%** ownership transaction at Sasol Limited announced.*

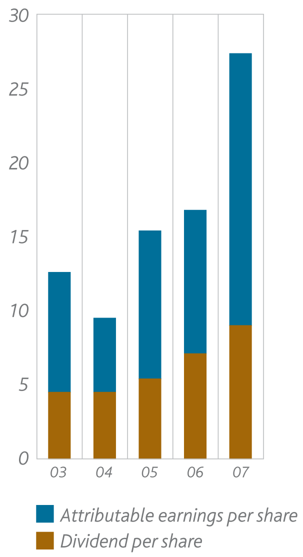
Turnover (R billion)



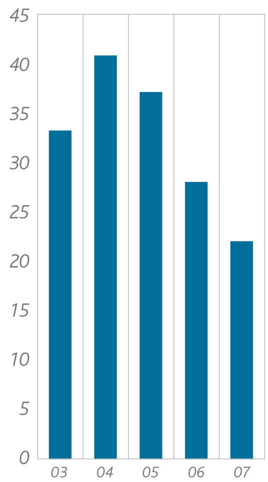
Operating profit (R billion)



Profit attributable to shareholders (Rand)



Gearing (%)



chief financial officer's review

"The year under review has been very successful for the group. This has enabled us to consistently deliver on our financial targets and build value for our shareholders. Our strong balance sheet, together with our sustained financial performance, provides a solid foundation for sustainable growth."

growth **and** governance

1 Purpose

Stakeholders are advised to read this review in conjunction with the annual financial statements presented on pages 38 to 176. The purpose of this review is to provide further insight into the financial performance and position of the group in the context of the environments in which we operate.

2 Economic overview of the regions in which we operate

2.1 South Africa

The South African economy grew for the third consecutive year at a gross domestic product (GDP) growth rate of 5%. In the past year we started to see a shift away from consumer-led growth towards producer- and investment-led growth. This is a welcome development that will help to make the country's growth more sustainable in the long term and could potentially raise the economy's growth rate. Rising interest rates and a weaker currency were the key triggers of this growth rotation.

With the prime interest rate increasing by 2,5% to 13,0% over the year, higher finance charges and higher import costs contributed to a slowdown in new vehicle sales. Towards the end of the financial year, passenger vehicle sales began to contract on a year-on-year basis. Sales of commercial vehicles, however, have remained firm – emphasising the shift in internal growth dynamics and contributing to rapid growth in the domestic distillate market. Preliminary data from the South African Petroleum Industry Association show that the growth in diesel consumption probably exceeded 10% over the 2007 financial year. The weaker rand, against the euro and US dollar also positively affected manufacturing production in general, which grew by nearly 5,5% over the financial year, well above the 4% growth in the prior year.

Christine Ramon
Chief financial officer

The economy has experienced a general tightening in resource utilisation. A number of industries, including liquid fuels, have run out of spare capacity. Increased demand will therefore have to be met through higher imports. Skilled labour is increasingly in short supply, with skilled services demanding a premium.

2.2 United States of America (USA)

GDP growth in the USA slowed sharply over the financial year. This was largely the result of a sharp contraction in residential construction. For now the impact of the downturn in the USA housing market appears to be contained within that industry. Consumer spending has held up remarkably well in the face of weaker wealth effects and higher energy prices. In our view, however, the risk of a spill-over into employment and slower growth in US consumer spending remains.

The US dollar weakened against most major currencies over the past year, bar the Japanese yen, while the Federal Reserve kept interest rates largely unchanged.

On balance, these developments made our businesses in the USA more competitive.

2.3 Europe

The Euroland economy performed above expectations over the year, with GDP growth accelerating to above 3%. However, the contribution of consumer spending to GDP growth remained unchanged at about one percentage point notwithstanding falling unemployment levels and rising consumer confidence.

The euro strengthened by 6% against the US dollar over the year, following the 5% appreciation in the prior year. European interest rates moved sharply higher as the authorities sought to normalise monetary policy settings. This resulted in an increased cost of capital for our European businesses in addition to the currency induced pressure on their competitive position.

In general, despite the strengthening of the euro versus the US dollar, our European businesses were positively impacted by these developments.

2.4 China

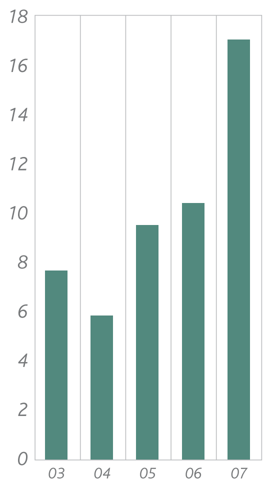
The renminbi continued its steady appreciation against the US dollar over the past year on the back of steadily rising trade surpluses. This is despite the various tightening measures introduced by the authorities over the past year, including the increased reserve requirement ratios for financial institutions and the introduction of export taxes on a range of products.

The continued appreciation of the Chinese currency has a negative impact on the economics of the projects under investigation in China.

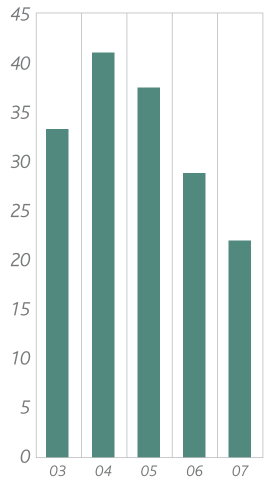
3 Financial performance

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

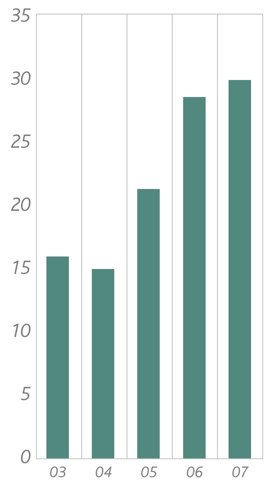
Profit attributable to shareholders (R billion)



Gearing (%)



Cash flow from operations (R billion)



Each of these areas is discussed in more detail in this review.

4 Effect of significant changes in accounting principles

As set out in notes 1 and 2 of our financial statements (pages 82 – 86) we have made a number of changes to our comparative information.

The reasons for these changes are:

- *The reintegration of Sasol Olefins & Surfactants into the results of our continuing operations;*
- *The re-categorisation of certain figures to provide a more meaningful basis for comparison;*
- *The recognition of a new reporting segment; and*
- *The change in accounting policy in our Mining operations.*

During the 2007 financial year, we adopted a number of new accounting standards as set out in our accounting policies. Except for IFRS8, Operating Segments, these newly adopted standards did not significantly affect our financial results.

4.1 Reintegration of Sasol Olefins & Surfactants (Sasol O&S)

During the prior financial year, after months of preparation and negotiation with interested parties, we classified Sasol O&S as held for sale and its results were accordingly presented as discontinued operations.

Following the bidding process and subsequent negotiations with potential buyers, we decided to terminate the divestiture process and retain Sasol O&S, electing to restructure the business for profitability. The primary reason for terminating the divestiture was that fair value for the business could not be obtained. The business has been reclassified accordingly and its results included in continuing operations.

This change has significantly impacted the presentation of our financial results.

On classifying the business as held for sale, we removed the assets and liabilities attributable to Sasol O&S from the line items on the balance sheet to which they related and presented them as a single line in assets and in liabilities as held for sale. This classification was reversed during the year under review, but comparative information may not be restated. As a result the comparability of the two balance sheets has been made more difficult.

In contrast, on classifying the business as held for sale, the results of Sasol O&S were presented in the income statement as discontinued operations for all periods presented. The accounting treatment of the subsequent reintegration of the business requires that we restate the income statements for all periods presented to include the results of Sasol O&S in continuing operations.

On classification as held for sale at 30 June 2006, we performed a review of the Sasol O&S business and determined that a write-down to fair value less costs to sell was necessary. This review was based on our estimate of the expected selling price of this business.

On reintegration, we were required to perform an assessment of the carrying value of the non-current assets, based on our expectations that we would continue to use these assets. The value in use of these assets, when considered in terms of the cash generating units to which they belong, differs from the expected selling price of the business, primarily because certain assets, already fully impaired, were loss making and thus contributed negatively to the combined fair value. These assets cannot be written down to below a zero book value. As a result, a portion of the fair value write-down recognised in the prior year has been reversed.

In addition, the depreciation that was not allowed to be recognised during the period in which the assets were classified as held for sale must be recognised in full on the day on which the assets are classified as part of continuing operations.

Taking cognisance of our communicated plans to restructure Sasol O&S, primarily in the USA and Italy, certain restructuring provisions amounting to R405 million have been recognised.

The net effect of the reversal of the fair value write-down and restructuring is set out below:

	EURm	Rm
Fair value write down at 30 June 2006	(349)	(3 196)
Effect of exchange rate change to 30 March 2007	–	(181)
Reversal of fair value write-down	349	3 377
Impairment of Sasol Italy	(110)	(1 063)
Impairment of Sasol North America	(79)	(769)
“Catch up” depreciation to 30 March 2007	(66)	(644)
Impairment of goodwill	(11)	(98)
Net reversal of fair value write-down	83	803
Restructuring provisions recognised at 30 June 2007	(44)	(405)
Effect of exchange rate difference between 30 March 2007 and 30 June 2007	–	(12)
Net income statement gain	**39**	**386**

4.2 Re-categorisation of financial information

As part of our annual review of the group's financial statements, which is aimed at identifying opportunities to improve disclosure, we deemed it appropriate to recognise the retail convenience centres of Sasol Oil (including both the Sasol and Exel centres) as a separate category within property, plant and equipment.

The retail convenience centres represent a separate major line of assets with different risks and rewards to the other categories of assets presented. As a result, these assets were reclassified as a separate category. The details of the reclassification are set out in note 1 of the annual financial statements.

A further enhancement in the group's presentation of assets is the classification of assets under construction as a separate line item on the balance sheet. Assets under construction include amounts previously included in property, plant and equipment (capital work in progress and certain mineral assets) and intangible assets.

These assets are still in the process of being constructed or developed and do not yet generate economic benefits. In light of the significance of this figure, we considered it appropriate to reflect it as a separate line item on the balance sheet to further enhance users' understanding of the group's financial statements and facilitate the calculation of relevant financial ratios.

The balance sheet and related notes have been restated accordingly.

4.3 Operating segments

During the year we refined our presentation of segment information by broadly categorising our operating segments into three main clusters – South African energy cluster (Sasol Mining, Sasol Synfuels, Sasol Oil and Sasol Gas), international energy cluster (Sasol Synfuels International and Sasol Petroleum International) and chemical cluster (Sasol Polymers, Sasol Solvents, Sasol O&S, Sasol Nitro, Sasol Wax and Infrachem).

This categorisation more accurately reflects the way in which the group is managed and reported on to our group executive committee (GEC) and board. While the information is presented by cluster, the underlying business unit information in each of the clusters is still presented to the GEC and the board.

We have continued therefore to present each of the business units as reporting segments in terms of IFRS8. To facilitate this, we have elected to classify Sasol Petroleum International as an additional operating segment. Although the two operating segments comprising the international energy cluster do not meet the quantitative thresholds required to be reported as segments, we consider this presentation to be appropriate in light of their strategic importance to the group.

4.4 Change in accounting policy at Sasol Mining

Sasol Mining capitalises expenditure relating to the commissioning of a new mine until the main asset is ready for its intended use. Subsequent costs, such as conveyor systems, power and water reticulation, telemetrics, substations and dams or seals, are incurred once the main asset is completed and production has commenced. Furthermore, due to the nature of activities in accessing new mining areas, continuous underground mine development costs are incurred.

Previously, Sasol Mining's policy was to expense all development costs incurred after the completion of the main asset.

During the year we changed our accounting policy on underground development costs. These costs are now capitalised and depreciated over their estimated useful lives. The new policy is consistent with most mining companies based on information from a Global Mining Reporting Survey conducted by KPMG. This policy change will make Sasol Mining's financial statements more relevant by being comparable with its peers in the mining industry globally.

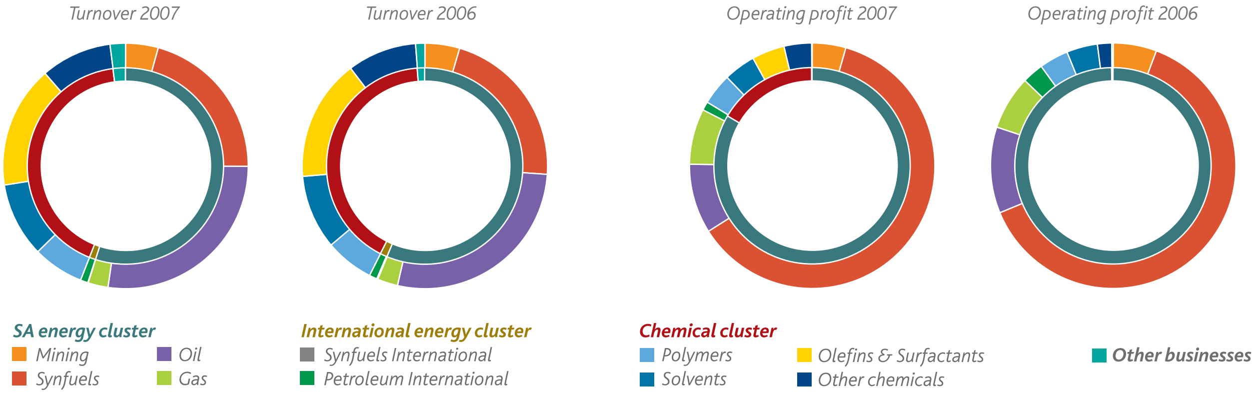
5 Operating performance

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

		2007 Rm	% change	2006 Rm	% change	2005 Rm
Turnover		**98 127**	**19**	82 395	19	69 239
Gross margin		**50 247**	**14**	44 056	17	37 500
Cash fixed costs		**21 056**	**19**	17 681	8	16 335
Current operations		**19 406**				
Once off items and growth initiatives		**1 650**				
Operating profit		**25 621**	**49**	17 212	20	14 386
Operating profit margin	%	**26**		21		21
Profit attributable to shareholders		**17 030**	**64**	10 406	10	9 449
Earnings per share	Rand	**27,35**	**63**	16,78	9	15,39
Headline earnings per share	Rand	**25,37**	**10**	22,98	33	17,29

5 Operating performance (continued)

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



5.1 Trend analysis

Since 2002, the group has increased turnover by 10%, operating profit by 12% and profit attributable to shareholders by 12% per year respectively, compounded annually. This has been largely as a result of the increase in the crude oil price, coupled with a relatively stable, albeit weakening, Rand/US dollar exchange rate.

This pleasing trend is reflected in most of our businesses, with the most significant improvement in the South African energy cluster but to a lesser extent in the group's global chemical cluster, which has been adversely affected by higher crude oil prices driving up the cost of oil-related feedstock.

The split in operating profit between our energy and chemicals businesses is skewed significantly towards energy, mainly due to high crude oil prices and the market-related, internal pricing mechanism by which crude oil related raw materials are charged to our chemical businesses.

5.2 Year on year comparison

Operating profit increased by R8 409 million (49%) in 2007, R2 826 million (20%) in 2006, and R5 218 million (57%) in 2005.

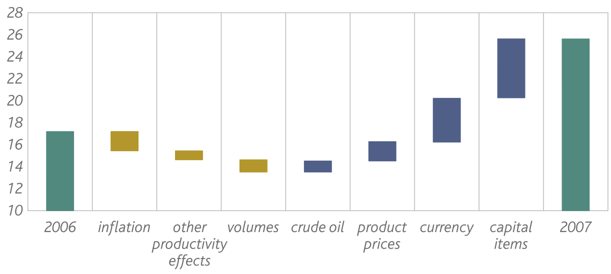
The increase in reported operating profit was attributable to the following primary drivers:

	2007		2006		2005	
	Rm	%*	Rm	%*	Rm	%*
Foreign currency effects	**3 935**	**23**	1 289	9	(1 621)	(18)
Crude oil and product prices	**2 754**	**16**	6 903	48	8 512	93
Inflation on fixed cash costs	**(1 780)**	**(10)**	(1 380)	(10)	(405)	(4)
Volume and other productivity effects	**(1 912)**	**(11)**	(988)	(7)	(1 395)	(15)
Change in accounting standards	**–**	**–**	(2)	–	1 375	15
Effect of capital items	**5 412**	**31**	(2 996)	(20)	(1 248)	(14)
Increase	**8 409**	**49**	2 826	20	5 218	57

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

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

Operating profit – price volume variance analysis *(R billion)*



As more fully described in section 4.1 of this review, the most significant impact in the 2007 year was the reversal of a portion of the fair value write-down of Sasol O&S.

The weakening of the rand against most major currencies and the increase in the crude oil price continued to contribute significantly to the group's operating profit.

During the year there were two planned maintenance shutdowns at Sasol Synfuels compared to none in the previous year. The first was a total statutory maintenance shutdown, required every four years, of one half of the Synfuels plant and the second was a smaller phased shutdown of one quarter of the plant. Due to the integrated nature of our South African operations, these shutdowns, coupled with some operational incidents, had a significant negative impact on the group's production volumes.

5.3 Cash fixed costs

Sasol is primarily a commodity business. We therefore place a high degree of emphasis on our cash fixed costs. While we aim to keep our cash fixed cost increases to within inflation year-on-year, this may be impacted by:

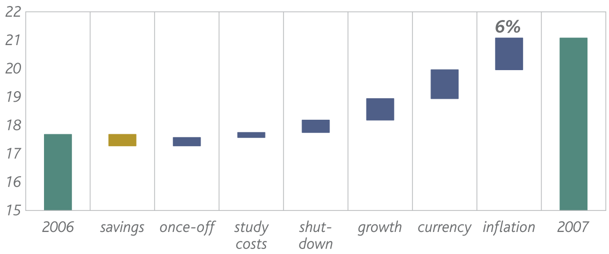
- *Labour cost escalation in excess of inflation;*
- *Minimum investments for safety and environmental purposes; and*
- *Fixed costs related to new investments and capacity expansions.*

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

	2007 Rm	% increase on 2006
Cash fixed costs	21 056	19,1
Less once off items and growth initiatives	1 650	9,3
Non-recurring items	280	
Once-off impact of maintenance shut-down of Sasol Synfuels	414	
Study costs	203	
Growth initiatives (increased staff and project start-up)	753	
Cash fixed costs from current operations	19 406	9,8
Effect of uncontrollable external factors		
Currency effects	1 013	5,7
Inflation	1 121	6,3

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

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



Included in the savings of R409 million are the positive effects of the crude oil hedge more fully described in section 6.2 of this report.

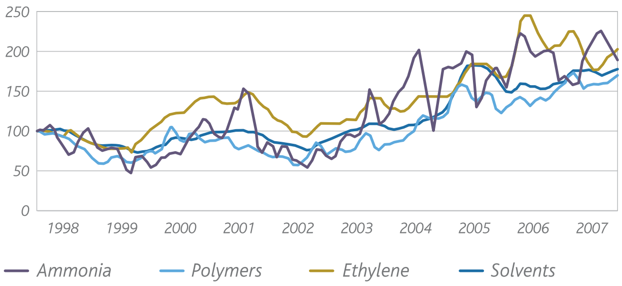
6 Key risks affecting operating performance

6.1 Chemical prices

The demand for our chemical products is cyclical. Typically, higher demand results in higher prices until new production capacity is introduced, at which point prices decrease. Most commodity chemical prices tend to track crude-oil-based feedstock prices over the longer term. However, in the last two years in which significant increases in the crude-oil price have been experienced, we have been unable to pass all of these increases in raw material costs on to our customers.

The following graph illustrates the changes in chemical prices over the last ten years:

***Chemical prices** (expressed as a percentage of July 1997)*



In times of high crude-oil and intermediate product prices, profit margins benefit the feedstock producer. In times of high chemical prices and lower feedstock prices, profit margins shift to downstream activities. Our strategy for our commodity chemicals businesses, therefore, is, wherever possible, to be invested in the value chain from raw materials to final products.

As a result of this approach, the group has elected not to hedge its exposure to commodity chemical prices as this may in part negate the benefits of such integration into our primary feedstock streams.

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

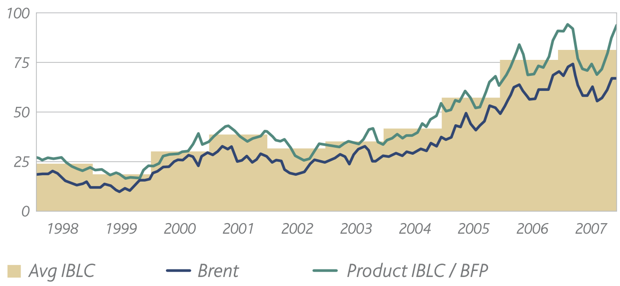
6.2 Crude oil prices

Our exposure to crude oil prices centres on the crude oil related raw materials used by our Natref refinery and in many of our European chemical businesses, as well as the selling price of the fuel marketed by Sasol Oil, which is governed by the basic fuel price (BFP) – regulated by the South African Government. The key factors in the BFP are the crude oil price, rand/US dollar exchange rate and the refining margin typically earned by coastal refineries.

The pricing mechanism for the raw material provided by Sasol Synfuels to the South African chemical businesses mirrors the BFP price. The price charged is the value that Sasol Synfuels could earn by converting these products to fuel and selling the fuel at the BFP.

Besides the extreme volatility in the crude oil price in recent years, it has increased significantly over the past two years.

***Crude oil price** (US$/b)*



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

To protect the group against the adverse effects of short-term oil price volatility and rand/US dollar exchange rate fluctuations on the cost of the crude-oil purchases (approximately 54 000 b/d) used in our Natref refinery, a combination of forward exchange contracts and crude-oil futures are used. This hedging mechanism does not protect the group against longer-term trends in crude oil prices.

As a result of the group's substantial capital investment programme and cash flow requirements, we deemed it necessary to shield the group's income from fluctuations in crude oil prices. In 2007, we hedged the equivalent of approximately 30% of Sasol Synfuels' production (45 000 b/d). This was achieved by entering into a zero cost collar in terms of which the group was protected at crude oil prices below US$63,00/b but able to benefit from crude oil prices up to US$83,60/b. Above that level, the group is required to reimburse the gains generated. During the year the average monthly crude oil price at times traded at levels below the range of this collar and the group realised a profit of R408 million.

We believe this hedging strategy remains appropriate and have again hedged the crude oil equivalent of approximately 30% of Sasol Synfuels' production by means of a zero cost collar for the 2008 financial year. In respect of the hedged portion of production, the group is protected if monthly average crude oil prices drop below US$62,40/b and will incur a cash outflow should they exceed US$76,75/b during the hedging period. As a result of the significant increase in crude oil prices towards the end of the 2007 financial year, the recognition of the fair value of the collar resulted in an unrealised fair value loss of R197 million being recognised at year end.

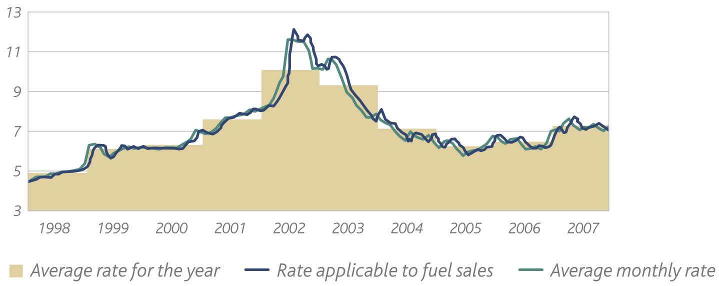
For budgeting and forecasting purposes, we estimate that for every US$1/b increase in the annual average crude oil price, group operating profit for the year will increase by approximately US$43 million (approximately R317 million) during 2008. Should the average annual crude oil price move outside the range of our zero cost collar, the effect of the hedge on operating profit for the year will be a reduction in the sensitivity of approximately US$16 million (R108 million) for each US$1/b increase in the crude oil price, and a similar increase for each US$1/b decrease in crude oil prices.

6.3 Exchange rates

A significant proportion of our turnover and capital expenditure is affected by the rand/US dollar exchange rate. Our fuel products are governed by the BFP of which a significant determining variable is the rand/US dollar exchange rate. Our chemical products are largely commodity products whose prices are largely based on global commodity and benchmark prices quoted in US dollars.

Therefore, the average exchange rate for the year has a significant effect on our turnover and our operating profit. For budgeting and forecasting purposes, we estimate that a 10c change in the annual average rand/US dollar exchange rate will impact our operating profit by approximately R600 million in 2008.

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



To protect our South African operations from the effects of exchange rate volatility, taking into account the anticipated devaluation of the rand over the long term, we hedge both our capital expenditure and foreign currency denominated imports in excess of US$50 000 by means of forward exchange contracts. Any forward exchange contract that results in exposure of R100 million or more requires the pre-approval of our GEC.

This hedging strategy enables us to better predict cash flows and hence to manage our working capital and debt more effectively.

7 Black economic empowerment (BEE) transactions

During the year Sasol Limited concluded the sale of 25% of Sasol Oil (Pty) Limited to Tshwarisano LFB Investment (Pty) Limited (Tshwarisano), an independent third party, which does not form part of the Sasol group. We also announced our intention to pursue a 10% BEE transaction at Sasol Limited level.

7.1 Tshwarisano BEE transaction

This transaction came into effect on 1 July 2006, and was structured as follows:

- *Tshwarisano issued preference shares to Standard Bank of South Africa Limited (Standard Bank) for R1 140 million and the shareholders raised further funds of R310 million.*

- *The total purchase price of R1 450 million was settled by means of the funds raised.*
- *As part of facilitating the preference share debt, Sasol Limited granted Standard Bank an option to put the preference shares to Sasol should specific contractually agreed events occur, at a specified option price. This effectively means that the group has provided a financial guarantee in respect of the preference share debt.*

The transaction has been accounted for as follows:

- *A profit on the sale of 25% of Sasol Oil of R315 million was recognised in the income statement.*
- *The minority interest in Sasol Oil attributable to the 25% held by Tshwarisano is recognised in both the income statement and balance sheet.*
- *The fair value of the guarantee provided by Sasol, of R39 million, was recognised in the balance sheet and amortised in the income statement using the effective interest rate method over the period that the debt is repaid by Tshwarisano. During 2007, R2 million of this guarantee has been amortised. In future periods, the guarantee will be carried at the greater of the amortised initial fair value or the amount determined in accordance with the accounting standard on provisions.*

7.2 Sasol Limited BEE transaction

On 11 May 2006, we announced our intention to review our equity ownership strategy and to possibly implement a major BEE transaction or further transactions.

In September 2007, we announced our intention to implement a broad-based BEE transaction which should result in the transfer of beneficial ownership of 10% of Sasol Limited's issued share capital to our employees and a wide spread of black South Africans (BEE participants).

The proposed BEE transaction is designed to provide long-term sustainable benefits to all participants and will have a tenure of 10 years. The BEE participants will comprise the following:

- *Broad-based black South African public – 3,0%.*
- *Selected BEE groups – 1,5%.*
- *All Sasol employees, black and white, below managerial level that are permanently resident in South Africa, Sasol black management and black non-executive directors – 4,0%.*
- *Sasol Foundation (with a primary focus on capacity building of black South Africans, predominantly in the fields of science and technology) – 1,5%.*

The transaction will be financed through a combination of equity, third party funding and Sasol facilitation.

The selected BEE groups and black South African public components of the transaction will be funded by way of equity contributions and third party funding (external preference shares) with appropriate Sasol facilitation.

The employee component and the Sasol Foundation will be funded entirely through Sasol facilitation.

In order to maximise the external funding, we propose to create a new class of shares – preferred ordinary shares. These shares will carry a fixed cumulative preferred dividend right for a period of ten years. This dividend right will rank ahead of the ordinary shares. In all other respects, the preferred ordinary shares will rank equal with the existing Sasol shares and, after ten years, the preferred fixed dividend right will cease and these shares will be identical to ordinary shares and be listed on the JSE Limited as such.

We have repurchased 14,9 million Sasol Limited ordinary shares (2,4% of Sasol's issued share capital) between March 2007 and 30 June 2007. Up to 10% of Sasol Limited's issued share capital may be repurchased in this manner. The BEE transaction will require the issue of 34,5 million Sasol ordinary shares and 28,2 million Sasol preferred ordinary shares to the BEE participants. To mitigate dilution to existing shareholders, we intend to repurchase an equivalent number of Sasol ordinary shares (62,7 million shares). Should Sasol not acquire 10% of its share capital by the date of the further announcement with respect to the BEE transaction, we may consider approaching our shareholders with a scheme of arrangement in terms of which shareholders will be requested to sell a pro-rata portion of their shares at the prevailing market price.

As a result of the financial facilitation provided by Sasol, which is envisaged to be within market norms, it will be necessary to recognise a charge in the income statement. This charge is determined, based on IFRS2, Share-based Payment, using an option pricing model. Based on a share price of R285 and various other assumptions, the IFRS2 charge, which is a non-cash cost, is estimated to be R3,1 billion. Of this amount, R1,1 billion relates to the employee component of the transaction and will be recognised in the income statement over the required period of service of these employees of ten years.

A further announcement will be made during the first half of 2008 after the relevant agreements have been signed and third party financing arrangements have been finalised. Thereafter, shareholder approval and other regulatory approvals will be sought. The envisaged BEE transaction should not adversely impact Sasol's growth strategy nor our dividend policy.

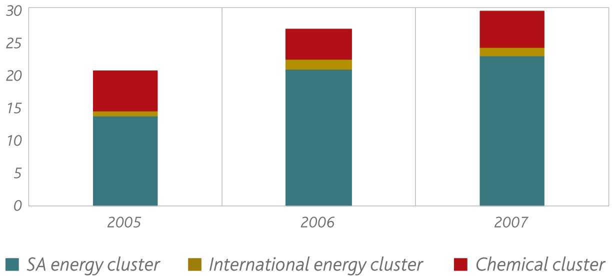
8 Cash flow analysis

		2007 Rm	2006 Rm	% change	2005 Rm	% change
Cash generated by operating activities		**28 425**	24 527	16	18 902	30
Additions to non-current assets		**12 045**	13 296	(9)	12 616	5
Increase/(decrease) in debt		**852**	(1 633)		2 021	
Dividend per share	(Rand)	**9,00**	7,10	27	5,40	31

8.1 Cash generated by operating activities

Over the last five years we have generated an average of R20,6 billion cash per annum from operating activities.

Cash flow from operations (R billion)



In line with the operating profit generated by our businesses, our most significant contributor to cash generated by operating activities is Sasol Synfuels. Over the last five years all of our business units have generated positive cash flows from their operating activities.

The cash generated from our operating activities is used firstly to pay our debt and tax commitments and then to provide a return to our shareholders in the form of a dividend. The remaining cash is used primarily for our capital investment programme.

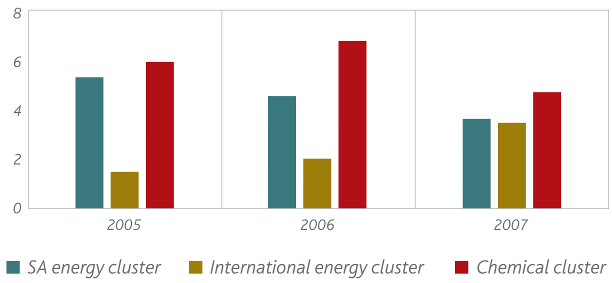
8.2 Cash invested in capital projects

All projects executed by wholly-owned subsidiaries of the group are funded from the central treasury, which is in turn funded by means of a group cash pooling system. The central treasury's net funding requirement raised from the local and international debt markets takes cognisance of the group's self imposed gearing constraints.

Where projects are executed in partnerships and in foreign jurisdictions, particularly jurisdictions where there may be an element of political risk, we see project finance as a project development tool that enables us to mitigate political risk, concentration risk, and to an extent, liquidity risk. This view is based on the fact that an economically viable project that has been developed using a sound project finance risk allocation package is likely to be funded in the international markets.

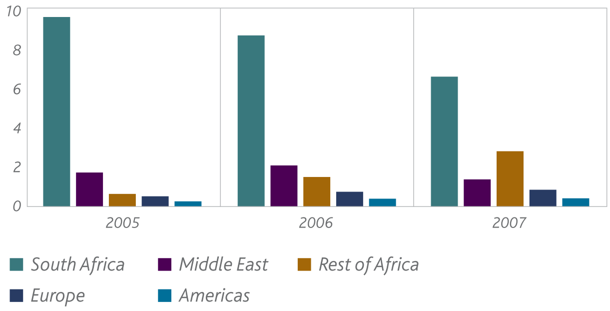
Over the last three years the group has invested a total of R38 billion in capital projects. This amount relates primarily to Project Turbo, our gas-to-liquids (GTL) investments in Qatar and Nigeria as well as Arya Sasol Polymer Company in Iran.

Additions to non-current assets (R billion)



Over the last three years the group's investments have been focused mainly in South Africa and in the Middle East (Arya Sasol Polymer Company in Iran and Oryx GTL in Qatar). Although substantial capital has been invested in foreign jurisdictions such as Iran, Nigeria and Qatar, the cash flow and earnings derived from these investments do not yet constitute a significant portion of group cash flows or earnings.

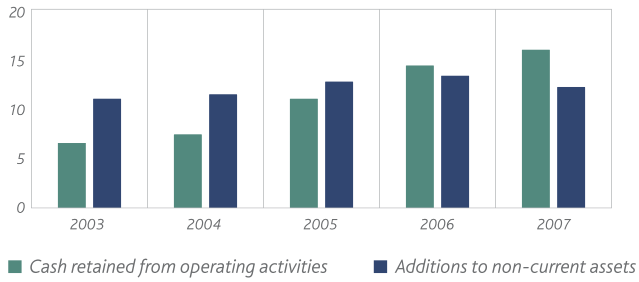
***Additions by geographic location** (R billion)*



Further detail of our additions to non-current assets is provided in notes 4, 5 and 7 to our financial statements.

8.3 Cash utilisation

***Utilisation of cash** (R billion)*



Except for 2006 and 2007, the cash expenditure on our capital investment programme has exceeded the cash retained from operating activities. As a result, we have financed a portion of our capital investment programme through debt. This is in line with our policy of maintaining our gearing within a range of 30% to 50%. Strong cash generation from operating activities in the last two years has contributed to the reduction in the group's debt and gearing levels.

9 Debt

Our debt is made up as follows:

	2007 Rm	2006 Rm	2005 Rm
Long-term debt	**16 434**	16 015	13 846
Short-term debt	**2 546**	1 727	4 613
Bank overdraft	**545**	442	287
Total debt	**19 525**	18 184	18 746
Less cash	**5 987**	3 102	2 509
Net debt	**13 538**	15 082	16 237
Increase/(decrease) in funding	**852**	(1 633)	2 021

9.1 Debt profile

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

Our debt profile has a longer term bias, which reflects both our capital investment programme and the excellent results generated by our operations over the last three years. This operating performance has reduced the group's dependency on short-term borrowing facilities. At 30 June 2007, the ratio of long-term debt to short-term debt of 84:16 had increased from 74:26 at 30 June 2005.

Our debt exposure at 30 June analysed by currency was:

	2007 Rm	2007 %	2006 Rm	2006 %	2005 Rm	2005 %
Rand	**7 679**	**39**	8 697	48	11 351	61
US dollar	**3 505**	**18**	3 541	20	3 301	18
Euro	**7 749**	**40**	5 691	31	3 787	20
Other	**592**	**3**	255	1	307	1
Total debt	**19 525**	**100**	18 184	100	18 746	100

During the year our debt increased primarily as a result of the near completion of two of our major capital projects, Project Turbo and Oryx GTL, as well as the progress made on our investments in Arya Sasol Polymer Company and Escravos GTL in Nigeria.

9.2 Credit ratings

Our credit ratings were reaffirmed during the current year. Some of the more significant risks that influence our credit rating are crude-oil price volatility, our investments in developing countries with their associated economic risks, and the potential for a significant debt increase and execution risks if a number of potential GTL and coal-to-liquids (CTL) projects materialise simultaneously.

Our foreign currency credit rating according to Moody's is Baa1/stable/P-2/stable and our national scale issuer rating is Aa3.za/P-1.za. The latest Moody's credit opinion on Sasol was published on 29 September 2006. Moody's reviewed and reaffirmed Sasol's position in July 2007.

Our foreign currency credit rating according to Standard and Poors (S&P) is BBB+/Stable/A-2 and our local currency rating is A+/Stable/A-1. The latest S&P corporate ratings analysis on Sasol was published on 19 February 2007. A ratings review will be performed in the last quarter of this year.

9.3 Strategy for mitigation of interest rate risk

Our hedging activities in respect of debt are limited to two primary instruments – cross currency swaps and interest rate swaps.

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

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

	2007 Rm	2007 %	2006 Rm	2006 %
Fixed interest rates	**7 325**	**38**	7 867	43
Variable interest rates	**12 200**	**62**	10 317	57
Total long-term debt	**19 525**	**100**	18 184	100

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

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

10 Shareholding and equity

10.1 Shareholding

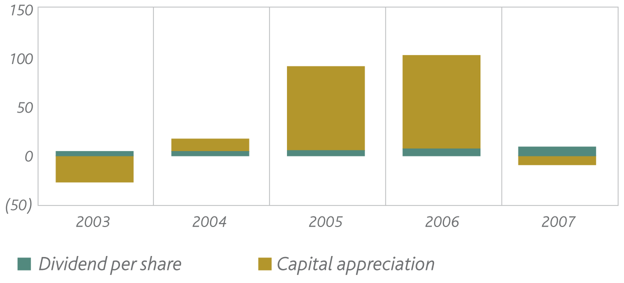
During the year we saw a significant increase in trading activity in our shares on both the JSE Limited and NYSE. It is particularly pleasing to note the significant increase in activity and shareholding in the USA.

The percentage of our shares held by non-South African residents has increased over the last three years to 37% at 30 June 2007 from 31% at 30 June 2004.

10.2 Shareholder return

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

***Shareholder return** (Rand)*



A shareholder that purchased a Sasol share on 30 June 2002 at R83,55 would have received R27,10 in dividends and earned R182,45 in capital appreciation until 30 June 2007, based on a closing share price of R266,00 per share on this date, representing a compound annual growth rate of 28,5%.

10.3 Share repurchase programme

During the year we reactivated our share repurchase programme. Since the inception of this programme in March 2007, we have purchased 14,9 million shares at an average price of R245,94 per share, representing 2,4% of our issued share capital, through our wholly-owned subsidiary, Sasol Investment Company (Pty) Limited. In order to mitigate dilution as a result of our proposed BEE transaction on our existing shareholders, we may consider advancing our share repurchase programme to 10% of our issued share capital.

10.4 Dividends

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

Our dividend for the year increased by 27% to R9,00 per share, which represents a dividend cover of three times, compared to R7,10 in 2006 and R5,40 in 2005.

Since Sasol listed in 1979, we have always paid a dividend at least equal to that of the prior year.

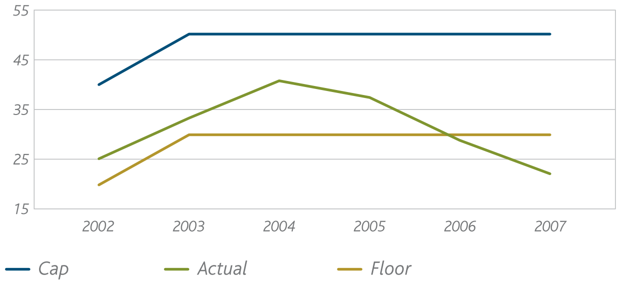
11 Financial strategies and targets

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

11.1 Gearing

Since 2003, we have aimed to maintain our gearing between 30% and 50%. This is a reasonably conservative gearing level but we believe it to be appropriate to our business in the light of our substantial capital investments and susceptibility to external market factors such as crude-oil prices, commodity chemical prices and exchange rates. In 2001 and 2002, when we introduced gearing targets in the group, our target was in the range of 20% to 40%.

***Gearing** (%)*



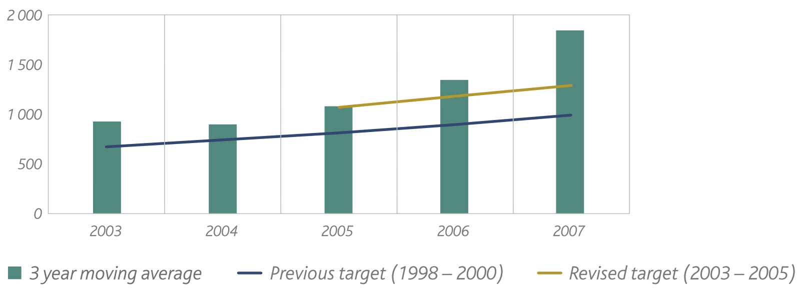
As a result of the strong cash flows generated by our South African energy businesses in the last two years, our gearing has dropped well below our preferred range during the 2007 financial year. However, we expect this to be short-lived as our planned investments in GTL and CTL, chemical expansion, the 20% capacity expansion of Sasol Synfuels, our group BEE transaction and our share repurchase programme will bring our gearing back to within the desired range.

Our gearing increases by approximately 1,6% for every R1 billion of debt raised.

11.2 Earnings growth

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

US$ earnings growth *(US$ million)*



11.3 Targeted return on capital investment

We target a return on all new capital investment projects in excess of 1,3 times our Weighted Average Cost of Capital (WACC) – our WACC is currently 11,75% in South Africa in rand and 7,25% in Europe and the USA in US dollars. This targeted return does not apply to additions to maintain our existing operations, particularly to environmental projects that do not typically result in an increase in economic performance.

Approximately 80% of our capital projects are evaluated against this target.

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

12 Key challenges and opportunities for next year

We are confident that we have the appropriate resources and expertise to successfully deal with the challenges and opportunities we will face in the next year.

12.1 Financial reporting project

We are in the process of implementing a project that aims to improve our ability to provide all external and internal stakeholders with fast, focused, reliable and meaningful financial information. This will be accomplished by:

- *Enhancing effective control in our business units through an integrated financial performance management system and group target setting;*
- *Using leading-edge reporting processes and reports that are focused, standardised, integrated and as simple as practically possible; and*
- *Refining a consistent financial platform for group-wide standards and procedures that will enhance the capability, willingness and discipline to comply with financial processes.*

This project was initiated as a result of:

- *Increasing pressure on financial reporting teams and systems;*
- *Retirement of key staff members, which necessitates standardisation and simplification of systems and processes; and*
- *An envisaged move in future from primarily wholly-owned subsidiaries to the inclusion of a number of significant joint ventures.*

The project requires the implementation of new financial reporting technologies as well as a redesign of our internal reporting processes. We expect the first results from this intervention in the 2008 financial year with the full benefits being realised from the following financial year onwards.

12.2 Changes in the group

As reported in our financial statements, there have been and we expect there to be further changes to our group.

These include the turnaround of Sasol O&S following our decision to retain this business, the proposed BEE transactions at both Sasol Limited and Sasol Mining as well as the commencement of operations of our Arya Sasol Polymers joint venture. These changes will introduce further complexity to the group as well as introduce new stakeholders. We are well prepared for these changes.

12.3 Windfall tax

In the February 2006 Budget, the South African Minister of Finance announced the appointment of a task team to investigate the issue of windfall profits in the liquid fuels industry, in particular the synthetic fuels industry, and whether a windfall tax should be imposed on such profits.

On 6 August 2007, the Minister of Finance announced that National Treasury would not pursue a windfall tax on the South African liquid fuels industry. We welcome this decision and note government's aim to create a climate of certainty for the liquid fuels industry.

National Treasury has also announced that it will explore a levy on refined products to contribute to the construction of additional capacity in relation to the proposed new multi-product pipeline in South Africa. We will continue to monitor these investigations closely.

12.4 Financial reporting

Where appropriate, we continue to harmonise our financial reporting in relation to IFRS and US GAAP. The International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB) have made significant progress in harmonising IFRS and US GAAP.

To this end, a number of changes in IFRS have been either implemented or proposed. In most cases, these new standards have improved financial reporting and we will endeavour to implement these standards as soon as practicable. We are actively participating in this process by submitting our comments on new pronouncements and participating in round-table discussions.

We welcome the announcement by the SEC of their intention to permit foreign filers, such as Sasol, to prepare their annual reports (filed on Form 20-F) in accordance with IFRS without reconciliation to US GAAP with effect from 2009.

As a result, we believe it is more appropriate for us to present IFRS financial statements to our US shareholders and we are therefore preparing our 2007 Form 20-F in accordance with IFRS. Until the requirement is removed, we will provide a reconciliation of our net income and total shareholders' equity from the amounts reported in accordance with IFRS to those reported in terms of US GAAP.

We believe this will further enhance our financial reporting as all stakeholders will receive the same financial information, prepared on the same accounting basis.

13 Conclusion

The year under review has been very successful for the group. This has enabled us to consistently deliver on our financial targets and build value for our shareholders. Our strong balance sheet, together with our sustained financial performance, provides a solid foundation for sustainable growth. The new financial year presents a number of eagerly anticipated challenges and opportunities for which we are well prepared.

14 Acknowledgements

I extend my thanks to all our financial personnel for their ongoing support and commitment. It is through their dedication and enthusiasm that we are able to produce quality financial information for our stakeholders, in support of our objectives.

Christine Ramon
Chief financial officer

corporate governance

upholding international best practice

Introduction

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

The board of directors and non-executive directors

The company's articles of association provide that the company's board consists of a maximum of 16 directors of whom a maximum of five may be executive directors. Until 31 December 2006, five directors were executive directors (Messrs LPA Davies, AM Mokaba and TS Munday and Mss VN Fakude and KC Ramon) and 10 of the directors were non-executive directors. Mr TS Munday resigned as a director with effect from 1 January 2007 and Mr WAM Clewlow retired as non-executive director on the same date. Mr HG Dijkgraaf and Mr TA Wixley were appointed as non-executive directors with effect from 16 October 2006 and 8 March 2007, respectively.

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

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

Details of directors of the board appear on pages 6 and 7 of the annual review.

Board powers and procedures

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

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

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

a) retaining full and effective control over the company;

b) determining the strategies and strategic objectives of the company and group companies;

c) determining and setting the tone of the company's values, including principles of ethical business practice;

d) bringing independent, informed and effective judgement to bear on material decisions of the company and group companies, including material company and group policies, appointment and removal of the chief executive, approval of the appointment or removal of group management members, capital expenditure transactions and consolidated group budgets and company budgets;

e) satisfying itself that the company and group companies are governed effectively in accordance with corporate governance best practice, including risk management and internal control systems to:

- maximise sustainable returns;
- safeguard the people, assets and reputation of the group;
- ensure compliance with applicable laws and regulations; and

f) monitoring implementation by group companies, board committees and executive management of the board's strategies, decisions, values and policies by a structured approach to reporting, risk management and auditing.

The board met seven times during the financial year. The attendance by each director was as follows:

Director	28/07/06	25/08/06	08/09/06	26/11/06	02/03/07	02/04/07	01/06/07
E le R Bradley	†	√	√	√	√	†	√
WAM Clewlow[1]	√	†	√	√	n/a	n/a	n/a
BP Connellan	√	√	√	√	√	√	√
PV Cox	√	√	√	√	√	√	√
LPA Davies	√	√	√	√	√	√	√
HG Dijkgraaf[2]	n/a	n/a	n/a	√	√	√	√
VN Fakude	√	√	√	√	√	√	√
MSV Gantsho	√	√	√	√	√	√	√
A Jain	√	†	†	√	√	√	√
IN Mkhize	√	√	√	√	√	√	√
AM Mokaba	√	√	√	√	√	√	√
S Montsi	†	√	√	√	√	√	√
TS Munday[3]	√	√	√	√	n/a	n/a	n/a
TH Nyasulu	†	†	√	√	√	√	√
KC Ramon	√	√	√	√	√	√	√
JE Schrempp	√	√	√	†	√	√	†
TA Wixley[4]	n/a	n/a	n/a	n/a	n/a	√	√

√ Indicates attendance † Indicates absence with apology

1. Retired 31 December 2006. 2. Appointed 16 October 2006. 3. Resigned 31 December 2006. 4. Appointed 8 March 2007.

Non-executive directors are chosen for their business skills and acumen. Considerations of gender and racial diversity, as well as diversity in business, geographic and academic backgrounds, are taken into account by the nomination and governance committee and the board when appointments to the board are considered. The board comprises 53% historically disadvantaged South Africans and 33% women. Newly appointed directors are inducted in the company's business, board matters and their duties as directors in accordance with their specific needs.

The nomination and governance committee annually reviews the effectiveness and performance of the board, its committees and the individual directors. All directors have access to the advice and services of the company secretary, whose appointment is in accordance with the South African Companies Act, and who is responsible to the board for ensuring the proper administration of board proceedings. The company secretary also provides guidance to the directors on their responsibilities within the prevailing regulatory and statutory environment and the manner in which such responsibilities (including not dealing in the company's shares during restricted periods) should be discharged. A report on directors' dealings in the company's shares is tabled at each board meeting and is disclosed in terms of the applicable JSE and NYSE listings requirements. The directors are entitled to seek independent professional advice at Sasol's expense concerning the company's affairs and have access to any information they may require in discharging their duties as directors. In terms of the company's articles of association, one-third of directors must retire at every annual general meeting and are eligible for re-election.

Board committees

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

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

The compensation committee

Members: Messrs PV Cox (chairman), BP Connellan, HG Dijkgraaf, S Montsi, and Ms E le R Bradley. Mr HG Dijkgraaf was appointed a member with effect from 22 February 2007. Mr WAM Clewlow retired as member with effect from 1 January 2007.

With the exception of Mr PV Cox, all the members of the committee are independent non-executive directors. Mr HG Dijkgraaf, an independent non-executive director was appointed as chairman of the committee with effect from 8 September 2007. Mr PV Cox served as chairman of the committee until 8 September 2007 due to his vast knowledge and experience of the company. In line with the recommendations of King II, the chief executive attends the meetings of the committee at the request of the committee, but is requested to leave the meeting before any decisions are made.

The functions of the compensation committee are to:

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

The compensation committee is mandated to:

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

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

Directors' emoluments and other relevant remuneration information are disclosed in the remuneration report from page 41 to 50 of the annual financial statements.

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

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

Member	25/08/06	08/09/06	02/03/07	01/06/07
E le R Bradley	√	√	√	√
WAM Clewlow[1]	†	√	n/a	n/a
BP Connellan	√	√	√	√
PV Cox	√	√	√	√
HG Dijkgraaf[2]	n/a	n/a	†	√
S Montsi	√	√	√	√

√ Indicates attendance † Indicates absence with apology

1. Retired with effect from 1 January 2007.
2. Appointed with effect from 22 February 2007.

The audit committee

Members: Messrs BP Connellan (chairman), TA Wixley and Ms E le R Bradley

Following the retirement of Mr WAM Clewlow on 31 December 2006, Ms E le R Bradley was appointed in his place with effect from 1 January 2007. Mr TA Wixley replaced Prof JE Schrempp as a member with effect from 8 March 2007.

The audit committee is an important element of the board's system of monitoring and control. In compliance with SEC and NYSE rules, as well as pending South African legislation, all members are independent non-executive directors. Following the retirement of Mr WAM Clewlow on 31 December 2007, Mr BP Connellan has been designated as the audit committee financial expert.

All audit committee members have extensive audit committee experience and are financially literate. The chairman of the board and the chief executive attend audit committee meetings on invitation. The board has also requested Dr MSV Gantsho to attend all audit committee meetings.

The audit committee has been established primarily to assist the board in overseeing:

- *the quality and integrity of the company's financial statements and public disclosure thereof;*
- *the scope and effectiveness of the external audit function; and*
- *the effectiveness of the company's internal controls and internal audit function.*

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

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

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

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

Member	07/09/06	13/10/06	22/01/07	01/03/07	29/05/07
E le R Bradley[1]	n/a	n/a	√	√	√
WAM Clewlow[2]	√	√	n/a	n/a	n/a
BP Connellan	√	√	√	√	√
JE Schrempp[3]	√	†	√	√	n/a
TA Wixley[4]	n/a	n/a	n/a	n/a	√

√ Indicates attendance † Indicates absence with apology

1. Appointed with effect from 1 January 2007.
2. Retired with effect from 1 January 2007.
3. Resigned with effect from 8 March 2007.
4. Appointed with effect from 8 March 2007.

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

Members: Messrs S Montsi (chairman), BP Connellan, PV Cox, LPA Davies, HG Dijkgraaf, Dr AM Mokaba, Mss IN Mkhize, VN Fakude and KC Ramon.

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

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

Member	07/09/06	22/11/06	28/02/07	30/05/07
BP Connellan	√	√	√	√
PV Cox	√	√	√	√
LPA Davies	√	√	√	√
HG Dijkgraaf[1]	n/a	n/a	√	√
VN Fakude	√	√	√	†
IN Mkhize	√	√	√	√
S Montsi	√	√	√	√
TS Munday[2]	√	√	n/a	n/a
AM Mokaba	√	√	√	√
KC Ramon	√	√	√	√

√ Indicates attendance † Indicates absence with apology

1. Appointed with effect from 26 November 2006.
2. Resigned with effect from 1 January 2007.

The nomination and governance committee

Members: Mr PV Cox (chairman), Ms E le R Bradley, Prof JE Schrempp, Mr S Montsi and Ms TH Nyasulu.

The committee comprises five non executive directors, of whom three are independent.

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

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

Member	25/08/06	07/09/06	22/11/06	01/03/07	31/05/07
PV Cox	√	√	√	√	√
E le Bradley	√	†	√	√	√
WAM Clewlow[1]	†	√	√	n/a	n/a
S Montsi	†	√	√	√	√
TH Nyasulu	†	√	√	√	√
JE Schrempp[2]	n/a	n/a	n/a	√	†

√ Indicates attendance † Indicates absence with apology

1. Retired with effect from 1 January 2007.
2. Appointed with effect from 1 January 2007.

Group executive committees

Group executive committee (GEC)

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

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

Group business committee (GBC)

Members: Messrs M Sieberhagen (chairman), N Behrens, Ms M Bidoli, Messrs HC Brand, AF Cameron, G Couvaras, Ms FS Cranmer, Messrs DJ du Preez, RK Fraser, J Furter, IM Jacobs, BE Klingenberg, JL Kritzinger, JMH Kruger, JA la Grange, W Louw, LJC Nortje, E Oberholster, M Radebe, CF Rademan, Ms C van den Berg, Messrs H Wenhold, MM Zwane.

The GBC replaced the committee of managing directors with effect from 1 April 2007. The group business committee consists of the managing directors of Sasol's most significant businesses and representatives from enterprise functions. The focus of the committee is on common tactical and operational matters pertaining to Sasol's businesses as well as selected governance and policy issues. The committee's main functions include alignment of Sasol's businesses with the group mission, vision, strategies, targets and policies and consideration of material business, strategic, financial and functional issues. The committee meets once a month and the chairman of the committee reports to the GEC.

Internal control and risk management

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

The internal control system includes:

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

Sasol, as a foreign private issuer on the NYSE, is subject to and complies with section 404 of the Sarbanes-Oxley Act (SOX404).

Internal audit

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

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

The controls subject to evaluation encompass:

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

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

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

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

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

Risk management

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

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

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

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

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

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

Most significant risks

The most significant risks currently faced by the group are:

- *viable superior technologies from competitors;*
- *volatility of local and international currencies;*
- *a protracted slump in oil prices;*
- *failure to deliver timeously on cultural change initiatives and transformation in South Africa;*

- *the risk of not delivering on our gas-to-liquids strategic growth objectives;*
- *not succeeding with the engineering, construction and commissioning of new plants and businesses;*
- *not succeeding with the commercialisation of our technologies;*
- *non-compliance with applicable laws, regulations and standards;*
- *increased cost of compliance;*
- *the risk of not delivering on our coal-to-liquids strategic growth objectives;*
- *a major safety, health or environmental incident or liability occurring;*
- *non-availability of sufficient management and technical skills; and*
- *accumulation and escalation risk due to the integrated nature of our main value chains.*

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

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

Sustainability reporting

The company reports on all aspects of its social, transformation, ethical and safety, health and environmental policies and practices to the board and to its stakeholders. A comprehensive sustainability report dealing with these issues covering the period 1 July 2005 to 30 June 2006 was published by the company in November 2006 and is available on the company's website.

See pages 64 to 75 of the annual review for more information on Sasol's sustainability reporting.

Worker participation and employment equity

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

Code of ethics

The company's code of ethics consists of four fundamental ethical principles – responsibility, honesty, fairness and respect – and 15 ethical standards. These cover such issues as bribery and corruption, fraud, insider trading, human rights and discrimination and include a commitment to conducting our business with due regard to the interests of all our stakeholders and the environment. The code embodies the highest standards of compliance with laws and regulations. An ethics forum monitors and reports on ethics, best practice and compliance requirements, and recommends amendments to the code and the guide as required. Employee performance against Sasol's values, which incorporates the code of ethics, is assessed as part of Sasol's performance appraisal system.

Any amendment or waiver of the code as it relates to the chief executive or chief financial officer will be posted on the website within four business days following such amendment or waiver. No such amendments or waivers are anticipated. The principles contained in the code have been communicated throughout the group and are available on the company's website. An ethics hotline, operated by an independent service provider, has been operating since 2001. The hotline provides an independent facility for stakeholders of the company to anonymously report fraud and other crimes, safety malpractices, deviations from the procurement policy, financial reporting irregularities and other irregularities.

Insider trading

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

Disclosure

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

Investor relations and shareholder communication

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

ten year financial performance#

	Compound growth %*	2007 Rm	2006 Restated Rm	2005 Restated Rm
Balance sheet				
Property, plant and equipment	10,5	**50 515**	39 826	39 618
Assets under construction		**24 611**	23 176	18 088
Other intangible assets		**629**	775	1 053
Non-current assets		**4 928**	3 330	3 324
Current assets		**38 382**	36 051	26 095
Total assets	12,6	**119 065**	103 158	88 178
Total equity	14,9	**63 269**	52 984	44 006
Convertible debentures		**–**	–	–
Interest-bearing debt		**18 925**	17 884	18 745
Interest-free liabilities		**36 871**	32 290	25 427
Total equity and liabilities	12,6	**119 065**	103 158	88 178
Income statement				
Turnover	10,5	**98 127**	82 395	69 239
Operating profit	11,8	**25 621**	17 212	14 386
Income from associates		**405**	134	184
Financing (costs)/income		**(323)**	(230)	(438)
Profit before tax	11,9	**25 703**	17 116	14 132
Taxation		**(8 153)**	(6 534)	(4 573)
Profit	12,5	**17 550**	10 582	9 559
Attributable to				
Shareholders	11,9	**17 030**	10 406	9 449
Minority interests in subsidiaries		**520**	176	110
Equalisation reserve transfer		**–**	–	–
		17 550	10 582	9 559
Cash flow statement				
Cash from operations	9,1	**29 684**	28 276	21 081
(Increase)/decrease in working capital		**(1 259)**	(3 749)	(2 179)
Cash generated by operating activities	7,9	**28 425**	24 527	18 902
Investment income		**1 059**	444	169
Borrowing costs paid		**(1 816)**	(1 745)	(1 523)
Tax paid		**(7 251)**	(5 389)	(3 753)
Cash available from operating activities	7,7	**20 417**	17 837	13 795
Dividends and debenture interest paid		**(4 613)**	(3 660)	(2 856)
Cash retained from operating activities	6,1	**15 804**	14 177	10 939
Additions to non-current assets		**(12 045)**	(13 296)	(12 616)
Acquisition of businesses		**(285)**	(147)	–
Other movements		**1 792**	1 168	299
Decrease/(increase) in funding requirements		**5 266**	1 902	(1 378)

The financial results of the group have, from the beginning of the 2000 financial year, been prepared in accordance with International Financial Reporting Standards.
Various changes to the group's accounting policies have been implemented since the adoption of IFRS. Comparative figures are restated to the extent that this is practicable.

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

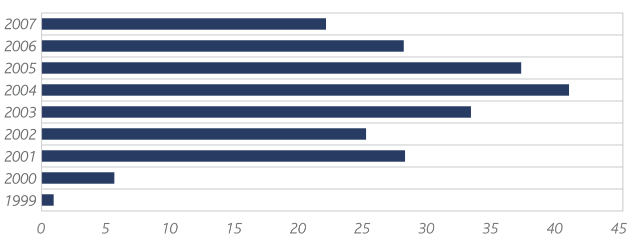
2004 Restated Rm	2003 Restated Rm	2002 Restated Rm	2001 Restated Rm	2000 Restated Rm	1999 Restated Rm	1998 Restated Rm
38 003	30 574	30 594	25 241	17 200	14 521	13 313
9 811	12 213	8 256	4 273	1 673	1 527	1 668
1 280	1 627	1 457	906	515	–	–
2 386	2 108	1 894	1 281	1 256	908	645
21 866	23 097	23 529	19 742	9 021	7 300	7 893
73 346	69 619	65 730	51 443	29 665	24 256	23 519
35 400	33 818	31 587	23 244	17 715	15 131	13 025
–	–	–	–	–	1 028	1 028
16 308	14 277	10 579	8 429	777	1 123	2 145
21 638	21 524	23 564	19 770	11 173	6 974	7 321
73 346	69 619	65 730	51 443	29 665	24 256	23 519
60 151	64 555	59 590	40 768	25 762	19 180	16 666
9 168	11 767	14 671	10 547	6 292	3 701	3 121
117	60	31	11	6	–	–
(249)	(58)	(54)	34	(189)	75	165
9 036	11 769	14 648	10 592	6 109	3 776	3 286
(3 175)	(4 007)	(4 905)	(3 512)	(1 994)	(1 203)	(1 225)
5 861	7 762	9 743	7 080	4 115	2 573	2 061
5 795	7 674	9 705	7 053	4 096	2 541	2 133
66	88	38	27	19	32	28
–	–	–	–	–	–	(100)
5 861	7 762	9 743	7 080	4 115	2 573	2 061
14 859	15 986	19 241	15 277	8 793	5 063	4 301
292	11	216	(1 195)	(1 010)	(895)	(318)
15 151	15 997	19 457	14 082	7 783	4 168	3 983
230	178	247	253	204	384	269
(1 384)	(1 286)	(863)	(509)	(387)	(309)	(104)
(3 963)	(5 527)	(4 749)	(2 972)	(1 267)	(1 105)	(1 211)
10 034	9 362	14 092	10 854	6 333	3 138	2 937
(2 745)	(2 835)	(2 325)	(1 655)	(1 114)	(980)	(978)
7 289	6 527	11 767	9 199	5 219	2 158	1 959
(11 418)	(10 968)	(8 742)	(4 095)	(2 171)	(2 348)	(2 927)
(555)	(155)	(565)	(8 350)	(2 827)	(346)	(148)
1 085	402	878	(291)	242	8	130
(3 599)	(4 194)	3 338	(3 537)	463	(528)	(986)

performance indicators

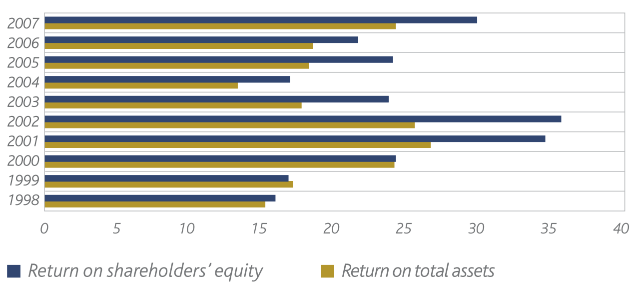
Liquidity	*Measures the group's ability to meet its maturing obligations and unexpected cash needs in the short-term*
Current ratio	Current assets / Current liabilities
Quick ratio	Current assets – inventory / Current liabilities
Cash ratio	Cash and cash equivalents / Current liabilities – bank overdraft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

* For 1998 the result is a net cash surplus.

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

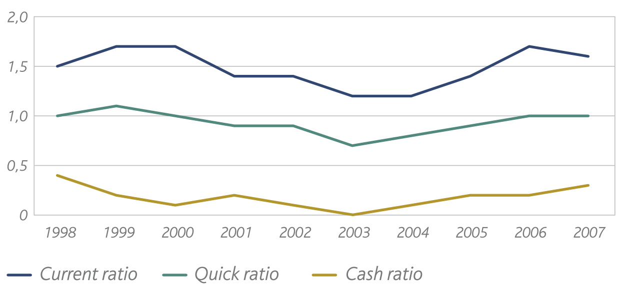


Profitability (%)

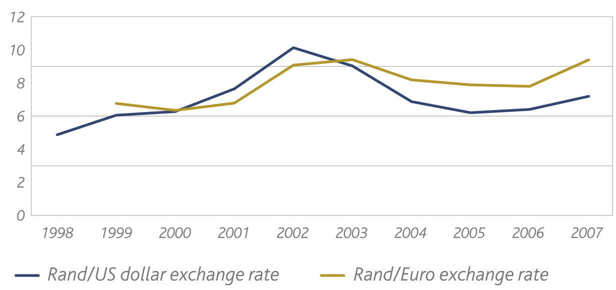


	2007	2006 Restated	2005 Restated	2004 Restated	2003	2002	2001	2000	1999	1998
– :1	**1,6**	1,7	1,4	1,2	1,2	1,4	1,4	1,7	1,7	1,5
– :1	**1,0**	1,0	0,9	0,8	0,7	0,9	0,9	1,0	1,1	1,0
– :1	**0,3**	0,2	0,2	0,1	–	0,1	0,2	0,1	0,2	0,4
– %	**90,6**	95,4	101,0	108,3	106,8	109,0	121,9	66,9	49,5	66,7
– %	**31,7**	34,7	42,8	46,7	42,8	34,1	36,8	8,5	5,9	15,3
– %	**22,0**	28,0	37,1	40,8	33,2	25,1	28,1	5,6	0,9	*
– times	**1,5**	1,3	1,0	0,9	1,1	1,8	1,7	5,2	4,4	1,9
– times	**14,8**	10,1	9,7	6,8	9,3	17,3	21,2	16,8	13,2	32,6
– %	**29,8**	21,6	24,0	16,9	23,7	35,6	34,5	24,2	16,8	15,9
– %	**24,2**	18,5	18,2	13,3	17,7	25,5	26,6	24,1	17,1	15,2
– %	**30,8**	23,6	22,0	15,7	20,9	28,5	28,7	25,6	18,3	16,5
– %	**46,2**	36,5	37,1	27,4	36,7	54,5	52,6	38,1	26,9	25,1
– %	**38,9**	41,1	39,0	35,5	39,0	41,6	37,8	31,9	29,0	23,2
– %	**26,1**	20,9	20,8	15,2	18,2	24,6	25,9	24,4	19,3	18,7

Liquidity ratios



Exchange rates



Efficiency	*Measures the effectiveness and intensity of the group's management of its resources*
Net asset turnover ratio	*Turnover / Average total assets – average total liabilities*
Net operating asset turnover ratio	*Turnover / Average total operating assets – average total liabilities*
Depreciation to cost of property, plant and equipment	*Depreciation / Cost of property, plant and equipment*
Net working capital to turnover	*(Inventories + trade receivables + other receivables and prepaid expenses) – (trade payables and accrued expenses + other payables) / Turnover*
Shareholders' returns	*Measures key financial variables on a per share basis*
Attributable earnings per share	*Attributable earnings / Weighted average number of shares in issue after the share repurchase programme*
Headline earnings per share	*Headline earnings (refer note 43) / Weighted average number of shares in issue after the share repurchase programme*
Dividend per share	*Interim dividend per share paid + final dividend per share declared*
Dividend cover	*Attributable earnings per share + STC on prior year final dividend – STC on current year final dividend / Dividend per share*
Net asset value per share	*Shareholders' equity / Total number of shares in issue after the share repurchase programme*
Annual increase/(decrease) in turnover	*Turnover – prior year turnover / Prior year turnover*
Employee cost to turnover	*Total employee cost / Turnover*
Depreciation and amortisation to turnover	*Total depreciation of property, plant and equipment + amortisation of goodwill, negative goodwill and intangible assets / Turnover*
Effective tax rate	*Taxation / Net income before tax*
Employee statistics	
Number of employees (at year end)	
Paid to employees	
Average paid to employees	
Economic indicators	
Average crude oil price (Brent)	
Rand/US dollar exchange rate	*– closing* *– average*
Rand/Euro exchange rate	*– closing* *– average*

† Euro brought into use on 1 January 1999.
** Not available.

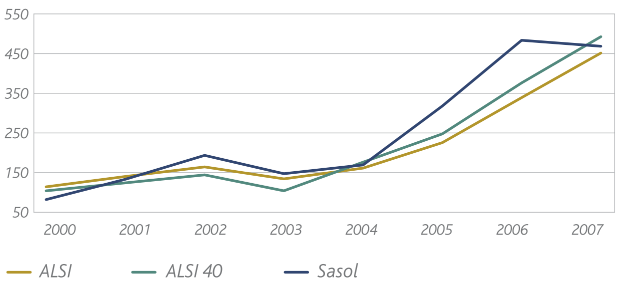
	2007	2006 Restated	2005 Restated	2004 Restated	2003	2002	2001	2000	1999	1998
– times	**1,7**	1,7	1,7	1,7	2,0	2,2	2,0	1,5	1,3	1,2
– times	**2,9**	3,0	2,7	2,5	2,9	2,8	2,3	1,7	1,4	1,4
– %	**3,8**	4,5	4,8	5,8	5,9	6,0	4,5	5,9	5,2	4,8
– %	**18,5**	20,3	18,2	17,8	17,4	21,3	27,1	20,8	18,6	15,9
– rand	**27,35**	16,78	15,39	9,50	12,59	15,84	11,24	6,20	4,09	3,26
– US dollar	**3,80**	2,62	2,48	1,38	1,39	1,56	1,47	0,99	0,67	0,67
– rand	**25,37**	22,98	17,29	9,10	12,56	15,79	12,47	6,66	4,02	3,24
– US dollar	**3,52**	3,59	2,78	1,32	1,39	1,56	1,63	1,06	0,66	0,66
– rand	**9,00**	7,10	5,40	4,50	4,50	4,50	3,20	2,20	1,51	1,47
– US dollar	**1,27**	1,01	0,84	0,71	0,58	0,44	0,39	0,30	0,25	0,30
– times	**3,0**	2,3	2,9	2,1	2,8	3,5	3,5	3,2	2,7	2,2
– rand	**100,55**	84,45	70,94	57,31	55,03	51,42	37,44	30,60	26,65	23,21
– %	**19,1**	19,0	15,1	(6,8)	8,3	46,2	58,2	34,3	15,1	5,4
– %	**11,9**	11,6	12,7	14,8	14,0	13,3	12,2	15,3	17,0	17,7
– %	**4,1**	5,2	5,9	8,3	7,0	6,8	6,0	7,6	7,3	7,2
– %	**31,7**	38,2	32,4	35,1	34,0	33,5	33,2	32,7	31,9	37,3
	31 860	31 460	30 004	30 910	31 150	31 100	30 800	26 300	24 300	24 900
– R million	**11 695**	9 551	8 782	8 877	9 199	8 033	5 029	3 943	3 265	2 948
– R thousand	**367**	304	293	287	295	258	163	150	134	118
– US$/b	**63,95**	62,45	46,17	31,30	27,83	23,24	28,38	24,03	12,60	16,15
– :1	**7,04**	7,17	6,67	6,21	7,50	10,27	8,02	6,93	6,06	5,46
– :1	**7,20**	6,41	6,21	6,88	9,03	10,13	7,65	6,28	6,06	4,88
– :1	**9,53**	9,17	8,07	7,57	8,63	10,19	6,89	6,54	6,34	**
– :1	**9,40**	7,80	7,89	8,19	9,41	9,08	6,79	6,35	6,77	**

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

* Before share repurchase programme.
\# After share repurchase programme.
† Includes share repurchase programme.
∅ As quoted on NYSE (American Depositary Shares) since 9 April 2003.

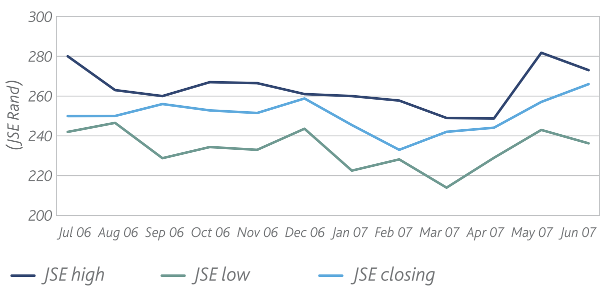
Shares traded (JSE)

Share performance against JSE all share indices (as a percentage of 1997)

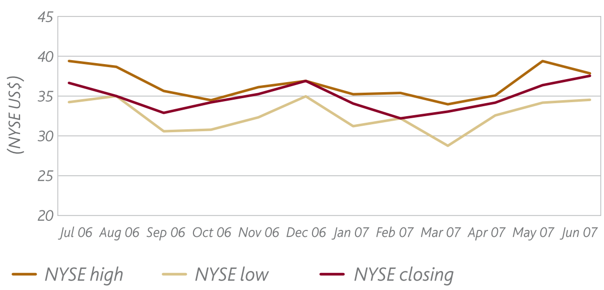


	2007	2006 Restated	2005 Restated	2004 Restated	2003	2002	2001	2000	1999	1998
	42 591	40 336	35 315	36 496	41 165	7 944	11 273	13 245	15 018	14 577
– million	**627,7**	683,0	676,9	671,3	668,8	666,9	665,0	606,8	606,1	605,1
– million	**14,9**	60,1	60,1	60,1	59,7	57,9	47,1	27,8	–	–
– million	**612,8**	622,9	616,8	611,2	609,1	609,0	617,9	579,0	606,1	605,1
– million	**622,6**	620,0	613,8	610,0	609,3	612,5	627,3	604,4	605,8	605,0
– R million	**166 968**	187 825	122 379	64 512	55 878	73 356	50 540	28 307	25 396	21 057
– million	**612,6**	617,5	515,5	395,5	396,2	377,5	317,7	265,6	292,2	217,5
– %	**97,6**	90,4	76,2	58,9	59,2	56,6	47,8	43,8	48,2	35,9
– R million	**151 088**	141 206	67 930	36 941	38 111	35 997	19 073	12 001	6 835	6 865
– rand	**266,00**	275,00	180,80	96,10	83,55	110,00	76,00	46,65	41,90	34,80
– rand	**278,49**	279,00	181,50	111,50	121,50	135,20	81,00	55,00	44,00	66,50
– rand	**215,00**	183,00	103,40	75,10	75,50	62,50	43,20	34,00	20,40	28,25
– %	**10,28**	6,10	8,51	9,89	15,07	14,40	14,79	13,29	9,76	9,37
– %	**3,38**	2,58	2,99	4,68	5,39	4,09	4,21	4,72	3,60	4,22
– :1	**2,65**	3,26	2,55	1,68	1,52	2,14	2,03	1,52	1,57	1,50
– million	**147,9**	107,2	65,9	16,7	2,4	–	–	–	–	–
– US$ million	**5 034**	3 856	1 467	239	–	–	–	–	–	–
– US$	**37,54**	38,64	26,98	15,73	11,28	–	–	–	–	–
– US$	**37,54**	46,10	28,77	16,50	12,30	–	–	–	–	–
– US$	**32,20**	27,30	15,75	10,35	10,30	–	–	–	–	–

Average share price – JSE



Average share price – NYSE



shareholders' information

Shareholders' diary

Financial year end	30 June 2007
Annual general meeting	30 November 2007

Dividends

Interim dividend	
– rand per share	3,10
– paid	10 April 2007
Final dividend	
– rand per share	5,90
– date declared	10 September 2007
– last date to trade cum dividend	5 October 2007
– payable	15 October 2007

share ownership

Public and non-public shareholding

at 30 June 2007	Number of shareholders	% of shareholders	Number of shares	% of shares
Public	42 557	99,9	608 868 729	97,0
Non-public	34	0,1	18 827 419	3,0
– Directors and their associates	5		612 909	
– Directors of subsidiary companies	26		358 073	
– Sasol Investment Company (Pty) Limited	1		14 919 592	
– Sasol Employee Share Savings Trust	1		541 637	
– Sasol Pension Fund	1		2 395 208	
	42 591	100,0	627 696 148	100,0

Major categories of shareholders

	Number of shares (millions)	% of shares
Category		
Pension and provident funds	212,1	33,8
Growth funds and unit trusts	142,7	22,7
American depositary shares*	61,1	9,7
Private investors	38,9	6,2
Insurance companies	37,7	6,0
Managed and investment funds	27,1	4,3
Treasury shares	14,9	2,4

* Held by the Bank of New York as depositary bank and listed on the New York Stock Exchange.

Major shareholders

Pursuant to section 140A of the South African Companies Act, the following beneficial shareholdings exceeding 5% in aggregate, as at 30 June 2007, were disclosed or established from enquiries:

	Number of shares (millions)	% of shares
Public Investment Corporation Limited	112,0	17,8
Industrial Development Corporation of South Africa Limited	53,3	8,5

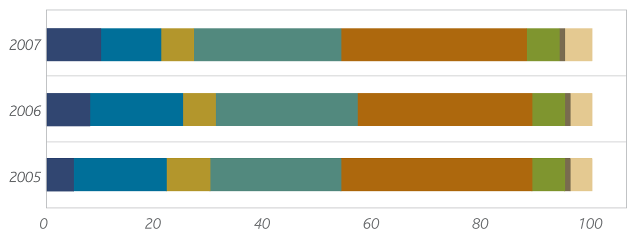
Furthermore the directors have ascertained that some of the shares registered in the names of nominee holders are managed by various fund managers and that, at 30 June 2007, the following fund managers were responsible for managing investments of 2% or more of the share capital of Sasol Limited.

Fund Manager	Number of shares (millions)	% of shares
PIC Equities*	92,1	14,7
Old Mutual Asset Managers	40,3	6,4
Capital International Inc. (USA)	32,4	5,2
Coronation Fund Managers	22,8	3,6
Stanlib Limited	21,4	3,4
Investec Asset Management	16,1	2,6
Genesis Investment Management	14,8	2,4
Wellington Management Company	14,3	2,3
RMB Asset Management	14,2	2,3
Sanlam Investment Management	14,2	2,3

* The Public Investment Corporation Limited is the beneficial owner of the shares held by PIC Equities and this nominee shareholding is included in the 112,1 million shares held by the Public Investment Corporation Limited, as mentioned in the section on major shareholders.

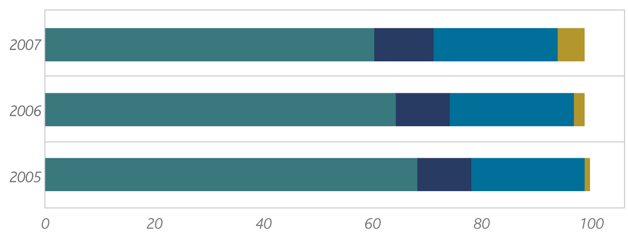
Beneficial holding disclosures

Beneficial ownership by fund type (%)



American depositary shares
Corporate holding
Insurance companies
Investment funds
Pension funds
Private investors
Foreign banks
Other

Beneficial ownership by geographic region (%)



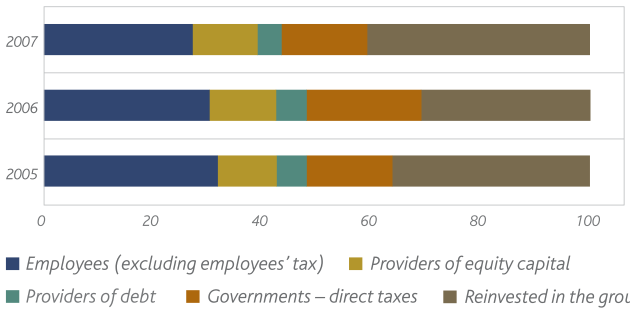
South Africa
Europe
North America
Other

value added statement

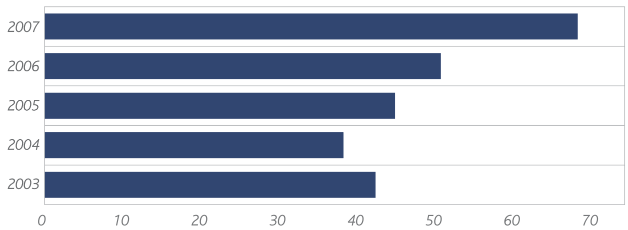
Value added is defined as the value created by the activities of a business and its employees and in the case of Sasol is determined as turnover less the cost of purchased materials and services. The value added statement reports on the calculation of value added and its application among the stakeholders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

for the year ended 30 June		**2007 Rm**		2006 Rm		2005 Rm		2004 Rm		2003 Rm
Turnover		**98 127**		82 395		69 239		60 151		64 555
Less purchased materials and services		**(56 796)**		(51 364)		(41 989)		(37 085)		(38 922)
Value added		**41 331**		31 031		27 250		23 066		25 633
Investment income		**1 230**		475		333		307		227
Wealth created		**42 561**		31 506		27 583		23 373		25 860
	%		%		%		%		%	
Employees (including employees' tax)	**27,5**	**11 695**	30,3	9 551	31,8	8 782	38,0	8 877	35,6	9 199
Providers of equity capital	**12,0**	**5 133**	12,2	3 836	10,8	2 966	12,0	2 811	11,3	2 924
Providers of debt	**4,4**	**1 874**	5,6	1 755	5,5	1 526	5,9	1 384	4,8	1 235
Governments – direct taxes	**16,0**	**6 793**	21,0	6 620	15,7	4 326	14,7	3 421	14,1	3 651
Reinvested in the group	**40,1**	**17 066**	30,9	9 744	36,2	9 983	29,4	6 880	34,2	8 851
Wealth distribution	**100,0**	**42 561**	100,0	31 506	100,0	27 583	100,0	23 373	100,0	25 860
Employee statistics										
Number of employees at year end		**31 860**		31 460		30 004		30 910		31 150
		Rand		Rand		Rand		Rand		Rand
Turnover per employee		**3 079 944**		2 619 040		2 307 659		1 946 005		2 072 392
Value added per employee		**1 297 269**		986 364		908 212		746 231		822 889
Wealth created per employee		**1 335 876**		1 001 462		919 311		756 163		830 177

Wealth distribution for 2007



Wealth created per share (Rand)



monetary exchanges with governments

	2007 Rm	2006 Rm	2005 Rm	2004 Rm	2003 Rm
Direct taxes	**6 793**	6 620	4 326	3 421	3 651
South African normal tax	**6 016**	5 644	3 211	2 834	3 080
foreign tax	**248**	421	736	257	198
Secondary Taxation on Companies	**529**	555	379	330	373
Employees' tax	**2 044**	1 872	1 769	1 643	1 641
Indirect taxes	**11 748**	7 818	6 595	4 653	1 254
customs, excise and fuel duty*	**10 873**	8 090	7 424	4 866	1 450
property tax	**84**	66	65	66	62
RSC levies	**6**	141	110	97	89
net VAT paid/(received)	**163**	(651)	(1 153)	(600)	(392)
other	**622**	172	149	224	45
Net monetary exchanges with governments	**20 585**	16 310	12 690	9 717	6 546
South Africa	**19 027**	15 591	11 462	8 959	
Germany	**711**	753	692	633	
United States of America	**152**	122	55	45	
Other	**695**	(156)	481	80	

* During April 2003, fuel duty became payable by the supplier rather than the customer. This amount is recovered from customers.

approval of the financial statements

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

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards as approved by the International Accounting Standards Board and incorporate disclosure in line with the accounting policies of the group. The consolidated annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates.

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

The directors are of the opinion, based on the information and explanations given by management, the internal auditors and the external auditors, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's forecast financial performance for the year to 30 June 2008 as well as the longer term budget and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue as a going concern for the foreseeable future.

The consolidated annual financial statements, set out on pages 38 to 176, and Sasol Limited's (company) annual financial statements, set out on pages 177 to 187, which have been prepared on the going concern basis, were approved by the board of directors on 7 September 2007 and were signed on their behalf by:

Pieter Cox
Chairman

Pat Davies
Chief executive

7 September 2007

certificate of the company secretary

In my capacity as the company secretary, I hereby confirm, in terms of the South African Companies Act, 1973, that for the year ended 30 June 2007 Sasol Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Nereus Joubert
7 September 2007

report of the independent auditor

To the members of Sasol Limited

We have audited the group annual financial statements and the annual financial statements of Sasol Limited, which comprise the balance sheets at 30 June 2007, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 38 to 187.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Sasol Limited at 30 June 2007, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as approved by the International Accounting Standards Board, and in the manner required by the Companies Act of South Africa.

KPMG Inc.
Registered Auditor

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

7 September 2007

85 Empire Road
Parktown
2193

directors' report

(Company registration number 1979/003231/06)

The directors have pleasure in presenting their report for the year ended 30 June 2007.

Nature of business

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

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

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

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

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

In January 2007, Sasol started up its first international joint-venture gas-to-liquids (GTL) plant in Qatar. A second GTL plant is under construction in Nigeria, for planned commissioning in 2010. These two GTL plants incorporate the proprietary Sasol Slurry Phase Distillate™ process.

The nature of the businesses of the significant operating subsidiaries and incorporated joint ventures is set out on pages 185 to 187.

Reclassification of Sasol Olefins & Surfactants (Sasol O&S) as a continuing operation

On 1 August 2005, Sasol announced that it was considering divestment from its Sasol O&S business excluding its activities in South Africa subject to fair value being obtained. At 30 June 2006, the sales process was sufficiently advanced such that management believed that the business would be sold, as a going concern, within the following financial year.

With effect from 30 June 2006, the business was classified as a disposal group held for sale and the results reported as discontinued operations.

Following the bidding process and subsequent negotiations with interested buyers, on 30 March 2007, Sasol announced that it had decided to terminate the divestiture process and retain and restructure the Sasol O&S business.

The income statement and related segment information has accordingly been restated for all periods to include Sasol O&S in continuing operations. In the 2006 balance sheet, the assets and liabilities of Sasol O&S have been classified as held for sale. The balance sheet is not restated.

In order to aid comparability, the balance sheet segment information has been restated to include Sasol O&S for all periods presented.

Further detail is provided in notes 1 and 13 of the financial statements.

Financial results

Profit attributable to shareholders of R17 030 million for the year was 64% higher (2006 – 10% higher) than the R10 406 million of the previous year. Earnings per share, after taking into account the share repurchase programme, increased by 63% (2006 – 9%) from R16,78 per share to R27,35 per share.

As described in the accounting policies and note 2 of the annual financial statements, the group has changed its accounting policy related to certain mining development costs and has restated comparative information accordingly. Furthermore, as set out in note 1, certain comparative information has been reclassified.

Sasol Italy SpA has a year end of 31 May and has been included in the consolidated financial statements up to that date. The different year end had no material effect on the consolidated annual financial statements.

Subsidiaries and joint ventures

Subsidiaries

With effect from 1 July 2006, a 25% interest in Republic of Mozambique Pipeline Investments Company (Pty) Limited was sold to Companhia de Moçambicana de Gasoduto and a profit of R346 million was realised.

With effect from 1 July 2006, Tshwarisano LFB Investment (Pty) Limited acquired a 25% shareholding in Sasol Oil (Pty) Limited for a consideration of R1 450 million and a profit of R315 million was realised.

In September 2006, Sasol Nitro, a division of Sasol Chemical Industries Limited, acquired the remaining 40% of Sasol Dyno Nobel (Pty) Limited for a consideration of US$31 million (R221 million).

With effect from 1 October 2006, Sasol Chemie GmbH & Co KG and Sasol Solvents Germany GmbH acquired 80% and 20% respectively of Interchem Terminal FZCO for AED32 million (R64 million).

Joint ventures

In October 2006, Sasol's interest in DPI Holdings (Pty) Limited was sold to Dawn Limited for a consideration of R51 million and a R7 million loss was realised.

Share capital

New shares issued

The company's authorised share capital remained unchanged during the year.

At the general meeting held on 3 October 2006, shareholders authorised Sasol Limited to acquire 60 111 477 Sasol Limited shares held by its subsidiary, Sasol Investment Company (Pty) Limited. Once repurchased, these shares were cancelled. Except for the related transaction costs, the *repurchase and cancellation of these shares had no effect on the consolidated financial position of the group.*

A further 4 829 200 shares were issued during the year in terms of the Sasol Share Incentive Scheme.

Share repurchase programme

During the year, a wholly-owned subsidiary, Sasol Investment Company (Pty) Limited, acquired 14 919 592 Sasol Limited shares, at a weighted average price of R245,94 per share, representing 2,4% of Sasol's issued share capital. Shareholders' equity has been reduced by the cost of these shares. No dividends are paid outside the group in respect of these shares.

Shares held in reserve

The 524 438 652 authorised but unissued ordinary shares of the company continue to be held in reserve.

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

American depository shares

At 30 June 2007, the company had in issue through The Bank of New York as depository bank, and listed on the NYSE 61 100 607 (2006 – 55 714 528) American depositary shares (ADS). Each ADS represents one ordinary share.

Sasol Share Incentive Scheme

In terms of the Sasol Share Incentive Scheme 22 865 200 shares (2006 – 27 694 400 shares) are under the control of the directors for purposes of enabling Sasol Limited to allot shares and to grant options in respect of shares to present and future employees, including executive directors of Sasol Limited, its subsidiaries and employees seconded to joint ventures. Following the introduction of the Sasol Share Appreciation Rights Scheme (SAR scheme), no further options are expected to be issued in terms of the Sasol Share Incentive Scheme. Unimplemented share options will not be affected by the SAR Scheme. Note 45 to the consolidated annual financial statements provides further details regarding the Sasol Share Incentive Scheme.

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

Dividends

An interim dividend of R3,10 per share (2006 – R2,80 per share) was paid on 10 April 2007. A final dividend in respect of the year ended 30 June 2007 of R5,90 per share (2006 – R4,30 per share) was declared on 10 September 2007.

The total dividend for the year amounted to R9,00 per share (2006 – R7,10 per share).

The estimated total cash flow of the final dividend of R5,90 per share, payable on 15 October 2007, is R3 615 million.

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

Directors

Mr TS Munday resigned as a director with effect from 1 January 2007 and subsequently retired on 1 July 2007 as an employee of the company. Mr WAM Clewlow retired as a director with effect from 1 January 2007.

Mr HG Dijkgraaf and Mr TA Wixley were appointed as non-executive directors with effect from 16 October 2006 and 8 March 2007, respectively.

The composition of the board of directors is given on pages 6 and 7 of the annual review. The remuneration and fees of Sasol Limited's directors are set out on pages 41 to 50.

Auditors

KPMG Inc. continued in office as auditors of Sasol Limited and its subsidiaries. At the annual general meeting of 30 November 2007, shareholders will be requested to appoint KPMG Inc. auditors of Sasol Limited for the 2008 financial year and it will be noted that Mr LP Fourie will be the individual registered auditor that will undertake the audit.

Post-balance sheet date events

Windfall tax

On 6 August 2007, the Minister of Finance announced that National Treasury would not pursue a windfall tax on the South African liquid fuels industry.

Black economic empowerment transaction

In September 2007, we announced the first terms relating to our proposed 10% broad-based black economic empowerment (BEE) transaction which will result in the transfer of beneficial ownership of 10% of Sasol Limited's issued share capital to our employees and a wide spread of black South Africans.

The BEE participants will be all our employees below managerial level that are permanently resident in South Africa, black management, black non-executive directors, black South African citizens and black owned companies and selected participants, which would include BEE groups that are currently involved in our business or focus, in particular, on capacity and skills development in the fields of science, mathematics and technology and broad-based BEE groups focusing on upliftment projects in communities surrounding our South African operations.

It is anticipated that a further announcement of the detailed terms of the BEE transaction will be made in the first quarter of 2008. This proposed transaction is subject to shareholder approval.

Joint venture – Sasol Dia Acrylates (Pty) Limited

Sasol Chemical Industries Limited and Mitsubishi Chemical Corporation (MCC) agreed to dissolve their Acrylates joint venture, whereby Sasol Chemical Industries Limited will acquire the shares held by MCC. The various agreements relating to this transaction are well progressed. The required submission to the South African Competition Commission is being prepared and will be submitted after the agreement has been signed by both parties. It is envisaged that implementation of the transaction would take place towards the end of the 2007 calendar year.

Investment in associate – Paramelt RMC BV

On 10 July 2007, Sasol Wax disposed of its investment in Paramelt RMC BV, operating in The Netherlands, realising a profit of R118 million.

Investment in associate – FFS Refiners (Pty) Limited

In August 2007, Sasol Investment Company (Pty) Limited disposed of its investment in FFS Refiners (Pty) Limited, realising a profit of R101 million.

Secretary

The company secretary of Sasol Limited is Dr NL Joubert. His business and postal addresses appear on page 188.

Special resolution

The following special resolutions were registered during the financial year.

Effective date	*Resolution*
Sasol Limited	
5 October 2006	*Specific authority to acquire the company's own shares*
15 December 2006	*General authority to acquire the company's own shares*
Significant operating subsidiaries	
Sasol Mining	
7 March 2007	*Change of dividend policy*
Sasol Gas Holdings (Pty) Limited	
28 February 2007	*Change in borrowing powers*

remuneration report

The compensation committee

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

The mandate of the compensation committee is to:

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

The terms of reference of the compensation committee can be found on the Sasol website at www.sasol.com.

The compensation committee is composed of five members: Messrs PV Cox, S Montsi, BP Connellan, Ms E le R Bradley and Mr HG Dijkgraaf. Mr Clewlow retired from the committee with effect from 1 January 2007. With the exception of Mr PV Cox, all the members of the committee are independent non-executive directors. Mr HG Dijkgraaf, an independent non-executive director, was appointed as chairman of the committee with effect from 8 September 2007. Mr PV Cox served as chairman of the committee until 8 September 2007 due to his vast knowledge and experience of the company. In line with the recommendations of King II, the chief executive attends the meetings of the committee at the request of the committee, but he and other members of management are requested to leave the meeting before any decisions are made.

The compensation committee also considers external market surveys on remuneration matters.

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

Group remuneration philosophy

Recognising that the group is operating in an international environment, the Sasol remuneration philosophy:

- plays an integral part in supporting the implementation of Sasol's international business strategies;
- motivates and reinforces individual and team performance;
- integrates financial and non-financial rewards and benefits; and
- is applied equitably, fairly and consistently in relation to job responsibility, the employment market and personal performance.

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

- aims to be market competitive in the specific labour markets in which people are employed;
- determines the value proposition of the various positions within job families or functions;
- ensures that performance management forms an integral part of remuneration, thereby influencing the remuneration components of base pay and incentives; and
- applies good governance to remuneration practices within approved structures.

The alignment of these remuneration principles aims to meet the strategic objectives of:

- attracting, retaining and motivating key and talented people;
- competing in the marketplace with the intention of being a preferred employer;
- rewarding individual, team and business performance; and
- supporting Sasol's core values of customer focus, winning with people, excellence in all we do, continuous improvement, integrity and safety.

Policy on directors' fees and remuneration

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

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

Executive directors

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

Up to 21% of the approved cash salary and the annual performance incentive elements of the executive directors' remuneration are determined and paid in terms of separate employment agreements concluded between Sasol Holdings (Netherlands) BV and the respective executive directors. The actual percentages paid by Sasol Holdings (Netherlands) BV are calculated on the basis of the time required to perform services offshore for Sasol Holdings (Netherlands) BV.

Fixed remuneration

Following established practice, the fixed salaries of executive directors are reviewed annually and determined with reference to the scope and nature of an individual's role and his or her performance and experience. These fixed salaries are also compared with the upper-quartile pay levels of other South African companies of comparable size and complexity, to ensure market competitiveness and performance excellence.

In addition to a basic cash salary, executive directors receive benefits that include membership of the group's medical health care scheme, a comprehensive vehicle allowance, vehicle insurance and security services. Retirement and risk benefits, including life cover and death-in-service benefits are provided to executive directors subject to the rules of the Sasol Pension Fund. During the year, contributions calculated as a percentage of the basic cash salary are paid to contributory retirement schemes established and/or approved by the group and subject to the rules of the pension fund. The rate of contribution for each executive director is calculated on the basis of the assumption that executive directors will retire at the age of 60 years.

The table below sets out the basic cash salary of executive directors for the financial year:

Executive directors	**2007 salary R'000**	2006 salary R'000	Change from 2006 %	2005 salary R'000
LPA Davies	**4 945**	4 515	10	2 975
VN Fakude[2]	**2 498**	1 727	45	n/a
AM Mokaba[2]	**2 788**	441	532	n/a
TS Munday[1]	**4 161**	3 796	10	2 714
KC Ramon[2]	**2 486**	383	549	n/a

1. Mr Munday retired as employee at the end of June 2007 after stepping down as director of Sasol Limited on 31 December 2006.
2. Ms Fakude was appointed as executive director with effect from 1 October 2005. Dr Mokaba and Ms Ramon were appointed as executive directors with effect from 1 May 2006.

Annual performance incentive

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

The approved principles of the executive performance incentive scheme for the year 1 July 2006 to 30 June 2007 comprise group, business and strategic performance criteria and metrics. The group financial performance target is based on earnings per share growth in excess of inflation. Improved group business results determine 60% of the executive directors' incentive bonuses and 70% of the incentive bonuses of the chief executive and the deputy chief executive (who has since retired). The balance of the incentive bonuses are determined by the extent to which key strategic business and other objectives are achieved. In total the chief executive may earn an annual incentive bonus of up to 100% of fixed remuneration, and the executive directors up to 70%.

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

At its meeting of 8 September 2006, the compensation committee considered an overall assessment of the performance of the executives participating in the incentive plan against the agreed group financial targets and the levels of achievement against their strategic and other key performance objectives within their respective areas of accountability. The annual incentives for the 2006 financial year were subsequently approved by the board at its meeting of 8 September 2006.

Long-term incentive plans applicable to executive directors

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

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

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

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

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

On retirement at normal retirement age the share options or share appreciation rights vest immediately and can be exercised before the expiry of the nine year period referred to above. On resignation, share options or rights which have not yet vested will lapse unless the board or compensation committee decides otherwise and share options or rights which have vested may be taken up before the last day of service.

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

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

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

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

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

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

The table below sets out the incentives paid during 2007 as a percentage of the executive directors' fixed remuneration:

2007 Executive directors	Total fixed remuneration used for calculating incentive[1] R'000	Annual incentive[1] R'000	Annual incentive as a percentage to fixed remuneration %
LPA Davies	5 739	5 739	100
VN Fakude[2]	3 049	1 372	45
AM Mokaba[2]	3 464	260	8
TS Munday	4 955	3 964	80
KC Ramon[2]	3 050	229	8
PV Cox[3]	–	1 038	n/a

1. Refers to short-term incentives awarded, based on the group results for the 2006 financial year and calculated as a percentage of total fixed remuneration.
2. Refers to pro-rated incentives awarded, based on the group results for the 2006 financial year. Dr Mokaba and Ms Ramon's incentives are calculated as a percentage of fixed remuneration as at 1 May 2006.
3. Calculated on a total fixed remuneration of R5 813 000 whilst Mr Cox was still an executive director.

The executive directors' remuneration for the year was as follows:

Executive directors	Salary[2] R'000	Annual incentives[1, 2] R'000	Retirement funding R'000	Other benefits R'000	**Total 2007 R'000**	Total 2006 R'000
LPA Davies	4 945	5 739	896	504	**12 084**	7 808
VN Fakude	2 498	1 372	501	387	**4 758**	2 692[3]
AM Mokaba	2 788	260	561	349	**3 958**	979[3]
TS Munday	4 161	3 964	828	807	**9 760**	6 894
KC Ramon	2 486	229	488	344	**3 547**	510
PV Cox	n/a	1 038	n/a	n/a	**1 038**	5 730[4]
Total	16 878	12 602	3 274	2 391	**35 145**	24 613

1. Refers to incentives awarded, based on the group results for the 2006 financial year.
2. The determined cash salary and incentives are apportioned on the basis of time related to services rendered offshore. Rand equivalent at actual exchange rates.
3. The total remuneration for 2006 includes the once-off sign-on bonuses paid to Ms Fakude and Dr Mokaba.
4. Annual incentive paid to PV Cox as executive director for the period 1 July 2005 to 30 September 2005 and calculated as a percentage of fixed remuneration as at 30 September 2005.

Benefits disclosed in the table above as "other benefits" include:

Executive directors	Vehicle benefits R'000	Medical benefits R'000	Vehicle insurance fringe benefits R'000	Security benefits R'000	Leave encashment at retirement R'000	Exchange rate fluctuation[1] R'000	**Total other benefits 2007 R'000**	Total other benefits 2006 R'000
LPA Davies	357	22	3	62	–	60	**504**	388
VN Fakude	280	26	3	71	–	7	**387**	246
AM Mokaba	280	23	n/a	46	–	–	**349**	48
TS Munday	357	25	3	78	302	42	**807**	400
KC Ramon	280	25	3	36	–	–	**344**	48
PV Cox	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	238
Total	1 554	121	12	293	302	109	**2 391**	1 368

1. Rand equivalent at actual exchange rates result in exchange rate fluctuation.

Executive directors' service contracts

There are no fixed-term service contracts for executive directors. Executive directors have standard employment service agreements with notice periods ranging from 30 days to 90 days.

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

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

Executive directors	Employment date in the group of companies	Date first appointed to the board	Date last re-elected as a director	Date due for re-election[1]
LPA Davies	1 August 1975	28 August 1997	23 November 2006	November 2008
VN Fakude	1 October 2005	1 October 2005	2 December 2005	November 2007
AM Mokaba	1 May 2006	1 May 2006	23 November 2006	November 2009
TS Munday[2]	1 April 1971	8 May 2001	2 December 2005	n/a
KC Ramon	1 May 2006	1 May 2006	23 November 2006	November 2009

1. In terms of the company's articles of association, one-third of the serving directors shall retire at the annual general meeting of the company or, if the total number of serving directors who shall retire does not constitute a multiple of three, the number of directors who shall retire shall be the number, adjusted upwards, that is the closest to one-third. In addition, directors who are appointed during the year by the board shall retire at the annual general meeting. Directors appointed for the first time after 27 October 1997, will retire (in spite of re-election in the interim) and are eligible for re-election on the date on which five years from their initial appointment expires.
2. Stepped down as director of Sasol Limited on 31 December 2006 and retired from executive management with effect from 1 July 2007.

Group executive committee

The fixed remuneration of members of the group executive committee other than executive directors was reviewed by the compensation committee at its meeting on 8 September 2006. The fixed salaries were compared with the upper-quartile pay levels of South African companies, based on the scope and nature of each individual's role and his or her performance and experience.

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

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

Group executive committee	Salary[2] R'000	Annual incentive[1, 2] R'000	Retirement funding R'000	Other benefits R'000	**Total 2007 R'000**	Total 2006 R'000
Total	17 078	10 967	3 005	4 150	**35 200**	23 356
Number of members[3]					**8**	7

1. Refers to incentives awarded, based on the company results for the 2006 financial year.
2. The determined cash salary and incentives are apportioned on the basis of time and related to services rendered offshore. Rand equivalent at actual exchange rates.
3. Two new members were appointed as group executive committee members and one member retired with effect from 1 January 2007.

Non-executive directors

The board recommends the fees payable to the chairman and non-executive directors for approval by the shareholders. The annual fees payable to non-executive directors for the period commencing 1 July 2006 were approved by the shareholders at the annual general meeting (AGM) of members of 23 November 2006. Fees are reviewed periodically and compared to conditions prevailing in the market. The fees are approved for an annual period commencing on 1 July each year. The revised fees of the non-executive directors will be submitted to the shareholders for approval at the next AGM scheduled for 30 November 2007.

Fee increases are only implemented after approval by shareholders.

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

		2007		2006	
Non-executive committee		Member Rand	Chairman Rand	Member Rand	Chairman Rand
Chairman of the Sasol Limited board, inclusive of fees for attendance at or membership of board committees and directorships of subsidiary and divisional boards	P du P Kruger (chairman until 31 December 2005)		–		1 713 580
	PV Cox (chairman from 1 January 2006)		3 658 351		1 697 350
Deputy chairman of the Sasol Limited board, inclusive of fees for attendance at or membership of board committees and directorships of subsidiary and divisional boards	PV Cox (deputy chairman 1 October 2005 until 31 December 2005)			782 100	
Sasol Limited board	South African director	260 000		242 600	
	Non-resident director	US$ 90 000		US$ 82 500	
Audit committee		130 000	260 000	121 300	242 600
Compensation committee		80 000	160 000	72 500	145 000
Risk and safety, health and environment committee		80 000	160 000	72 500	145 000
Nomination and governance committee		80 000	160 000	72 500	145 000
Subsidiary or divisional boards		130 000	260 000	121 300	242 600
Sasol Share Trust			52 000		48 300

The chairman of a board or a board committee is paid double the fee of a member. The deputy chairman of a board is paid one-and-a-half times the fee of a member. Fees for ad hoc committee meetings of the board are R11 000 per meeting. Executive directors do not receive directors' fees.

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

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

Non-executive directors	Date first appointed to the board	Date last re-elected as a director	Date of resignation	Date due for re-election[1]
E le R Bradley	23 February 1998	23 November 2006	n/a	30 November 2007
WAM Clewlow	1 July 1992	2 December 2005	31 December 2006	n/a
BP Connellan	1 November 1997	23 November 2006	n/a	28 November 2008
PV Cox	1 January 1996	23 November 2006	n/a	28 November 2008
HG Dijkgraaf	16 October 2006	23 November 2006	n/a	November 2009[2]
MSV Gantsho	1 June 2003	23 November 2006	n/a	1 June 2008[3]
A Jain	1 July 2003	2 December 2005	n/a	1 July 2008[3]
IN Mkhize	1 January 2005	2 December 2005	n/a	28 November 2008
S Montsi	1 March 1997	2 December 2005	n/a	28 November 2008
TH Nyasulu	1 June 2006	23 November 2006	n/a	November 2009[2]
JE Schrempp	21 November 1997	23 November 2006	n/a	November 2009[2]
TA Wixley	8 March 2007	n/a	n/a	30 November 2007[4]

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

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

Executive directors	Board meeting fees[9] R'000	Paid by subsidiaries R'000	Committee fees[9] R'000	Share incentive trustee fees R'000	**Total 2007 R'000**	Total 2006 R'000
E le R Bradley	271	–	258	52	**581**	408
WAM Clewlow[1]	141	–	178	–	**319**	509
BP Connellan	293	–	464	52	**809**	651
PV Cox (Chairman)[2]	520	2 608	530	–	**3 658**	2 479
HG Dijkgraaf[3]	435	–	60	–	**495**	n/a
MSV Gantsho	293	–	130	–	**423**	364
A Jain[4]	676	–	–	–	**676**	519
P du P Kruger[5]	n/a	n/a	n/a	n/a	**n/a**	1 713
IN Mkhize	293	–	80	–	**373**	316
S Montsi	282	–	342	52	**676**	553
TH Nyasulu[6]	271	–	80	–	**351**	26
JE Schrempp[4]	691	–	130	–	**821**	601
CB Strauss[7]	n/a	n/a	n/a	n/a	**n/a**	258
TA Wixley[8]	98	–	43	–	**141**	n/a
Total	4 264	2 608	2 295	156	**9 323**	8 397

1. Retired as a non-executive director of Sasol Limited with effect from 1 January 2007.
2. Deputy chairman of the board thereafter appointed chairman from 1 January 2006.
3. Appointed as a non-executive director of Sasol Limited with effect from 16 October 2006.
4. Board meeting fees paid in US dollars. Rand equivalent of US$90 000 at actual exchange rates.
5. Retired as a non-executive director of Sasol Limited with effect from 1 January 2006.
6. Appointed as a non-executive director of Sasol Limited with effect from 1 June 2006.
7. Retired as a non-executive director of Sasol Limited with effect from 2 December 2005.
8. Appointed as a non-executive director of Sasol Limited with effect from 8 March 2007.
9. Includes fees for ad hoc board and committee meetings attended during the year.

Long-term incentive plans – Sasol Share Incentive Scheme

The interests of the directors in shares of the company in the form of share options are shown in the tables below. During the year to 30 June 2007 the highest and lowest closing market prices for the company's shares were R278,49 (on 10 July 2006) and R215,00 (on 16 and 19 March 2007) respectively and the market price on 29 June 2007 was R266,00.

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

Share options granted during 2007 – directors

	Balance at beginning of year (number)	Granted	Average offer price per share (Rand)	Grant date	Share options implemented	Effect of resignations/ retirements (number)	Balance at end of year
Executive directors							
LPA Davies	644 400	47 200	232,28	14 Sep 2006	(41 700)	–	649 900
VN Fakude	121 900	–			–	–	121 900
AM Mokaba	–	94 000	249,00	22 Nov 2006	–	–	94 000
TS Munday[1]	512 200	33 700	232,28	14 Sep 2006	(112 500)	(433 400)	–
KC Ramon	–	81 700	249,00	22 Nov 2006	–	–	81 700
Non-executive directors							
WAM Clewlow[1]	25 000	–			–	(25 000)	–
PV Cox[2]	202 700	–			(26 000)	–	176 700
Total	1 506 200	256 600			(180 200)	(458 400)	1 124 200

1. Mr Munday resigned as an executive director with effect from 1 January 2007 and subsequently retired from executive management with effect from 1 July 2007. Mr Clewlow retired from the board with effect from 1 January 2007. At 30 June 2007 Mr Munday and Mr Clewlow still held 433 400 and 25 000 share options, respectively.
2. The share options indicated were granted to Mr P V Cox when he was still an executive director.

Share options and share appreciation rights granted during 2007 – group executive committee

	Balance at beginning of year (number)	Effect of change in composition of GEC	Granted	Average offer price per share (Rand)	Grant date	Share options implemented (number)	Balance at end of year
Share options[1, 2]	824 800	(29 800)	88 600			(188 300)	695 300
			78 600	232,28	14 Sep 2006		
			10 000	238,25	2 Oct 2006		
Share appreciation rights	–	–	58 400	222,50	7 Mar 2007	–	58 400

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

Share options implemented – directors

	Implementation dates	Share options implemented (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on implementation of share options 2007 R'000	2006 R'000
Executive directors						
LPA Davies					**8 762**	7 670
	3 November 2006[2]	24 500	57,50	249,50	**4 704**	
	26 June 2007[2]	17 200	25,10	261,02	**4 058**	
TS Munday					**22 922**	8 069
	4 June 2007	44 800	50,90	262,00	**9 457**	
	28 June 2007	8 200	50,90	260,60	**1 720**	
	28 June 2007	35 500	54,00	260,50	**7 331**	
	28 June 2007	24 000	76,70	260,60	**4 414**	
Non-executive directors						
PV Cox[1]					**3 601**	64 272
	22 September 2006[2]	13 700	89,50	238,25	**2 038**	
	22 September 2006[2]	12 300	111,20	238,25	**1 563**	
S Montsi					**–**	4 409
Total		180 200			**35 285**	84 420

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

Share options implemented – group executive committee

	Share options implemented (number)	Gain on implementation of share options 2007 R'000	2006 R'000
Group executive committee[1, 2]	188 300	**38 416**	25 898

1. Excluding the executive directors disclosed separately in the table above.
2. Included in the total share options implemented are the gains on the implementation of 63 600 share options on which the shares have been retained by members. A gain of R12 670 677 on the implementation of these share options was determined using the closing share price on the date of implementation.

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

	Already vested	Within one year	One to two years (numbers)	Two to five years (numbers)	More than five years	Total
Executive directors						
LPA Davies	130 700	160 700	42 600	300 100	15 800	**649 900**
VN Fakude	–	40 600	–	81 300	–	**121 900**
AM Mokaba	–	–	31 300	31 300	31 400	**94 000**
KC Ramon	–	–	27 200	27 200	27 300	**81 700**
Non-executive directors						
PV Cox[1]	176 700	–	–	–	–	**176 700**
Total	307 400	201 300	101 100	439 900	74 500	**1 124 200**

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

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

	Already vested	Within one year	One to two years (numbers)	Two to five years (numbers)	More than five years	**Total**
Group executive committee[1]						
Share options	157 700	166 600	99 000	242 200	29 800	**695 300**
Share appreciation rights	–	–	19 500	19500	19400	**58 400**

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

Beneficial shareholding

The aggregate beneficial shareholding at 30 June 2007 of the directors of the company and the group executive committee and their immediate families (none of which have a holding greater than 1%) in the issued shares of the company are detailed below. There have been no material changes in these shareholdings since that date.

	2007			2006		
Beneficial shareholding	**Number of shares**[1]	**Number of share options**[2]	**Total beneficial shareholding**	Number of shares[1]	Number of share options[2]	Total beneficial shareholding
Executive directors						
LPA Davies	**41 906**	**260 700**	**302 606**	200	111 100	111 300
TS Munday[3]	**n/a**	**n/a**	**n/a**	–	127 000	127 000
Non-executive directors						
E le R Bradley	**298 000**	**–**	**298 000**	298 000	–	298 000
WAM Clewlow[3]	**n/a**	**n/a**	**n/a**	13 195	25 000	38 195
BP Connellan	**10 500**	**–**	**10 500**	10 500	–	10 500
PV Cox	**261 409**	**176 700**	**438 109**	235 409	202 700	438 109
TA Wixley[4]	**1 300**	**–**	**1 300**	n/a	n/a	n/a
Total	**613 115**	**437 400**	**1 050 515**	557 304	465 800	1 023 104

1. Includes units held in the Sasol Share Savings Trust.
2. Including share options which have vested or which vest within sixty days of 30 June 2007.
3. Mr Munday resigned as an executive director with effect from 1 January 2007 and subsequently retired with effect from 1 July 2007. Mr Clewlow retired from the board with effect from 1 January 2007.
4. Mr Wixley was appointed with effect from 8 March 2007.

	2007			2006		
Beneficial shareholding	**Number of shares**[1]	**Number of share options**[2]	**Total beneficial shareholding**	Number of shares[1]	Number of share options[2]	Total beneficial shareholding
Group executive committee[3]	**78 095**	**195 400**	**273 495**	39 461	160 600	200 061

1. Includes units held in the Sasol Share Savings Trust.
2. Including share options which have vested or which vest within sixty days of 30 June 2007.
3. Excluding the executive directors disclosed separately in the table above.

Interest of directors in contracts

The directors have certified that they did not have a material interest in any transaction of any significance with the company or any of its subsidiaries or joint ventures. Accordingly, no conflict of interest with regard to directors' interests in contracts exists. There have been no material changes since 30 June 2007 up to the date of this report. In accordance with the requirements of the South African Companies Act, 1973, Sasol Limited maintains a register of directors' interests in contracts.

Succession planning and leadership development

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

The company embarked on a comprehensive and focused succession management and career development process for Sasol's senior leadership and further progress was made during the year. A profile of each senior executive has been compiled, based on a combination of structured assessments and discussions around past, current and future experience and development. As a result, extensive succession and career management plans have been put in place, which take cognisance of imminent and future retirements.

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

accounting policies and glossary of financial reporting terms

Sasol Limited is the holding company of the Sasol group (the group) and is domiciled in the Republic of South Africa. The following principal accounting policies were applied by the group for the financial year ended 30 June 2007. Except as otherwise disclosed, these policies are consistent in all material respects with those applied in previous years.

Glossary of financial reporting terms

This glossary of financial reporting terms is provided to ensure clarity of meaning as certain terms may not always have the same meaning or interpretation in all countries.

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

General accounting terms	
Acquisition date	*The date on which control in respect of subsidiaries, joint control in joint ventures and significant influence in associates commences.*
Assets under construction	*A non-current asset which includes expenditure capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment, intangible assets and exploration assets.*
Cash generating unit	*The smallest identifiable group of assets which can generate cash inflows independently from other assets or groups of assets.*
Commissioning date	*The date that an item of property, plant and equipment, whether acquired or constructed, is brought into use.*
Consolidated group financial statements	*The financial results of the group which comprise the financial results of Sasol Limited and its subsidiaries, the proportionate interest in the financial results of joint ventures and its interest in associates.*
Construction contract	*A contract specifically negotiated with a third party for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.*
Control	*The ability, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefit from its activities. When assessing the ability to control an entity, the existence and effect of potential voting rights that are presently exercisable or convertible are taken into account.*
Discontinued operation	*An operation that, pursuant to a single plan, has been disposed of or abandoned or is classified as an operation held for sale.*
Discount rate	*The rate used for purposes of determining discounted cash flows defined as the yield on AAA credit rated bonds (for entities outside South Africa) and relevant South African Government bonds (for South African entities) that have maturity dates approximating the term of the related cash flows. This pre-tax interest rate reflects the current market assessment of the time value of money. To the extent that, in determining the cash flows, the risks specific to the asset or liability are taken into account in determining those cash flows, they are not included in determining the discount rate.*
Disposal date	*The date on which control in respect of subsidiaries, joint control in joint ventures and significant influence in associates ceases.*
Exploration assets	*Capitalised expenditure relating to the exploration for and evaluation of mineral resources (coal, oil and gas).*
Fair value	*The value for which an asset could be exchanged or a liability settled in a market related transaction.*
Financial results	*Comprise the financial position (assets, liabilities and equity), results of operations (revenue and expenses) and cash flows of an entity and of the group.*
Functional currency	*The currency of the primary economic environment in which the entity operates.*
Long-term	*A period longer than twelve months from balance sheet date.*
Mineral assets	*Capitalised expenditure relating to producing coal, oil and gas properties including development costs and previously capitalised exploration assets.*
Presentation currency	*The currency in which financial results of an entity are presented.*
Qualifying asset	*An asset that necessarily takes a substantial period (normally in excess of twelve months) of time to get ready for its intended use.*
Recoverable amount	*The amount that reflects the greater of the net selling price and value in use that can be attributed to an asset as a result of its ongoing use by the entity. In determining the value in use, expected future cash flows are discounted to their present values using the discount rate.*
Related party	*Parties are considered to be related if one party directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management of Sasol Limited.*
Revenue	*Comprises turnover, dividends received and interest received.*
Share-based payment	*A transaction in which an entity issues shares, share options or pays cash based on the price of the entity's shares to another party as compensation for goods received or services rendered.*
Significant influence	*The ability, directly or indirectly, to participate in, but not exercise control over, the financial and operating policy decisions of an entity so as to obtain economic benefit from its activities.*
Turnover	*Comprises revenue generated by operating activities and includes sales of products, services rendered, license fees and royalties excluding value-added tax, duties and levies.*

Financial instrument terms	
Available-for-sale financial asset	*A financial asset that has been designated as available for sale or a financial asset other than those classified as loans and receivables, held-to-maturity investments or derivative instruments.* *An investment intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, is classified as a non-current available-for-sale financial asset.*
Cash and cash equivalents	*Comprise cash on hand, demand deposits and other short-term highly liquid investments with a maturity period of 3 months or less at date of purchase.*
Cash flow hedge	*A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.*
Derivative instrument	*A financial instrument:* ● *whose value changes in response to movements in a specified interest rate, commodity price, foreign exchange rate or similar variable;* ● *that requires minimal initial net investment; and* ● *whose terms require or permit settlement at a future date.*
Effective interest rate	*The derived rate that discounts the expected future cash flows to the current net carrying amount of the financial asset or financial liability.*
Equity instrument	*Any financial instrument (including investments) that evidences a residual interest in the assets of an enterprise after deducting all of its liabilities.*
Financial asset	*Cash or cash equivalents, a right to receive cash, an equity instrument or a right to exchange a financial instrument under favourable conditions.*
Financial liability	*A contractual obligation to pay cash or transfer other benefits or an obligation to exchange a financial instrument under unfavourable conditions. This includes debt.*
Held-to-maturity investment	*A financial asset with a fixed maturity and fixed or determinable future payments, that management has the positive intent and ability to hold to maturity.* *Such a financial asset is classified as a non-current asset, except when it has a maturity within twelve months from the balance sheet date, in which case it is classified as a current asset.*
Loans and receivables	*A financial asset with fixed or determinable repayments that are not quoted in an active market, other than:* ● *a derivative instrument; or* ● *an available-for-sale financial asset.*
Monetary asset	*An asset which will be settled in a fixed or determinable amount of money.*
Monetary liability	*A liability which will be settled in a fixed or determinable amount of money.*
Transaction date	*The date an entity commits itself to purchase or sell a financial instrument.*

Statement of compliance

The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as adopted by the International Accounting Standards Board and applicable legislation. The consolidated financial statements were approved for issue by the Board of Directors on 7 September 2007 and are subject to approval by the annual general meeting of shareholders on 30 November 2007.

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

- *IAS19 (Amendment), Employee Benefits; and*
- *IFRIC9, Reassessment of Embedded Derivatives.*

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

- *IFRS8, Operating Segments;*
- *IFRIC10, Interim Financial Reporting and Impairment; and*
- *IFRIC11 IFRS2, Group and Treasury Share Transactions.*

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

- *IAS1 (Amendment), Presentation of Financial Statements (added disclosures about an entity's capital);*
- *IFRS7, Financial Instruments: disclosures; and*
- *IFRIC12, Service Concession Arrangements.*

Principal accounting policies

Basis of preparation of financial results

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

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

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

These accounting policies are consistently applied throughout the group.

Basis of consolidation of financial results

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

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

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

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

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

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

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

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

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

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

Foreign currency translation

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

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

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

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

On consolidation, differences arising from the translation of the net investment in a foreign operation are recognised in the changes in equity statement.

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

Property, plant and equipment

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

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

Borrowing costs are capitalised on qualifying assets.

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

Property, plant and equipment, other than mineral assets, is depreciated to its estimated residual value on a straight-line basis over its expected useful life. Mineral assets are depreciated in accordance with the policy set out below on exploration, evaluation and development. The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually. The depreciation rates applied are provided on page 92.

Exploration, evaluation and development

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

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

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

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

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

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

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

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

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

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

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

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

Business combinations

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

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

Fair values of the identifiable assets and liabilities are determined by reference to market values of those or similar items, where available, or by discounting expected future cash flows using the discount rate to present values.

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

On acquisition date, goodwill is recognised when the cost of the acquisition exceeds the fair value of the group's interest in the net identifiable assets of the entity acquired. Up to 30 June 2004, goodwill was stated at cost less accumulated amortisation and impairment. With effect from 1 July 2004, goodwill is no longer amortised but subjected to an annual impairment test. Accumulated amortisation written off in previous years was not reversed.

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

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

Other intangible assets

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

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

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and estimated remaining useful lives are reviewed at least annually. Amortisation rates applied are provided on page 100.

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

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

Development expenditure relating to the production of new or substantially improved products or processes is capitalised if the products or processes are technically and commercially feasible. All remaining development expenditure is charged to the income statement.

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

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

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

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

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

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

Non-current asset or disposal group held for sale

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

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

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

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

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

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

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

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

Impairment of non-financial assets

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

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

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

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

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

Financial assets

The group classifies its financial assets into the following categories:

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

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

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

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

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

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

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

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

Derivative instruments and hedging activities

All derivative instruments are initially recognised at fair value and are subsequently stated at fair value at balance sheet date. Resulting gains or losses on derivative instruments, excluding designated and effective hedging instruments, are charged to the income statement.

The group is exposed to market risks from changes in interest rates, foreign exchange rates and commodity prices. The group uses derivative instruments to hedge its exposure to fluctuations in interest rates, foreign exchange rates and certain commodity prices. To the extent that a derivative instrument has a maturity period of longer than 1 year, the fair value of these instruments will be reflected as a non-current asset or liability.

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

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

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

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

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

Inventories

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

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

Cost is determined as follows:

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

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

Trade and other receivables

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

Cash and cash equivalents

Cash and cash equivalents are stated at carrying value which is deemed to be fair value. For cash flow statement purposes bank overdrafts are offset against cash and cash equivalents.

Cash restricted for use

Cash which is subject to restrictions on its use is stated separately at carrying value in the balance sheet.

Share capital

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

Share repurchase programme

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

Debt

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

Leases

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

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

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

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

Provisions

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

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

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

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

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

Employee benefits

Short-term employee benefits *Short-term employee benefits are those that are paid within 12 months after the end of the period in which the services have been rendered. Remuneration to employees is charged to the income statement. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.*

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

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

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

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

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

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

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

Surpluses and deficits in the various plans are not offset.

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

Share-based payments *The Sasol Share Incentive Scheme allows certain senior employees the option to acquire shares in Sasol Limited over a prescribed period. The exercise price of these options equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the option.*

These options are settled by means of the issue of shares by Sasol Limited. Such equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is charged as employee costs on a straight-line basis over the period that the employees become unconditionally entitled to the options, based on management's estimate of the shares that will vest and adjusted for the effect of non market-based vesting conditions. These share options are not subsequently revalued.

The Sasol Share Appreciation Rights Scheme allows certain senior employees the right to participate in the performance of the Sasol Limited share price, in return for services rendered, through the payment of cash incentives which are based on the market price of the Sasol Limited share.

These rights are recognised as a liability at fair value in the balance sheet until the date of settlement. The fair value of these rights is determined at each reporting date and the unrecognised cost amortised to the income statement over the period that the employees provide services to the company.

The fair value of the share options is measured using the Black-Scholes pricing model and of share appreciation rights is measured using the Binomial tree model. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of *non-transferability, exercise restrictions and behavioural considerations such as volatility, dividend yield and the vesting period. The fair value takes into account the terms and conditions on which these incentives are granted and the extent to which the employees have rendered services to balance sheet date.*

Deferred income

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

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

Black economic empowerment (BEE) transactions

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

Taxation

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

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

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

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

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

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

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

Trade and other payables

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

Revenue

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

Revenue is recognised when the following criteria are met:

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

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

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

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

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

Construction contracts

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

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

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

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

Borrowing costs

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment.

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

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

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

Dividends payable

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

Comparative figures

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

During the year under review the group changed its accounting policy with regard to costs incurred to develop the operations of existing, operating mines. Under the amended accounting policy, all development expenditure incurred after the commencement of production are capitalised to the extent that they give rise to probable future economic benefits and are amortised over their estimated useful lives. This policy has been adopted with retrospective effect and prior year figures restated. Refer note 2 for the effect of the change in accounting policy.

During the year under review the group reclassified costs capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment, intangible assets and exploration assets from property, plant and equipment and other intangible assets to assets under construction, a separate classification of non-current assets included on the face of the balance sheet.

Segment information

Reporting segments

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

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

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

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

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

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

South African energy cluster

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

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

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

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

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

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

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

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

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

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

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

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

International energy cluster

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

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

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

Sasol Petroleum International (SPI) *SPI develops and manages our upstream interests in oil and gas exploration and production in Mozambique, South Africa, Gabon and Nigeria. It produces gas from Mozambique's Temane field and oil in Gabon through its 27,75% share in the offshore Etame field.*

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

Chemical cluster

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

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

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

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

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

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

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

Other businesses

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

Convenience translation from rand to US dollars

The presentation currency of the group is rand.

Supplementary US dollar information is provided for convenience only.

The conversion to US dollars is performed as follows:

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

Critical accounting estimates and judgments

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

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

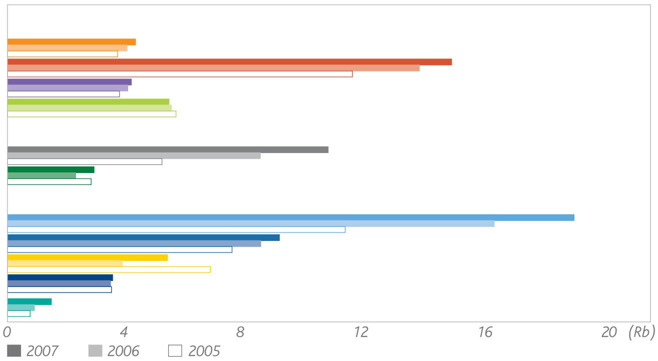
balance sheet

at 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
Assets				
Property, plant and equipment	4	**50 515**	39 826	39 618
Assets under construction	5	**24 611**	23 176	18 088
Goodwill	6	**586**	266	509
Other intangible assets	7	**629**	775	1 053
Investments in securities	8	**472**	394	397
Investments in associates	9	**692**	636	608
Post-retirement benefit assets	10	**363**	80	300
Long-term receivables and prepaid expenses	11	**1 674**	1 012	1 091
Long-term financial assets	12	**296**	251	10
Deferred tax assets	24	**845**	691	409
Non-current assets		**80 683**	67 107	62 083
Investments in securities	8	**70**	72	–
Assets held for sale	13	**334**	12 115	41
Inventories	14	**14 399**	8 003	9 995
Trade receivables	15	**14 733**	10 402	11 031
Other receivables and prepaid expenses	16	**2 191**	1 593	1 339
Short-term financial assets	17	**22**	180	178
Cash restricted for use	18	**646**	584	1 002
Cash	18	**5 987**	3 102	2 509
Current assets		**38 382**	36 051	26 095
Total assets		**119 065**	103 158	88 178
Equity and liabilities				
Shareholders' equity		**61 617**	52 605	43 753
Minority interest		**1 652**	379	253
Total equity		**63 269**	52 984	44 006
Long-term debt	19	**13 359**	15 021	12 845
Long-term financial liabilities	20	**53**	–	–
Long-term provisions	21	**3 788**	3 463	2 954
Post-retirement benefit obligations	22	**3 661**	2 461	2 970
Long-term deferred income	23	**2 765**	1 698	763
Deferred tax liabilities	24	**8 304**	6 156	6 375
Non-current liabilities		**31 930**	28 799	25 907
Liabilities in disposal groups held for sale	13	**35**	5 479	–
Short-term debt	25	**5 621**	2 721	5 614
Short-term financial liabilities	26	**383**	514	792
Short-term provisions	27	**2 693**	1 875	1 801
Short-term portion of deferred income	23	**44**	10	8
Tax payable	28	**1 465**	1 899	614
Trade payables and accrued expenses	29	**9 376**	6 602	7 192
Other payables	30	**3 704**	1 833	1 957
Bank overdraft	18	**545**	442	287
Current liabilities		**23 866**	21 375	18 265
Total equity and liabilities		**119 065**	103 158	88 178

business segmentation

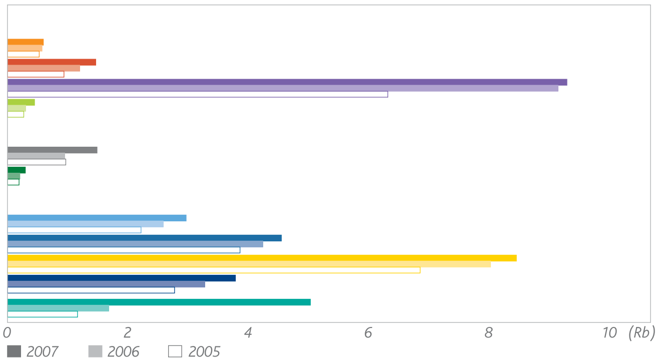
Non-current assets*#

	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	28 388	26 993	24 320
Mining	4 241	3 958	3 643
Synfuels	14 697	13 632	11 401
Oil	4 102	3 984	3 705
Gas	5 348	5 419	5 571
International energy cluster	13 481	10 626	7 873
Synfuels International	10 615	8 369	5 107
Petroleum International	2 866	2 257	2 766
Chemical cluster	36 524	31 716	28 731
Polymers	18 754	16 113	11 164
Solvents	8 999	8 384	7 422
Olefins & Surfactants†	5 295	3 811	6 705
Other	3 476	3 408	3 440
Other businesses	1 445	892	750
Total	79 838	70 227	61 674



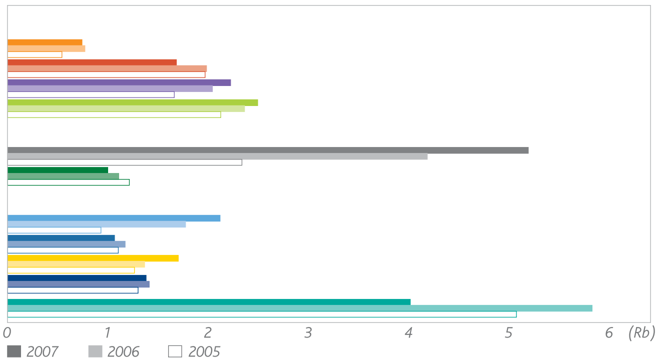
Current assets

	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	11 806	11 222	8 056
Mining	596	574	528
Synfuels	1 467	1 200	939
Oil	9 293	9 145	6 318
Gas	450	303	271
International energy cluster	1 785	1 157	1 162
Synfuels International	1 488	951	969
Petroleum International	297	206	193
Chemical cluster	19 759	18 131	15 713
Polymers	2 968	2 587	2 219
Solvents	4 550	4 241	3 863
Olefins & Surfactants†	8 454	8 025	6 855
Other	3 787	3 278	2 776
Other businesses	5 032	1 682	1 164
Total	38 382	32 192	26 095



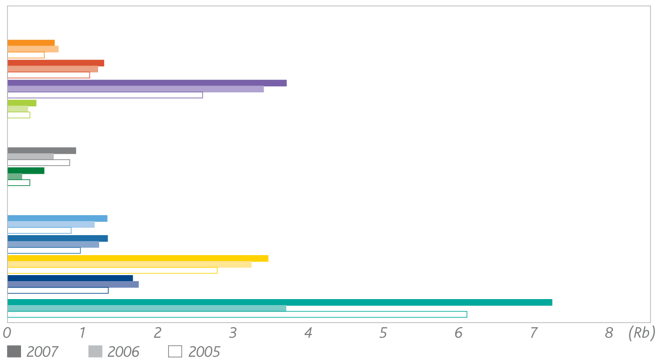
Non-current liabilities*

	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	7 149	7 162	6 302
Mining	743	772	543
Synfuels	1 684	1 984	1 970
Oil	2 224	2 043	1 663
Gas	2 498	2 363	2 126
International energy cluster	6 191	5 293	3 552
Synfuels International	5 191	4 184	2 337
Petroleum International	1 000	1 109	1 215
Chemical cluster	6 271	5 728	4 605
Polymers	2 119	1 775	932
Solvents	1 067	1 173	1 105
Olefins & Surfactants†	1 703	1 367	1 266
Other	1 382	1 413	1 302
Other businesses	4 015	5 827	5 073
Total	23 626	24 010	19 532



Current liabilities*

	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	5 991	5 549	4 475
Mining	624	675	490
Synfuels	1 281	1 200	1 093
Oil	3 706	3 403	2 593
Gas	380	271	299
International energy cluster	1 394	802	1 126
Synfuels International	908	611	828
Petroleum International	486	191	298
Chemical cluster	7 780	7 349	5 944
Polymers	1 324	1 155	847
Solvents	1 330	1 214	969
Olefins & Surfactants†	3 463	3 239	2 788
Other	1 663	1 741	1 340
Other businesses	7 236	3 701	6 106
Total	22 401	17 401	17 651



* Excludes tax and deferred tax.
\# Results for 2006 and 2005 have been restated.

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

income statement

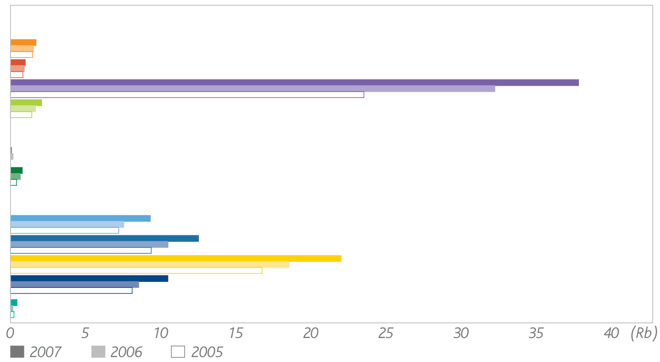
for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
Turnover	31	**98 127**	82 395	69 239
Cost of sales and services rendered	32	**(59 997)**	(48 547)	(42 250)
Gross profit		**38 130**	33 848	26 989
Other operating income	33	**639**	533	417
Marketing and distribution expenditure		**(5 818)**	(5 234)	(5 097)
Administrative expenditure		**(6 094)**	(4 316)	(4 212)
Other operating expenditure		**(1 236)**	(7 619)	(3 711)
Other expenses		**(1 004)**	(7 862)	(3 802)
Translation (losses)/gains	34	**(232)**	243	91
Operating profit	35	**25 621**	17 212	14 386
Dividends and interest received	38	**825**	341	149
Income from associates	39	**405**	134	184
Borrowing costs	40	**(1 148)**	(571)	(587)
Profit before tax		**25 703**	17 116	14 132
Taxation	41	**(8 153)**	(6 534)	(4 573)
Profit		**17 550**	10 582	9 559
Attributable to				
Shareholders		**17 030**	10 406	9 449
Minority interests in subsidiaries		**520**	176	110
		17 550	10 582	9 559

		Rand	Rand	Rand
Per share information	43			
Earnings per share		**27,35**	16,78	15,39
Diluted earnings per share		**27,02**	16,51	15,22

business segmentation

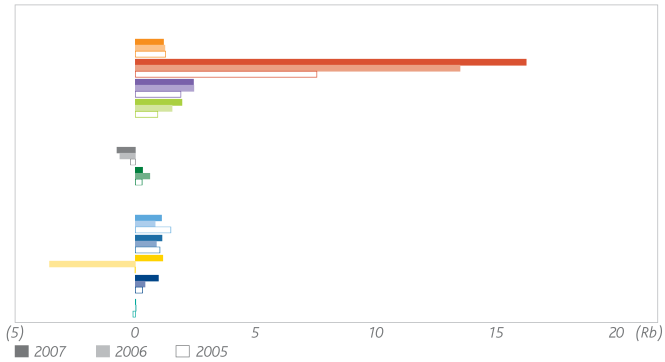
External turnover*#

	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	42 561	36 338	27 224
Mining	1 694	1 517	1 471
Synfuels	976	915	820
Oil	37 816	32 243	23 525
Gas	2 075	1 663	1 408
International energy cluster	842	810	396
Synfuels International	65	161	–
Petroleum International	777	649	396
Chemical cluster	54 297	45 098	41 395
Polymers	9 305	7 537	7 199
Solvents	12 509	10 485	9 361
Olefins & Surfactants	22 012	18 545	16 742
Other	10 471	8 531	8 093
Other businesses	427	149	224
Total	98 127	82 395	69 239



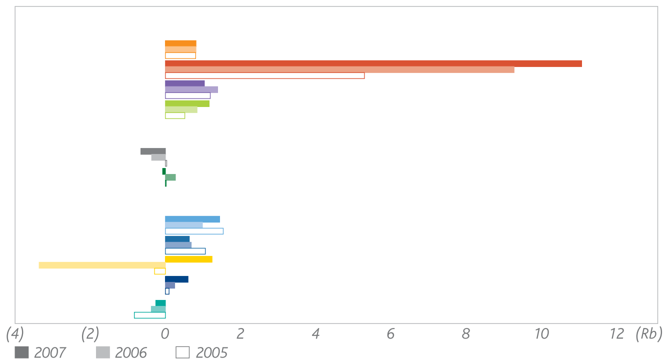
Operating profit/(losses)#

	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	21 775	18 684	11 625
Mining	1 171	1 227	1 256
Synfuels	16 251	13 499	7 546
Oil	2 417	2 432	1 892
Gas	1 936	1 526	931
International energy cluster	(463)	(42)	79
Synfuels International	(763)	(642)	(201)
Petroleum International	300	600	280
Chemicals cluster	4 293	(1 471)	2 779
Polymers	1 089	822	1 475
Solvents	1 106	873	1 021
Olefins & Surfactants	1 140	(3 567)	(14)
Other	958	401	297
Other businesses	16	41	(97)
Total	25 621	17 212	14 386



Contribution to earnings attributable to shareholders#

	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	14 090	12 323	7 811
Mining	814	813	805
Synfuels	11 076	9 278	5 296
Oil	1 037	1 390	1 194
Gas	1 163	842	516
International energy cluster	(726)	(100)	55
Synfuels International	(653)	(366)	35
Petroleum International	(73)	266	20
Chemical cluster	3 922	(1 441)	2 410
Polymers	1 443	985	1 539
Solvents	636	687	1 063
Olefins & Surfactants	1 241	(3 360)	(289)
Other	602	247	97
Other businesses	(256)	(376)	(827)
Total	17 030	10 406	9 449



* Excludes inter-segment sales.
\# Results for 2006 and 2005 have been restated.

balance sheet (US dollar convenience translation)

at 30 June	2007 US$m	2006 Restated US$m	2005 Restated US$m
Assets			
Property, plant and equipment	7 175	5 555	5 940
Assets under construction	3 496	3 232	2 712
Goodwill	84	37	76
Other intangible assets	89	108	158
Investments in securities	67	55	60
Investments in associates	98	89	91
Post-retirement benefit assets	52	11	45
Long-term receivables and prepaid expenses	238	141	164
Long-term financial assets	42	35	1
Deferred tax assets	120	96	61
Non-current assets	11 461	9 359	9 308
Investments in securities	10	10	–
Assets held for sale	48	1 690	6
Inventories	2 045	1 116	1 498
Trade receivables	2 093	1 451	1 654
Other receivables and prepaid expenses	311	222	201
Short-term financial assets	3	25	27
Cash restricted for use	92	81	150
Cash	850	433	376
Current assets	5 452	5 028	3 912
Total assets	16 913	14 387	13 220
Equity and liabilities			
Shareholders' equity	8 752	7 337	6 560
Minority interest	235	53	38
Total equity	8 987	7 390	6 598
Long-term debt	1 898	2 095	1 926
Long-term financial liabilities	7	–	–
Long-term provisions	538	483	443
Post-retirement benefit obligations	520	343	445
Long-term deferred income	393	237	114
Deferred tax liabilities	1 180	858	956
Non-current liabilities	4 536	4 016	3 884
Liabilities in disposal groups held for sale	5	764	–
Short-term debt	799	379	842
Short-term financial liabilities	54	72	119
Short-term provisions	383	261	270
Short-term portion of deferred income	6	1	1
Tax payable	208	265	92
Trade payables and accrued expenses	1 332	921	1 078
Other payables	526	256	293
Bank overdraft	77	62	43
Current liabilities	3 390	2 981	2 738
Total equity and liabilities	16 913	14 387	13 220
Exchange rate			
Converted at closing rate of rand per 1US$	7,04	7,17	6,67

income statement (US dollar convenience translation)

for the year ended 30 June	2007 US$m	2006 Restated US$m	2005 Restated US$m
Turnover	**13 629**	12 854	11 150
Cost of sales and services rendered	**(8 333)**	(7 574)	(6 804)
Gross profit	**5 296**	5 280	4 346
Other operating income	**89**	83	67
Marketing and distribution expenditure	**(808)**	(817)	(821)
Administrative expenditure	**(846)**	(673)	(678)
Other operating expenditure	**(172)**	(1 188)	(597)
Other expenses	**(140)**	(1 226)	(612)
Translation (losses)/gains	**(32)**	38	15
Operating profit	**3 559**	2 685	2 317
Dividends and interest received	**115**	53	24
Income from associates	**56**	21	30
Borrowing costs	**(160)**	(89)	(95)
Profit before tax	**3 570**	2 670	2 276
Taxation	**(1 132)**	(1 019)	(737)
Profit	**2 438**	1 651	1 539
Attributable to			
Shareholders	**2 366**	1 624	1 521
Minority interests in subsidiaries	**72**	27	18
	2 438	1 651	1 539
	US$	US$	US$
Per share information			
Earnings per share	**3,80**	2,62	2,48
Diluted earnings per share	**3,75**	2,58	2,45
Exchange rate			
Converted at average rate of rand per 1US$	**7,20**	6,41	6,21

changes in equity statement

for the year ended 30 June	Share capital (note 44) Rm	Share-based payment reserve (note 45) Rm	Foreign currency translation reserve (note 47) Rm
Balance at 30 June 2004	**2 892**	**474**	**(1 569)**
Effect of change in accounting policy (note 2)	–	–	–
Balance at 30 June 2004 (restated)	**2 892**	**474**	**(1 569)**
Shares issued on implementation of share options	311	–	–
Share-based payment expense	–	137	–
Income and expense for year			
Profit for year	–	–	–
As previously reported			
Effect of change in accounting policy (note 2)			
Income and expense recognised directly in equity			
Effect of translation of foreign operations	–	–	338
Negative goodwill written off	–	–	(80)
Disposal of businesses	–	–	(25)
Gains on cash flow hedge accounting	–	–	–
Losses on cash flow hedges transferred to income statement	–	–	–
Losses on cash flow hedges transferred to balance sheet	–	–	–
Change in shareholding of subsidiaries	–	–	–
Tax effects	–	–	–
Dividends paid	–	–	–
Balance at 30 June 2005 (restated)	**3 203**	**611**	**(1 336)**
Shares issued on implementation of share options	431	–	–
Share-based payment expense	–	169	–
Income and expense for year			
Profit for year	–	–	–
As previously reported			
Effect of change in accounting policy (note 2)			
Income and expense recognised directly in equity			
Effect of translation of foreign operations	–	–	1 149
Losses on cash flow hedge accounting	–	–	–
Losses on cash flow hedges transferred to balance sheet	–	–	–
Change in shareholding of subsidiaries	–	–	–
Tax effects	–	–	(2)
Dividends paid	–	–	–
Balance at 30 June 2006 (restated)	**3 634**	**780**	**(189)**
Shares issued on implementation of share options	332	–	–
Cancellation of shares	(338)	–	–
Repurchase of shares	–	–	–
Share-based payment expense	–	186	–
Income and expense for year			
Profit for year	–	–	–
Income and expense recognised directly in equity			
Effect of translation of foreign operations	–	–	(258)
Losses on cash flow hedge accounting	–	–	–
Losses on cash flow hedges transferred to income statement	–	–	–
Gains on cash flow hedges transferred to balance sheet	–	–	–
Change in shareholding of subsidiaries	–	–	4
Dividends paid	–	–	–
Balance at 30 June 2007	**3 628**	**966**	**(443)**

	Investment fair value reserve Rm	Cash flow hedge accounting reserve Rm	Share repurchase programme (note 48) Rm	Retained earnings Rm	Shareholders' equity Rm	Minority interest Rm	Total equity Rm
	2	(887)	(3 647)	37 764	35 029	371	35 400
	–	–	–	208	208	–	208
	2	(887)	(3 647)	37 972	35 237	371	35 608
	–	–	–	–	311	–	311
	–	–	–	–	137	–	137
					10 924	(54)	10 870
	–	–	–	9 449	9 449	110	9 559
				9 437			
				12			
					1 475	(164)	1 311
	–	–	–	–	338	11	349
	–	–	–	690	610	–	610
	–	–	–	–	(25)	–	(25)
	–	164	–	–	164	–	164
	–	23	–	–	23	–	23
	–	459	–	–	459	–	459
	–	–	–	–	–	(175)	(175)
	–	(94)	–	–	(94)	–	(94)
	–	–	–	(2 856)	(2 856)	(64)	(2 920)
	2	(335)	(3 647)	45 255	43 753	253	44 006
	–	–	–	–	431	–	431
	–	–	–	–	169	–	169
					11 912	201	12 113
	–	–	–	10 406	10 406	176	10 582
				10 373			
				33			
					1 506	25	1 531
	–	–	–	–	1 149	3	1 152
	–	(55)	–	–	(55)	–	(55)
	–	475	–	–	475	10	485
	–	–	–	–	–	14	14
	–	(61)	–	–	(63)	(2)	(65)
	–	–	–	(3 660)	(3 660)	(75)	(3 735)
	2	24	(3 647)	52 001	52 605	379	52 984
	–	–	–	–	332	–	332
	–	–	3 647	(3 309)	–	–	–
	–	–	(3 669)	–	(3 669)	–	(3 669)
	–	–	–	–	186	–	186
					16 776	1 681	18 457
	–	–	–	17 030	17 030	520	17 550
					(254)	1 161	907
	–	–	–	–	(258)	–	(258)
	–	(8)	–	–	(8)	–	(8)
	–	18	–	–	18	–	18
	–	(10)	–	–	(10)	–	(10)
	–	–	–	–	4	1 161	1 165
	–	–	–	(4 613)	(4 613)	(408)	(5 021)
	2	24	(3 669)	61 109	61 617	1 652	63 269

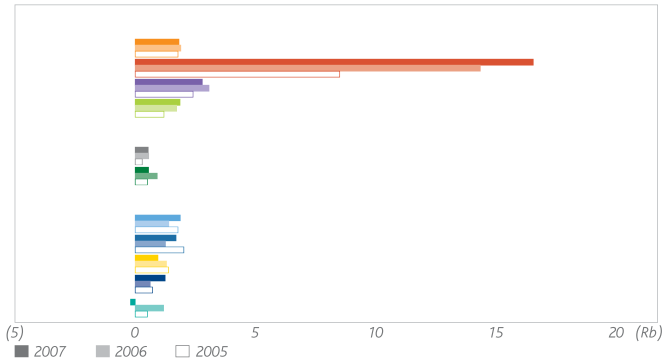
cash flow statement

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
Cash receipts from customers		**97 339**	80 229	67 982
Cash paid to suppliers and employees		**(68 914)**	(55 702)	(49 080)
Cash generated by operating activities	49	**28 425**	24 527	18 902
Investment income	52	**1 059**	444	169
Borrowing costs paid	40	**(1 816)**	(1 745)	(1 523)
Tax paid	28	**(7 251)**	(5 389)	(3 753)
Cash available from operating activities		**20 417**	17 837	13 795
Dividends paid	53	**(4 613)**	(3 660)	(2 856)
Cash retained from operating activities		**15 804**	14 177	10 939
Additions to non-current assets		**(12 045)**	(13 296)	(12 616)
Additions to property, plant and equipment	4	**(1 544)**	(978)	(1 678)
Additions to assets under construction	5	**(10 479)**	(12 291)	(10 897)
Additions to other intangible assets	7	**(22)**	(27)	(41)
Non-current assets sold	54	**193**	542	478
Acquisition of businesses	55	**(285)**	(147)	–
Overdraft acquired on acquisition of businesses	55	**–**	(113)	–
Disposal of businesses	56	**2 200**	587	36
Cash/(overdraft) disposed of on disposal of businesses	56	**33**	(1)	(94)
Purchase of investments		**(79)**	(62)	(103)
Proceeds from sale of investments		**–**	16	138
(Increase)/decrease in long-term receivables		**(555)**	199	(156)
Cash utilised in investing activities		**(10 538)**	(12 275)	(12 317)
Share capital issued on implementation of share options		**332**	431	311
Share repurchase programme		**(3 669)**	–	–
Dividends paid to minority shareholders		**(408)**	(75)	(64)
Proceeds from long-term debt	19	**1 021**	2 631	6 586
Repayments of long-term debt	19	**(1 034)**	(1 326)	(2 421)
Proceeds from short-term debt	25	**1 918**	973	2 824
Repayments of short-term debt	25	**(1 053)**	(3 911)	(4 968)
Cash effect of financing activities		**(2 893)**	(1 277)	2 268
Translation effects on cash and cash equivalents of foreign operations	47	**(24)**	(133)	(175)
Increase in cash and cash equivalents		**2 349**	492	715
Cash and cash equivalents at beginning of year		**3 244**	3 224	2 509
Net reclassification from/(to) held for sale		**495**	(472)	–
Cash and cash equivalents at end of year	18	**6 088**	3 244	3 224
Comprising				
Cash restricted for use	18	**646**	584	1 002
Cash	18	**5 987**	3 102	2 509
Bank overdraft	18	**(545)**	(442)	(287)
		6 088	3 244	3 224

business segmentation

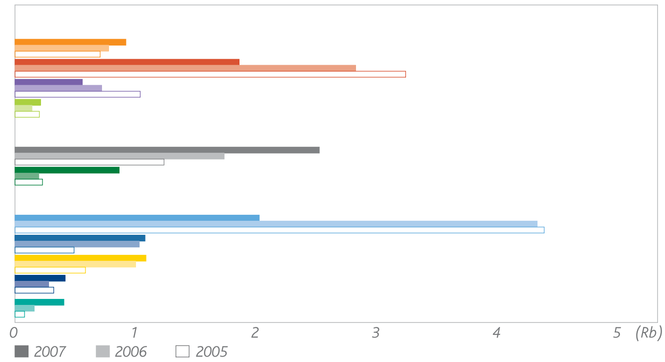
Cash flow from operations (note 49)

	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	23 024	21 040	13 883
Mining	1 819	1 896	1 779
Synfuels	16 553	14 351	8 504
Oil	2 789	3 069	2 405
Gas	1 863	1 724	1 195
International energy cluster	1 094	1 476	795
Synfuels International	540	561	291
Petroleum International	554	915	504
Chemical cluster	5 760	4 579	5 899
Polymers	1 874	1 396	1 778
Solvents	1 697	1 258	2 022
Olefins & Surfactants	945	1 301	1 381
Other	1 244	624	718
Other businesses	(194)	1 181	504
Total	29 684	28 276	21 081

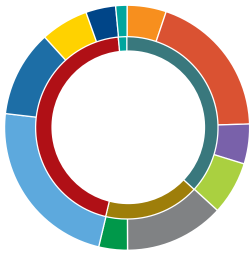
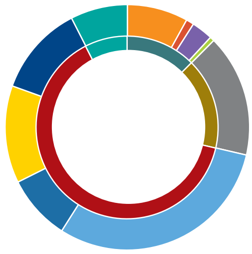
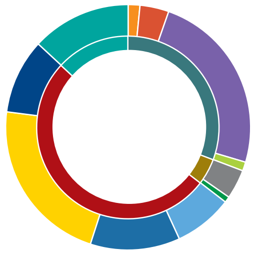


Additions to non-current assets

	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	3 578	4 495	5 229
Mining	927	782	712
Synfuels	1 874	2 847	3 266
Oil	563	724	1 047
Gas	214	142	204
International energy cluster	3 415	1 947	1 476
Synfuels International	2 544	1 748	1 246
Petroleum International	871	199	230
Chemical cluster	4 643	6 693	5 831
Polymers	2 042	4 365	4 424
Solvents	1 087	1 039	494
Olefins & Surfactants	1 095	1 008	589
Other	419	281	324
Other businesses	409	161	80
Total	12 045	13 296	12 616

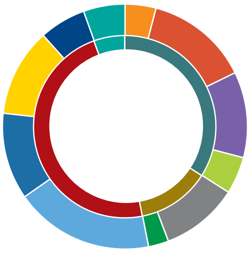
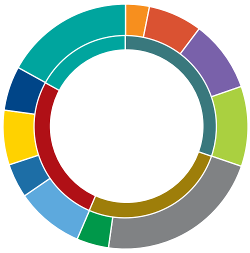
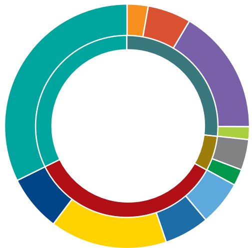
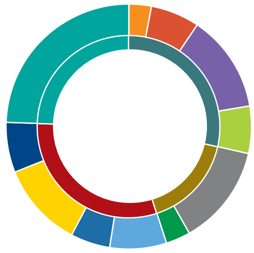


business segment information

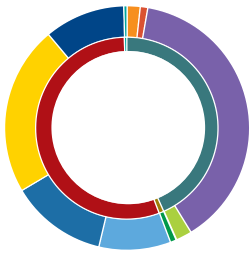
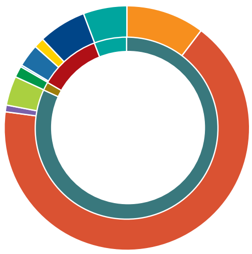
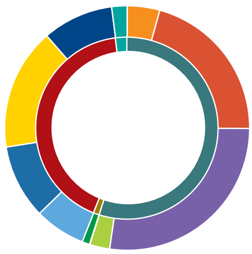
	Property, plant and equipment, assets under construction and other intangible assets			Other non-current assets*			Current assets		
									
	2007 Rm	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm
South African energy cluster	**27 878**	26 550	23 952	**510**	443	368	**11 806**	11 222	8 056
Mining	**3 912**	3 705	3 436	**329**	253	207	**596**	574	528
Synfuels	**14 655**	13 606	11 377	**42**	26	24	**1 467**	1 200	939
Oil	**3 987**	3 856	3 570	**115**	128	135	**9 293**	9 145	6 318
Gas	**5 324**	5 383	5 569	**24**	36	2	**450**	303	271
International energy cluster	**12 822**	10 062	7 574	**659**	564	299	**1 785**	1 157	1 162
Synfuels International	**9 956**	7 805	4 858	**659**	564	249	**1 488**	951	969
Petroleum International	**2 866**	2 257	2 716	**–**	–	50	**297**	206	193
Chemical cluster	**33 918**	30 036	26 588	**2 606**	1 680	2 143	**19 759**	18 131	15 713
Polymers	**17 513**	15 504	10 394	**1 241**	609	770	**2 968**	2 587	2 219
Solvents	**8 647**	8 059	7 180	**352**	325	242	**4 550**	4 241	3 863
Olefins & Surfactants†	**4 771**	3 539	6 084	**524**	272	621	**8 454**	8 025	6 855
Other	**2 987**	2 934	2 930	**489**	474	510	**3 787**	3 278	2 776
Other businesses	**1 137**	668	645	**308**	224	105	**5 032**	1 682	1 164
Total	**75 755**	67 316	58 759	**4 083**	2 911	2 915	**38 382**	32 192	26 095

* Excludes tax and deferred tax.

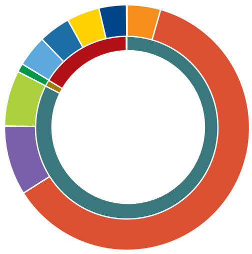
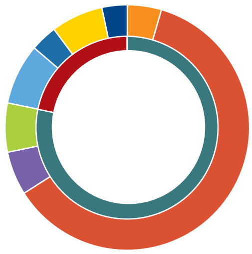
† In the segment report for 2006, for comparative purposes, the assets and liabilities of Sasol O&S are included in the line items to which they relate.

Total consolidated assets*			Non-current liabilities*			Current liabilities*			Total consolidated liabilities*		
											
2007 Rm	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm
40 194	38 215	32 376	**7 149**	7 162	6 302	**5 991**	5 549	4 475	**13 140**	12 711	10 777
4 837	4 532	4 171	**743**	772	543	**624**	675	490	**1 367**	1 447	1 033
16 164	14 832	12 340	**1 684**	1 984	1 970	**1 281**	1 200	1 093	**2 965**	3 184	3 063
13 395	13 129	10 023	**2 224**	2 043	1 663	**3 706**	3 403	2 593	**5 930**	5 446	4 256
5 798	5 722	5 842	**2 498**	2 363	2 126	**380**	271	299	**2 878**	2 634	2 425
15 266	11 783	9 035	**6 191**	5 293	3 552	**1 394**	802	1 126	**7 585**	6 095	4 678
12 103	9 320	6 076	**5 191**	4 184	2 337	**908**	611	828	**6 099**	4 795	3 165
3 163	2 463	2 959	**1 000**	1 109	1 215	**486**	191	298	**1 486**	1 300	1 513
56 283	49 847	44 444	**6 271**	5 728	4 605	**7 780**	7 349	5 944	**14 051**	13 077	10 549
21 722	18 700	13 383	**2 119**	1 775	932	**1 324**	1 155	847	**3 443**	2 930	1 779
13 549	12 625	11 285	**1 067**	1 173	1 105	**1 330**	1 214	969	**2 397**	2 387	2 074
13 749	11 836	13 560	**1 703**	1 367	1 266	**3 463**	3 239	2 788	**5 166**	4 606	4 054
7 263	6 686	6 216	**1 382**	1 413	1 302	**1 663**	1 741	1 340	**3 045**	3 154	2 642
6 477	2 574	1 914	**4 015**	5 827	5 073	**7 236**	3 701	6 106	**11 251**	9 528	11 179
118 220	102 419	87 769	**23 626**	24 010	19 532	**22 401**	17 401	17 651	**46 027**	41 411	37 183

business segment information

External turnover	Intersegment turnover	Total turnover
		

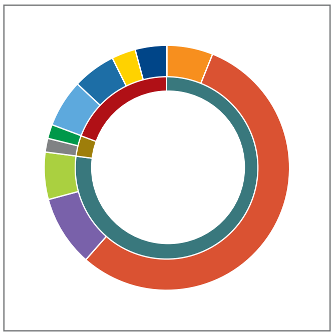
	2007 Rm	2006 Rm	2005 Rm	2007 Rm	2006 Rm	2005 Rm	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	42 561	36 338	27 224	34 458	30 773	22 791	77 019	67 111	50 015
Mining	1 694	1 517	1 471	4 348	3 949	3 744	6 042	5 466	5 215
Synfuels	976	915	820	28 108	24 734	17 864	29 084	25 649	18 684
Oil	37 816	32 243	23 525	375	544	187	38 191	32 787	23 712
Gas	2 075	1 663	1 408	1 627	1 546	996	3 702	3 209	2 404
International energy cluster	842	810	396	623	588	445	1 465	1 398	841
Synfuels International	65	161	–	–	–	–	65	161	–
Petroleum International	777	649	396	623	588	445	1 400	1 237	841
Chemical cluster	54 297	45 098	41 395	4 584	4 186	3 431	58 881	49 284	44 826
Polymers	9 305	7 537	7 199	105	102	83	9 410	7 639	7 282
Solvents	12 509	10 485	9 361	1 257	1 181	947	13 766	11 666	10 308
Olefins & Surfactants	22 012	18 545	16 742	570	550	354	22 582	19 095	17 096
Other	10 471	8 531	8 093	2 652	2 353	2 047	13 123	10 884	10 140
Other businesses	427	149	224	2 416	1 301	1 042	2 843	1 450	1 266
Total	98 127	82 395	69 239	42 081	36 848	27 709	140 208	119 243	96 948

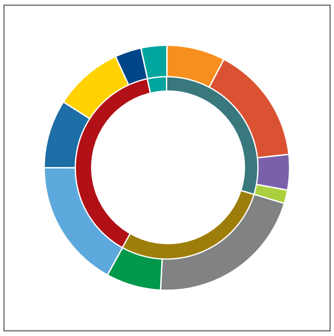
Translation (losses)/gains			Effect of capital items (before tax) (note 42)			Operating profit/(losses)			Contribution to attributable earnings		
											
2007 Rm	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm
(160)	(39)	(22)	**291**	(73)	(150)	**21 775**	18 684	11 625	**14 090**	12 323	7 811
(11)	2	(2)	**(13)**	(16)	23	**1 171**	1 227	1 256	**814**	813	805
1	(35)	(3)	**(64)**	(187)	(110)	**16 251**	13 499	7 546	**11 076**	9 278	5 296
(142)	4	(11)	**(2)**	(8)	(63)	**2 417**	2 432	1 892	**1 037**	1 390	1 194
(8)	(10)	(6)	**370**	138	–	**1 936**	1 526	931	**1 163**	842	516
(47)	22	(21)	**–**	(82)	37	**(463)**	(42)	79	**(726)**	(100)	55
(15)	(18)	(23)	**–**	–	33	**(763)**	(642)	(201)	**(653)**	(366)	35
(32)	40	2	**–**	(82)	4	**300**	600	280	**(73)**	266	20
(45)	135	103	**538**	(4 107)	(1 152)	**4 293**	(1 471)	2 779	**3 922**	(1 441)	2 410
12	29	8	**(9)**	(17)	(12)	**1 089**	822	1 475	**1 443**	985	1 539
(8)	96	100	**(152)**	105	(593)	**1 106**	873	1 021	**636**	687	1 063
(48)	(11)	(2)	**707**	(4 143)	(572)	**1 140**	(3 567)	(14)	**1 241**	(3 360)	(289)
(1)	21	(3)	**(8)**	(52)	25	**958**	401	297	**602**	247	97
20	125	31	**311**	(10)	(10)	**16**	41	(97)	**(256)**	(376)	(827)
(232)	243	91	**1 140**	(4 272)	(1 275)	**25 621**	17 212	14 386	**17 030**	10 406	9 449

business segment information

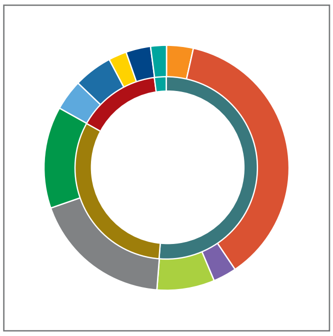
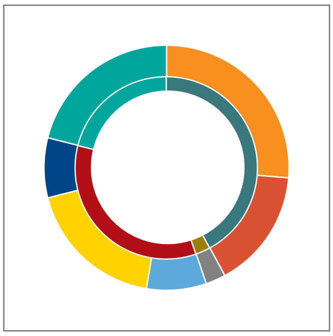
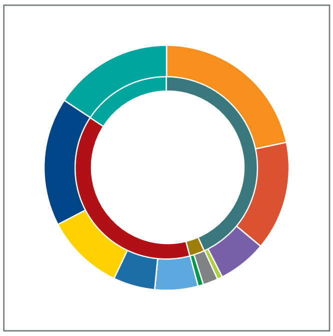
Cash flow information

Cash flow from operations	Depreciation and amortisation	Additions to non-current assets

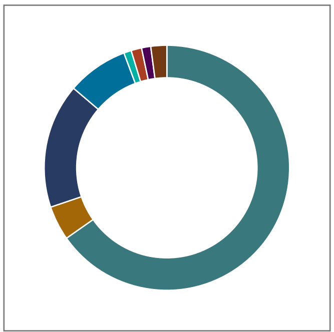
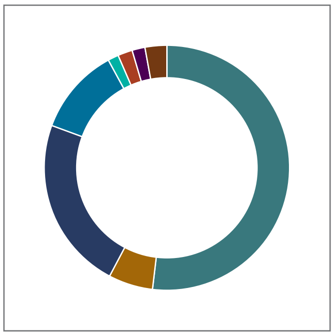




	2007 Rm	2006 Rm	2005 Rm	2007 Rm	2006 Rm	2005 Rm	2007 Rm	2006 Rm	2005 Rm
South African energy cluster	**23 024**	21 040	13 883	**(2 019)**	(2 028)	(1 760)	**3 578**	4 495	5 229
Mining	**1 819**	1 896	1 779	**(659)**	(646)	(579)	**927**	782	712
Synfuels	**16 553**	14 351	8 504	**(631)**	(661)	(560)	**1 874**	2 847	3 266
Oil	**2 789**	3 069	2 405	**(458)**	(463)	(399)	**563**	724	1 047
Gas	**1 863**	1 724	1 195	**(271)**	(258)	(222)	**214**	142	204
International energy cluster	**1 094**	1 476	795	**(346)**	(258)	(192)	**3 415**	1 947	1 476
Synfuels International	**540**	561	291	**(90)**	(17)	(1)	**2 544**	1 748	1 246
Petroleum International	**554**	915	504	**(256)**	(241)	(191)	**871**	199	230
Chemical cluster	**5 760**	4 579	5 899	**(1 529)**	(1 881)	(1 836)	**4 643**	6 693	5 831
Polymers	**1 874**	1 396	1 778	**(544)**	(404)	(284)	**2 042**	4 365	4 424
Solvents	**1 697**	1 258	2 022	**(434)**	(395)	(385)	**1 087**	1 039	494
Olefins & Surfactants	**945**	1 301	1 381	**(219)**	(768)	(832)	**1 095**	1 008	589
Other	**1 244**	624	718	**(332)**	(314)	(335)	**419**	281	324
Other businesses	**(194)**	1 181	504	**(121)**	(101)	(294)	**409**	161	80
Total	**29 684**	28 276	21 081	**(4 015)**	(4 268)	(4 082)	**12 045**	13 296	12 616

Capital commitments								
Property, plant and equipment			Other intangible assets			Number of employees		
								
2007 Rm	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm	**2007 Number**	2006 Number	2005 Number
9 501	4 029	4 577	**16**	28	28	**13 754**	15 132	15 166
654	676	798	**10**	6	24	**6 904**	7 084	7 115
6 864	2 682	2 909	**6**	21	–	**4 586**	6 135	6 098
573	459	661	**–**	1	1	**2 047**	1 719	1 779
1 410	212	209	**–**	–	3	**217**	194	174
5 902	5 791	6 636	**1**	26	19	**855**	548	352
3 414	4 095	5 990	**1**	15	–	**629**	364	162
2 488	1 696	646	**–**	11	19	**226**	184	190
2 747	4 504	7 641	**13**	8	9	**12 242**	13 147	12 576
753	2 210	5 696	**3**	2	–	**1 815**	2 393	2 467
946	1 411	1 304	**–**	–	–	**1 754**	1 781	1 591
443	762	528	**7**	–	5	**3 279**	3 527	3 404
605	121	113	**3**	6	4	**5 394**	5 446	5 114
387	242	259	**8**	–	–	**5 009**	2 633	1 910
18 537	14 566	19 113	**38**	62	56	**31 860**	31 460	30 004

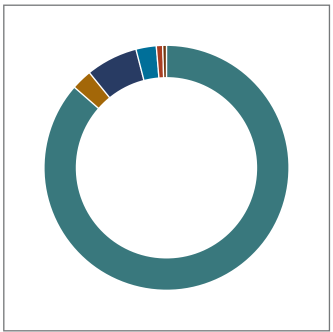
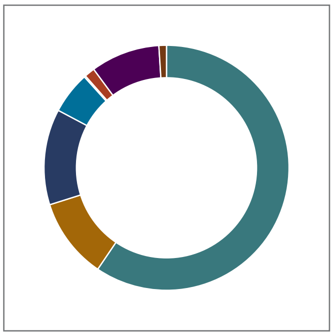
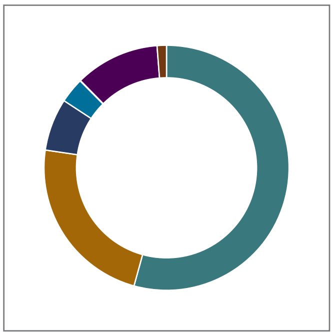
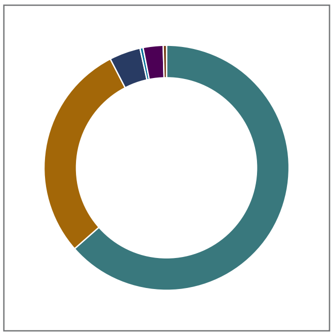
geographic segment information

Total turnover	External turnover
	

	Total turnover 2007 Rm	2006 Rm	2005 Rm	External turnover 2007 Rm	2006 Rm	2005 Rm
South Africa	**91 490**	78 203	61 583	**50 908**	42 909	35 395
Rest of Africa	**6 373**	5 164	2 999	**5 747**	5 150	2 553
Mozambique	**899**	188	490	**275**	174	44
Nigeria	**142**	190	116	**140**	190	116
Rest of Africa	**5 332**	4 786	2 393	**5 332**	4 786	2 393
Europe	**23 060**	18 545	17 693	**22 448**	17 836	17 145
Germany	**7 060**	5 313	5 013	**6 513**	4 909	4 737
Italy	**3 154**	2 533	2 393	**3 153**	2 533	2 383
Rest of Europe	**12 846**	10 699	10 287	**12 782**	10 394	10 025
North America	**11 310**	10 403	8 383	**11 258**	9 839	8 149
United States of America	**10 398**	9 578	7 830	**10 346**	9 048	7 596
Rest of North America	**912**	825	553	**912**	791	553
South America	**1 387**	1 249	760	**1 387**	1 249	760
Southeast Asia and Australasia	**1 943**	1 420	1 397	**1 890**	1 420	1 397
Middle East and India	**1 695**	1 565	1 374	**1 672**	1 536	1 333
Iran	**103**	104	71	**82**	91	71
Qatar	**19**	74	80	**11**	59	41
Rest of Middle East and India	**1 573**	1 387	1 223	**1 579**	1 386	1 221
Far East	**2 950**	2 694	2 759	**2 817**	2 456	2 507
	140 208	119 243	96 948	**98 127**	82 395	69 239

* Excludes deferred tax.

Operating profit/(loss)			Total consolidated assets*			Additions to non-current assets (by location of assets)			Capital commitments of non-current assets		

2007 Rm	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm	**2007 Rm**	2006 Rm	2005 Rm
22 259	18 541	12 132	**70 320**	62 915	53 816	**6 538**	8 619	9 545	**11 804**	6 790	9 425
701	1 254	535	**12 580**	9 397	6 822	**2 775**	1 476	622	**5 370**	5 274	5 648
(13)	483	75	**4 254**	3 381	3 970	**536**	84	91	**2 192**	1 384	427
(15)	(6)	29	**7 288**	5 096	1 964	**2 046**	1 290	460	**2 986**	3 783	5 076
729	777	431	**1 038**	920	888	**193**	102	71	**192**	107	145
1 757	(1 632)	1 475	**14 944**	13 173	12 811	**832**	730	502	**764**	590	444
190	(20)	375	**7 527**	6 752	5 848	**590**	560	262	**208**	435	328
1 108	(2 335)	274	**2 615**	1 981	3 861	**158**	161	179	**168**	124	116
459	723	826	**4 802**	4 440	3 102	**84**	9	61	**388**	31	–
691	(1 220)	(225)	**6 551**	5 752	6 818	**400**	380	247	**76**	280	163
779	(1 223)	(232)	**6 418**	5 546	6 665	**400**	380	247	**76**	280	163
(88)	3	7	**133**	206	153	**–**	–	–	**–**	–	–
(5)	(18)	(5)	**225**	223	249	**1**	–	–	**–**	–	–
214	171	85	**1 626**	1 344	1 456	**7**	3	3	**–**	–	–
(125)	64	236	**10 798**	8 505	4 938	**1 343**	2 054	1 696	**480**	1 692	3 480
(3)	24	(19)	**5 804**	4 124	1 823	**774**	1 590	823	**332**	1 190	2 427
(282)	(104)	127	**4 472**	3 847	2 633	**564**	462	872	**148**	501	1 053
160	144	128	**522**	534	482	**5**	2	1	**–**	1	–
129	52	153	**1 176**	1 110	859	**149**	34	1	**81**	2	9
25 621	17 212	14 386	**118 220**	102 419	87 769	**12 045**	13 296	12 616	**18 575**	14 628	19 169

changes to comparative information

at 30 June	Note
Reclassifications and restatement of comparative information	1
Change in accounting policy	2
Accounting standards not yet effective	3

1 Reclassifications and restatement of comparative information

1.1 Restatement of diluted weighted average number of shares

The diluted weighted average number of shares has been restated to include the effect of the fair value of the services to be received in the future from participants in the Sasol Share Incentive Scheme.

for the year ended 30 June	2006 Number of shares	2005 Number of shares
Diluted weighted average number of shares		
As previously reported	631,7	624,4
Effect of restatement	(1,5)	(3,5)
As restated	630,2	620,9

The effect of the restatement of the diluted weighted average number of shares, after taking into account the change in accounting policy, is as follows.

	2006 Rand	2005 Rand
Diluted earnings per share		
As previously reported	16,47	15,13
Effect of restatement	0,04	0,09
As restated	16,51	15,22
Diluted headline earnings per share		
As previously reported	22,55	16,99
Effect of restatement	0,06	0,10
As restated	22,61	17,09

for the year ended 30 June	2006 Rm	2005 Rm

1 Reclassifications and restatement of comparative information (continued)

1.2 Reclassification of Sasol Olefins & Surfactants (Sasol O&S) from a discontinued operation to a continuing operation

Following the decision in March 2007 to terminate the divestiture process and retain and restructure Sasol O&S, its results have been reclassified from discontinued operations to continuing operations. The income statement has, accordingly, been restated for all comparative periods.

	2006 Rm	2005 Rm
The results from operations of Sasol O&S were as follows		
Turnover	18 545	16 742
Cost of sales	(15 501)	(13 774)
Other operating income	342	184
Operating expenses	(2 810)	(2 594)
Capital items	(4 143)	(572)
Operating loss	**(3 567)**	**(14)**
Dividends and interest received	24	43
Income from associates	(1)	(1)
Borrowing costs	(115)	(160)
Loss before tax	**(3 659)**	**(132)**
Tax	299	(157)
Loss	**(3 360)**	**(289)**
Included in the results of Sasol O&S are the following capital items		
Impairment of assets	(912)	(522)
Loss on disposal of assets	(14)	(34)
Scrapping of property, plant and equipment	(21)	(16)
Fair value write-down	(3 196)	–
property, plant and equipment	(2 852)	
goodwill	(289)	
intangible assets	(55)	
	(4 143)	**(572)**
Tax effect thereon	498	(40)
	(3 645)	**(612)**

for the year ended 30 June	2006 Rm	2005 Rm

1 Reclassifications and restatement of comparative information (continued)

1.3 Reclassification of retail convenience centres within property, plant and equipment

The retail convenience centres in the group's Sasol Oil business represent a separate major line of assets, having different risks and rewards when compared to other classes of assets presented in property, plant and equipment. As a result, the retail convenience centres, previously included in plant, vehicles and equipment are now reflected as a separate class of assets.

1.4 Assets under construction previously classified as property, plant and equipment and other intangible assets

Capital work in progress and exploration assets previously included in property, plant and equipment and other intangible assets on the face of the balance sheet have been reclassified as assets under construction. These assets are still in the process of being constructed or being developed and are therefore not yet generating economic benefits. Management concluded that the classification of these amounts separately on the face of the balance sheet better reflects the underlying nature of the assets. The reclassification had no impact on earnings.

The effect of the reclassification in the balance sheet is:

	2006 Rm	2005 Rm
Property, plant and equipment		
Balance as previously reported	62 587	57 334
Effect of reclassification to assets under construction	(23 117)	(18 025)
Restated balance (refer note 2)	39 470	39 309
Assets under construction		
Effect of reclassification from property, plant and equipment	23 117	18 025
Effect of reclassification from other intangible assets	59	63
Restated balance	23 176	18 088
Other intangible assets		
Balance as previously reported	834	1 116
Effect of reclassification to assets under construction	(59)	(63)
Restated balance	775	1 053

for the year ended 30 June	2006 Rm	2005 Rm

1 Reclassifications and restatement of comparative information (continued)

1.5 Trade receivables previously classified as other receivables

Related party receivables, duties recoverable from customers and value added tax previously included in other receivables on the face of the balance sheet have been reclassified as part of trade receivables. Management concluded that the classification of these balances as part of trade receivables on the face of the balance sheet better reflects the underlying nature of the assets. The reclassification had no impact on earnings.

	2006 Rm	2005 Rm
Trade receivables		
Balance as previously reported	7 432	8 668
Effect of reclassification	2 970	2 363
Restated balance	10 402	11 031
Other receivables		
Balance as previously reported	4 563	3 702
Effect of reclassification	(2 970)	(2 363)
Restated balance	1 593	1 339

1.6 Trade payables previously classified as other payables

Accrued expenses, related party payables, duties payable to revenue authorities and value added tax previously included in other payables on the face of the balance sheet have been reclassified as part of trade payables. Management concluded that the classification of these balances as part of trade payables on the face of the balance sheet better reflects the underlying nature of the liabilities. The reclassification had no impact on earnings.

	2006 Rm	2005 Rm
Trade payables		
Balance as previously reported	3 555	4 733
Effect of reclassification	3 047	2 459
Restated balance	6 602	7 192
Other payables		
Balance as previously reported	4 880	4 416
Effect of reclassification	(3 047)	(2 459)
Restated balance	1 833	1 957

for the year ended 30 June	2006 Rm	2005 Rm
2 Change in accounting policy		
The group has changed its accounting policy with regard to costs incurred to develop the operations of existing, operating mines. Sasol Mining capitalises expenditure relating to the commissioning of a new mine until the main asset is ready for its intended use. Subsequent costs such as conveyor systems, water reticulation, telemetrics, substations and dams or seals are incurred once the main asset is completed and production has commenced. The previous policy of Sasol Mining was to expense all development costs incurred after completion of the main asset. Under the amended accounting policy, all costs in respect of development expenditure incurred after the commencement of production are capitalised to the extent that they give rise to future economic benefits and are amortised over the estimated useful life of these assets. This policy has been adopted with retrospective effect and prior year figures restated.		
Property, plant and equipment		
As reported in note 1	39 470	39 309
Development costs capitalised in previous years	309	292
Development costs capitalised in previous years	652	562
Increase in depreciation in previous years	(343)	(270)
Costs capitalised during current year	147	90
Increase in depreciation during current year	(100)	(73)
Restated balance	39 826	39 618
Income statement		
Decrease in cost of sales	147	90
Increase in depreciation	(100)	(73)
Net increase in gross profit	47	17
Increase in taxation charge	(14)	(5)
Effect on earnings	33	12
Changes in equity statement		
Shareholders' equity as previously reported	52 352	43 533
Effect of change in accounting policy	253	220
Restated balance	52 605	43 753
Per share effect	Rand	Rand
Increase in		
Earnings per share	0,05	0,02
Headline earnings per share	0,05	0,02
Diluted earnings per share	0,05	0,02
Diluted headline earnings per share	0,05	0,02

3 Accounting standards not yet effective

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

IAS1 (Amendment) Presentation of Financial Statements

This standard will be adopted by Sasol for the financial year ending 30 June 2008. The standard will have minimal impact on the financial statements of the group, requiring additional information to be disclosed regarding the capital of the group and an adjustment to the presentation of the financial statements.

IFRS7 Financial Instruments: Disclosures

This standard will be adopted by Sasol for the financial year ending 30 June 2008. Certain additional disclosures required by the standard have been presented in the current year financial statements. The standard will have no impact on the financial statements of the group, except for the additional information that is required to be disclosed regarding the financial instruments of the group.

IAS23 (Revised) Borrowing Costs

This standard will be adopted by Sasol for the year ending 30 June 2009. The standard will have minimal impact on the financial statements of the group as in prior years the threshold for borrowing costs that can be capitalised has been reached.

IFRIC12 Service Concession Arrangements

This interpretation will be adopted by Sasol for the year ending 30 June 2008. Management is in the process of identifying service concession arrangements and considering the relevant financial implications. This interpretation is, however, expected to not have a significant impact on the group.

IFRIC14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

This interpretation will be adopted by Sasol for the year ending 30 June 2008. Management is in the process of considering the relevant financial implications. This interpretation is, however, expected to not have a significant impact on the group.

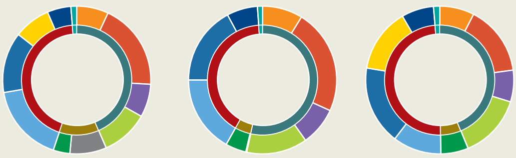
non-current assets

at 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Property, plant and equipment (restated)	4	50 515	39 826	39 618
Assets under construction (restated)	5	24 611	23 176	18 088
Goodwill	6	586	266	509
Other intangible assets (restated)	7	629	775	1 053
Investments in securities	8	472	394	397
Investments in associates	9	692	636	608
Post-retirement benefit assets	10	363	80	300
Long-term receivables and prepaid expenses	11	1 674	1 012	1 091
Long-term financial assets	12	296	251	10
Deferred tax assets	24	845	691	409
		80 683	67 107	62 083

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
4 Property, plant and equipment				
Cost				
Balance at beginning of year as previously reported		67 895	77 043	72 394
Effect of change in accounting policy	2	799	652	562
Restated balance at beginning of year		68 694	77 695	72 956
Acquisition of businesses	55	31	65	–
Additions		1 620	1 230	1 720
to enhance existing operations		1 225	844	877
to expand operations		395	386	843
Borrowing costs capitalised	40	8	5	6
Net transfer to other intangible assets	7	(6)	(5)	–
Transfer to inventory		(3)	(6)	–
Net reclassification from/(to) held for sale		19 550	(19 776)	–
Transfer from assets under construction	5	10 121	8 946	4 142
Translation of foreign operations	47	441	2 534	1 380
Disposal of businesses	56	–	–	(332)
Disposals and scrapping		(1 297)	(1 994)	(2 177)
Balance at end of year		99 159	68 694	77 695
Comprising				
Land		716	257	610
Buildings and improvements		4 571	1 937	3 418
Retail convenience centres		944	854	709
Plant, equipment and vehicles		83 263	56 587	65 402
Mineral assets		9 665	9 059	7 556
		99 159	68 694	77 695

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
4 Property, plant and equipment (continued)				
Accumulated depreciation and impairment				
Balance at beginning of year as previously reported		**28 425**	37 734	34 391
Effect of change in accounting policy	2	**443**	343	270
Restated balance at beginning of year		**28 868**	38 077	34 661
Acquisition of businesses	55	**–**	38	–
Current year charge	35	**3 736**	3 965	3 744
Impairment of property, plant and equipment	42	**19**	897	660
Fair value write-down of disposal group held for sale		**–**	2 674	–
Reversal of fair value write-down of disposal group held for sale		**(486)**	–	–
Transfer to inventory		**(3)**	–	–
Net transfer to other intangible assets	7	**(4)**	(4)	(23)
Net reclassification from/(to) held for sale		**17 084**	(17 247)	–
Translation of foreign operations	47	**481**	1 749	882
Disposal of businesses	56	**(2)**	–	(196)
Disposals and scrapping		**(1 049)**	(1 281)	(1 651)
Balance at end of year		**48 644**	28 868	38 077
Comprising				
Land		**178**	–	15
Buildings and improvements		**2 514**	795	1 967
Retail convenience centres		**118**	80	46
Plant, equipment and vehicles		**41 282**	23 986	32 965
Mineral assets		**4 552**	4 007	3 084
		48 644	28 868	38 077
Carrying value				
Land		**538**	257	595
Buildings and improvements		**2 057**	1 142	1 451
Retail convenience centres		**826**	774	663
Plant, equipment and vehicles		**41 981**	32 601	32 437
Mineral assets		**5 113**	5 052	4 472
Balance at end of year		**50 515**	39 826	39 618

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
4 Property, plant and equipment *(continued)*			
Business segmentation			
South African energy cluster	**21 975**	21 293	17 336
Mining	**3 508**	3 499	2 994
Synfuels	**9 589**	9 160	6 059
Oil	**3 656**	3 340	2 746
Gas	**5 222**	5 294	5 537
International energy cluster	**5 875**	1 878	2 383
Synfuels International	**4 036**	79	2
Petroleum International	**1 839**	1 799	2 381
Chemical cluster	**22 023**	16 208	19 361
Polymers	**8 665**	6 707	4 203
Solvents	**6 707**	6 826	6 826
Olefins & Surfactants	**4 038**	–	5 543
Other	**2 613**	2 675	2 789
Other businesses	**642**	447	538
Total operations	**50 515**	39 826	39 618



2007	Land Rm	Buildings and improvements Rm	Retail convenience centres Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
Cost						
Balance at 30 June 2006 as previously reported	257	2 024	–	57 354	8 260	**67 895**
Reclassification of retail convenience centres	–	(87)	854	(767)	–	**–**
Effect of change in accounting policy	–	–	–	–	799	**799**
Restated balance at 30 June 2006	257	1 937	854	56 587	9 059	**68 694**
Acquisition of businesses	–	9	–	22	–	**31**
Additions	10	15	74	952	569	**1 620**
to enhance existing operations	1	14	–	642	568	**1 225**
to expand operations	9	1	74	310	1	**395**
Borrowing costs capitalised	–	–	–	8	–	**8**
Reclassification of property, plant and equipment	27	(26)	–	17	(18)	**–**
Transfer to other intangible assets	–	–	–	(8)	–	**(8)**
Transfer from other intangible assets	–	–	–	2	–	**2**
Transfer to inventory	–	–	–	(3)	–	**(3)**
Reclassification from held for sale	427	2 341	–	16 855	–	**19 623**
Reclassification to held for sale	–	(7)	–	(66)	–	**(73)**
Transfer from assets under construction	–	496	16	9 245	364	**10 121**
Translation of foreign operations	18	63	–	372	(12)	**441**
Disposals and scrapping	(23)	(257)	–	(720)	(297)	**(1 297)**
Balance at 30 June 2007	**716**	**4 571**	**944**	**83 263**	**9 665**	**99 159**

2007	Land Rm	Buildings and improvements Rm	Retail convenience centres Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
4 Property, plant and equipment *(continued)*						
Accumulated depreciation and impairment						
Balance at 30 June 2006 as previously reported	–	803	–	24 058	3 564	**28 425**
Reclassification of retail convenience centres	–	(8)	80	(72)	–	**–**
Effect of change in accounting policy	–	–	–	–	443	**443**
Restated balance at 30 June 2006	–	795	80	23 986	4 007	**28 868**
Current year charge	9	101	38	2 744	844	**3 736**
Impairment of assets	–	–	–	19	–	**19**
Reversal of fair value write-down of disposal group held for sale	(147)	(103)	–	(236)	–	**(486)**
Reclassification of property, plant and equipment	–	1	–	12	(13)	**–**
Transfer to inventory	–	–	–	(3)	–	**(3)**
Transfer to other intangible assets	–	–	–	(4)	–	**(4)**
Reclassification from held for sale	301	1 876	–	14 962	–	**17 139**
Reclassification to held for sale	–	(4)	–	(51)	–	**(55)**
Translation of foreign operations	15	52	–	419	(5)	**481**
Disposal of business	–	–	–	(2)	–	**(2)**
Disposals and scrapping	–	(204)	–	(564)	(281)	**(1 049)**
Balance at 30 June 2007	**178**	**2 514**	**118**	**41 282**	**4 552**	**48 644**
Carrying value at 30 June 2007	**538**	**2 057**	**826**	**41 981**	**5 113**	**50 515**
Carrying value at 30 June 2006 (restated)	257	1 142	774	32 601	5 052	39 826

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

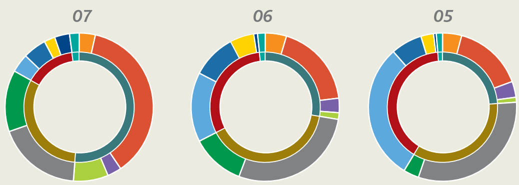
for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
4 Property, plant and equipment (continued)			
Additions to property, plant and equipment (cash flow)			
To enhance existing operations	**1 149**	709	877
current year additions	**1 225**	844	877
environmental provisions capitalised	**(76)**	(135)	–
To expand operations	**395**	269	801
current year additions	**395**	386	843
adjustments for non-cash items			
environmental provisions capitalised	**–**	–	(42)
mineral rights received*	**–**	(117)	–
Per the cash flow statement	**1 544**	978	1 678

* During the 2006 year rights to certain mineral assets were received as part of a long-term supply arrangement.

Additional disclosures			
Leased assets			
Carrying value of capitalised leased assets (included in plant, equipment and vehicles)	**760**	737	661
Cost	**1 057**	1 010	
Accumulated depreciation	**(297)**	(273)	
Finance lease additions included in additions above	**77**	168	288
Replacement information			
Estimated replacement cost of property, plant and equipment	**274 352**	216 222	225 166
Cost of assets not replaceable	**2 608**	2 127	2 127
Cost price of fully depreciated assets still in use	**10 423**	9 649	8 183
Carrying value of assets committed as security for debt (refer note 19)	**11 216**	12 634	9 229
Depreciation rates			
Buildings and improvements	**2 – 5%**		
Retail convenience centres	**3 – 5%**		
Plant	**4 – 25%**		
Equipment	**10 – 33%**		
Vehicles	**20 – 33%**		
Mineral assets	**Life of related reserve base**		

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

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
4 Property, plant and equipment *(continued)*			
Capital commitments			
Capital commitments include all projects for which specific board approval has been obtained up to balance sheet date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following.			
Authorised and contracted for	**28 367**	29 045	26 594
Authorised but not yet contracted for	**11 697**	6 853	7 720
Less expenditure to the end of year	**(21 527)**	(21 332)	(15 201)
	18 537	14 566	19 113
Comprising			
Subsidiary companies	**14 409**	9 314	10 659
Proportionate share of joint ventures	**4 128**	5 252	8 454
	18 537	14 566	19 113
Estimated expenditure			
Within one year	**12 671**	9 410	14 456
One to two years	**4 105**	3 582	2 976
Two to three years	**1 095**	1 400	1 420
Three to four years	**291**	67	225
Four to five years	**136**	63	2
More than five years	**239**	44	34
	18 537	14 566	19 113
Business segmentation			
South African energy cluster	**9 501**	4 029	4 577
Mining	**654**	676	798
Synfuels	**6 864**	2 682	2 909
Oil	**573**	459	661
Gas	**1 410**	212	209
International energy cluster	**5 902**	5 791	6 636
Synfuels International	**3 414**	4 095	5 990
Petroleum International	**2 488**	1 696	646
Chemical cluster	**2 747**	4 504	7 641
Polymers	**753**	2 210	5 696
Solvents	**946**	1 411	1 304
Olefins & Surfactants	**443**	762	528
Other	**605**	121	113
Other businesses	**387**	242	259
Total operations	**18 537**	14 566	19 113



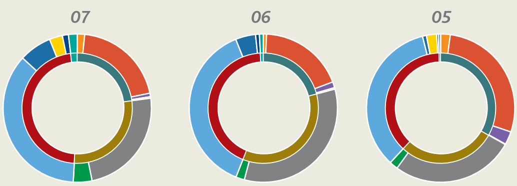
for the year ended 30 June		2007 Rm	2006 Rm	2005 Rm
4 Property, plant and equipment *(continued)*				
Significant commitments each in excess of R200 million include:				
Project	**Business unit**			
Open cycle gas turbine – power generation	Synfuels	**2 003**	–	–
Gas heat exchange reformers	Synfuels	**1 292**	–	–
Tenth SAS Reactor	Synfuels	**491**	–	–
Project Turbo	Synfuels	**418**	236	1 900
Sulphuric acid plant	Synfuels	**351**	608	–
Oxygen ESD replacement	Synfuels	**271**	–	–
Benzene specifications	Synfuels	**214**	–	–
Process automation and control	Synfuels	**190**	240	–
Filling station network	Oil	**258**	–	–
Mozambique natural gas pipeline	Gas	**1 133**	–	–
Escravos GTL[1]	Synfuels International	**2 694**	3 574	4 937
Oryx GTL	Synfuels International	**114**	471	1 063
Mozambique development	Petroleum International	**1 988**	1 229	–
Arya Sasol Polymers	Polymers	**332**	1 190	2 457
Project Turbo	Polymers	**310**	913	3 152
3rd Octene train	Solvents	**502**	1 209	1 132
2nd Methyl iso-butyl ketone plant	Solvents	**269**	–	–
Sasolburg site development	Other chemicals	**223**	–	–
Other smaller projects	Various	**5 484**	4 896	4 472
		18 537	14 566	19 113

1. Sasol provides risk based financing for 50% of the capital expenditure on the EGTL joint venture.

Funding

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

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
5 Assets under construction				
Cost				
Balance at beginning of year		**23 176**	18 088	9 811
Acquisition of businesses	55	**–**	9	–
Disposal of businesses	56	**(1)**	–	(2)
Additions		**10 475**	12 632	11 495
to enhance existing operations		**3 918**	4 897	4 496
to expand operations		**6 557**	7 735	6 999
Borrowing costs capitalised	40	**981**	1 443	1 110
Impairment	42	**–**	(26)	(148)
Fair value write-down of disposal group held for sale		**–**	(178)	–
Reversal of fair value write-down of disposal group held for sale		**134**	–	–
Reversal of impairment	42	**–**	140	–
Transfer to inventory		**(248)**	–	–
Net reclassification from/(to) held for sale		**757**	(768)	–
Projects capitalised		**(10 218)**	(9 029)	(4 231)
Property, plant and equipment	4	**(10 121)**	(8 946)	(4 142)
Intangible assets	7	**(97)**	(83)	(89)
Translation of foreign operations	47	**(349)**	1 039	299
Disposals and scrapping		**(96)**	(174)	(246)
Balance at end of year		**24 611**	23 176	18 088
Comprising				
Property, plant and equipment under construction		**24 123**	23 011	17 937
Other intangible assets under construction		**42**	59	63
Exploration assets		**446**	106	88
		24 611	23 176	18 088
Business segmentation				
South African energy cluster		**5 626**	4 835	5 999
Mining		**396**	164	378
Synfuels		**4 959**	4 298	5 085
Oil		**189**	298	518
Gas		**82**	75	18
International energy cluster		**6 894**	8 147	5 191
Synfuels International		**5 890**	7 712	4 856
Petroleum International		**1 004**	435	335
Chemical cluster		**11 620**	9 997	6 816
Polymers		**8 844**	8 790	6 186
Solvents		**1 749**	1 013	155
Olefins & Surfactants		**703**	–	402
Other		**324**	194	73
Other businesses		**471**	197	82
		24 611	23 176	18 088



2007	Property, plant and equipment under construction Rm	Other intangible assets under construction Rm	Exploration assets Rm	Total Rm
5 Assets under construction (continued)				
Cost				
Balance at 30 June 2006	23 011	59	106	**23 176**
Disposal of businesses	(1)	–	–	**(1)**
Additions	10 058	72	345	**10 475**
to enhance existing operations	3 887	31	–	**3 918**
to expand operations	6 171	41	345	**6 557**
Borrowing costs capitalised	981	–	–	**981**
Reversal of fair value write-down of disposal group held for sale	134	–	–	**134**
Transfer to inventory	(248)	–	–	**(248)**
Reclassification from held for sale	758	8	–	**766**
Reclassification to held for sale	(9)	–	–	**(9)**
Projects capitalised	(10 121)	(97)	–	**(10 218)**
Translation of foreign operations	(344)	–	(5)	**(349)**
Disposals and scrapping	(96)	–	–	**(96)**
Balance at 30 June 2007	**24 123**	**42**	**446**	**24 611**

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
Additions to assets under construction (cash flow)			
To enhance existing operations	**3 933**	4 858	4 421
current year additions	**3 918**	4 897	4 496
adjustments for non-cash items			
cash flow hedge accounting	**21**	(39)	(75)
environmental provisions capitalised	**(6)**	–	–
To expand operations	**6 546**	7 433	6 476
current year additions	**6 557**	7 735	6 999
adjustments for non-cash items			
cash flow hedge accounting	**(11)**	(302)	(523)
Per the cash flow statement	**10 479**	12 291	10 897

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

5 Assets under construction *(continued)*

Capital expenditure

The most significant expenditure to enhance existing operations is in Sasol Synfuels including the sulphuric acid plant (R364 million) and project Turbo amounting to R302 million (2006 – R1 868 million). Other projects include mining renewal, refurbishment projects and smaller waste and environment related projects. Significant projects to expand operations include:

for the year ended 30 June		2007 Rm	2006 Restated Rm	2005 Restated Rm
Significant projects to expand operations include:				
Project	**Business unit**			
Sasol Oil distribution network	Oil	**91**	59	294
Oryx GTL and Escravos GTL	Synfuels International	**2 426**	1 734	1 245
Mozambique expansion	Petroleum International	**266**	–	–
Petroleum West Africa development	Petroleum International	**339**	–	–
Project Turbo	Polymers	**1 169**	2 608	3 321
Arya Sasol Polymers	Polymers	**774**	1 590	945
2nd and 3rd Octene trains	Solvents	**708**	714	288
Other smaller projects	Various	**773**	728	383
		6 546	7 433	6 476

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
6 Goodwill				
Goodwill				
Balance at beginning of year		**266**	509	221
Acquisition of businesses	55	**212**	6	–
Fair value adjustments	55	**–**	–	(15)
Reclassification of negative goodwill		**–**	–	481
Impairment	42	**(4)**	(8)	(213)
Fair value write-down of disposal group held for sale	1	**–**	(289)	–
Reversal of fair value write-down of disposal group held for sale		**201**	–	–
Reclassification to held for sale		**(94)**	–	–
Translation of foreign operations	47	**5**	48	31
Disposal of businesses	56	**–**	–	4
Carrying value at end of year		**586**	266	509
Business segmentation				
Olefins & Surfactants		**198**	–	270
Solvents		**194**	165	149
Nitro		**95**	–	–
Wax		**81**	83	72
Oil		**18**	18	18
Total operations		**586**	266	509
Negative goodwill				
Balance at beginning of year				(129)
Reclassification of negative goodwill				(481)
Amount written off against accumulated earnings				610
Carrying value at end of year				–
Goodwill per the balance sheet		**586**	266	509

With effect from 1 July 2004, goodwill is no longer amortised but subject to an annual impairment test. Any negative goodwill existing at that date was written off to accumulated earnings in the changes in equity statement.

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
7 Other intangible assets				
Cost				
Balance at beginning of year		**2 188**	2 518	2 392
Acquisition of businesses	55	**10**	–	–
Additions		**74**	332	41
to enhance existing operations		**70**	319	27
to expand operations		**4**	13	14
Net transfer from property, plant and equipment	4	**6**	5	–
Net reclassification from/(to) held for sale		**882**	(882)	–
Assets under construction capitalised	5	**97**	83	89
Translation of foreign operations	47	**37**	155	47
Disposal of businesses	56	**–**	–	(5)
Disposals and scrapping		**(433)**	(23)	(46)
Balance at end of year		**2 861**	2 188	2 518
Comprising				
Software		**1 461**	1 304	1 285
Patents and trademarks		**633**	120	533
Emission rights		**59**	60	–
Other intangible assets		**708**	704	700
		2 861	2 188	2 518
Accumulated amortisation and impairment				
Balance at beginning of year		**1 413**	1 465	1 112
Current year charge	35	**279**	303	338
Impairment of assets	42	**167**	136	13
Fair value write-down of disposal group held for sale		**18**	55	–
Net transfer from property, plant and equipment	4	**4**	4	23
Net reclassification from/(to) held for sale		**593**	(593)	–
Translation of foreign operations	47	**19**	64	25
Disposals and scrapping		**(261)**	(21)	(46)
Balance at end of year		**2 232**	1 413	1 465
Comprising				
Software		**1 197**	992	843
Patents and trademarks		**581**	71	385
Emission rights		**55**	18	–
Other intangible assets		**399**	332	237
		2 232	1 413	1 465
Carrying value				
Software		**264**	312	442
Patents and trademarks		**52**	49	148
Emission rights		**4**	42	–
Other intangible assets		**309**	372	463
		629	775	1 053

Impairment of other intangible assets

The impairment of intangible assets to the value of R167 million (2006: R136 million) during the year relates mainly to the decrease in the market price of emission rights compared to the price at which they were originally issued.

The recoverable amount of the emission rights reviewed for impairment is determined based on the current market value as listed on an international exchange.

2007	Software Rm	Patents and trademarks Rm	Emission rights Rm	Other intangible assets Rm	Total Rm
7 Other intangible assets (continued)					
Cost					
Balance at 30 June 2006	1 304	120	60	704	**2 188**
Acquisition of businesses	–	–	–	10	**10**
Additions	18	4	52	–	**74**
to enhance existing operations	14	4	52	–	**70**
to expand operations	4	–	–	–	**4**
Transfer to property, plant and equipment	–	–	–	(2)	**(2)**
Transfer from property, plant and equipment	8	–	–	–	**8**
Reclassification from held for sale	89	492	298	3	**882**
Assets under construction capitalised	93	4	–	–	**97**
Translation of foreign operations	3	17	10	7	**37**
Disposals and scrapping	(54)	(4)	(361)	(14)	**(433)**
Balance at 30 June 2007	**1 461**	**633**	**59**	**708**	**2 861**
Accumulated amortisation and impairment					
Balance at 30 June 2006	992	71	18	332	**1 413**
Current year charge	197	12	–	70	**279**
Impairment of assets	7	6	144	10	**167**
Fair value write-down of disposal group held for sale	–	18	–	–	**18**
Transfer from property, plant and equipment	4	–	–	–	**4**
Reclassification from held for sale	48	462	83	–	**593**
Translation of foreign operations	3	16	(1)	1	**19**
Disposals and scrapping	(54)	(4)	(189)	(14)	**(261)**
Balance at 30 June 2007	**1 197**	**581**	**55**	**399**	**2 232**
Carrying value at 30 June 2007	**264**	**52**	**4**	**309**	**629**
Carrying value at 30 June 2006	312	49	42	372	775

All intangible assets were acquired from third parties.

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
Additions to other intangible assets			
To enhance existing operations	**18**	14	27
current year additions	**70**	319	
adjustments for non-cash item emission rights received	**(52)**	(305)	
To expand operations	**4**	13	14
Per the cash flow statement	**22**	27	41

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
7 Other intangible assets *(continued)*			
Additional disclosures			
Cost price of fully amortised assets still in use	**998**	219	353
Amortisation rates			
Software	**17 – 33%**		
Patents and trademarks	**20%**		
Emission rights are not subject to amortisation and are reviewed for impairment at each reporting date.			
The estimation of the useful lives of other intangible assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These rates represent management's best estimate of the useful lives of these assets.			
Estimated future aggregate amortisation			
Within one year	**172**		
One to two years	**130**		
Two to three years	**87**		
Three to four years	**62**		
Four to five years	**39**		
More than five years	**135**		
	625		
Assets not subject to amortisation (emission rights)	**4**		
	629		
Capital commitments			
Capital commitments include all projects for which specific board approval has been obtained at balance sheet date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following.			
Authorised and contracted for	**49**	107	85
Authorised but not yet contracted for	**23**	22	20
Less expenditure to the end of the year	**(34)**	(67)	(49)
	38	62	56

These capital commitments are in respect of subsidiary companies only.

Funding

Capital expenditure will be financed out of funds generated out of normal business operations and existing borrowing facilities.

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
8 Investment in securities				
Long-term investments available-for-sale		**160**	154	203
Short-term investment available-for-sale*		**70**	72	–
		230	226	203

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

	Note	2007 Rm	2006 Rm	2005 Rm
At cost				
Balance at beginning of year		**226**	203	228
Investments purchased		**7**	–	7
Impairment of investments	42	**(9)**	–	(2)
Transfer to investments in associates		**–**	–	(43)
Disposal of businesses	56	**–**	–	(1)
Translation of foreign operations	47	**6**	23	14
Balance at end of year		**230**	226	203

Fair value of investments available-for-sale

The fair value of certain unlisted equity investments cannot be determined reliably. These investments are carried at their original cost in the balance sheet.

	2007 carrying value Rm
Investments in securities for which the fair value cannot be measured reliably*	**230**

* The nature of these investments is such that the fair value thereof cannot be measured reliably.

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
Investments held-to-maturity	**312**	240	194
At amortised cost			
Balance at beginning of year	**240**	194	144
Reinvestment of funds	**72**	62	96
Investments matured	**–**	(16)	(46)
Balance at end of year	**312**	240	194

Fair value of investments held-to-maturity

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

	2007 carrying value Rm	2007 fair value Rm
Investments in securities	**312**	**312**

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm

8 Investment in securities (continued)

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

	2007 Rm	2006 Rm	2005 Rm
Investments in securities per balance sheet	**542**	466	397
short-term portion	**70**	72	–
long-term portion	**472**	394	397

At 30 June 2007, the group's investments in securities and their carrying values were

Name	Country of incorporation	Nature of business	Interest %	2007 Rm	2006 Rm	2005 Rm
Investments available-for-sale				**230**	226	203
Aetylen Rohrleitungsgesellschaft GmbH & Co KG	Germany	Pipeline business	**17**	**143**	139	122
sEnergy Insurance Limited	Bermuda	Insurance	**6**	**70**	72	67
Euro Pipeline Development Company BV	The Netherlands	Pipeline business	**13**	**–**	9	8
Other			**various**	**17**	6	6
Investments held-to-maturity						
Long-term fixed deposits with fixed interest between 8,3% and 8,6% and fixed or determinable maturity dates	South Africa	Investment*		**312**	240	194
				542	466	397

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

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

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
9 Investments in associates				
Investments at cost		**238**	314	323
Loans to associates		**–**	–	15
Share of post-acquisition reserves		**454**	322	270
		692	636	608
Estimated fair value of investments in associates		**697**	1 087	1 008
Dividends received from associates	52	**247**	115	20
Goodwill included in carrying amount of investments in associates		**–**		
Key financial information of associates*				
Total assets		**6 273**	6 276	
Total liabilities		**2 209**	3 118	
Total turnover		**6 306**	4 607	
Total operating profit		**3 453**	1 180	
Total profit		**3 177**	1 018	

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

9 Investments in associates (continued)

At 30 June 2007, the group's associates, interest in those associates and the total carrying value were

Name	Country of incorporation	Nature of business	Interest %	Carrying value 2007 Rm	Carrying value 2006 Rm
Optimal Olefins Malaysia Sdn Bhd *	Malaysia	Ethane and propane gas cracker	12	568	424
Wesco China Limited	Hong Kong	Trading and distribution of plastics raw materials	40	111	99
Paramelt RMC BV **	The Netherlands	Speciality wax blender	31	–	106
Other			various	13	7
				692	636

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

** The investment in Paramelt RMC BV has been classified as held for sale. This investment was previously recognised as an investment in associate.

None of the group's investments in associates are publicly traded and therefore no quoted market prices are available.

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
10 Post-retirement benefit assets				
Post-retirement benefit assets		363	80	303
Short-term portion	16	–	–	(3)
		363	80	300
For further details of post-retirement benefit assets, refer note 22.				
11 Long-term receivables and prepaid expenses				
Loans and receivables		1 675	1 046	1 168
Short-term portion	16	(20)	(34)	(77)
		1 655	1 012	1 091
Long-term prepaid expenses		19	–	–
		1 674	1 012	1 091
Comprising				
Long-term joint venture receivables		574	138	105
Long-term interest-bearing loans		300	221	256
Long-term interest-free loans		781	653	730
		1 655	1 012	1 091
Maturity profile				
Within one year		20	34	77
One to two years		268	63	319
Two to three years		350	34	35
Three to four years		17	37	38
Four to five years		22	9	36
More than five years		998	869	663
Loans and receivables		1 675	1 046	1 168
Currency analysis				
Euro		797		
US dollar		706		
Rand		171		
Other currencies		1		
		1 675		

11 Long-term receivables and prepaid expenses *(continued)*

Fair value of long-term loans and receivables

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

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

The interest-free loans relate primarily to the amount due from a partner in the construction of the Escravos GTL joint venture and are considered fully recoverable. The loans are being settled as the capital expenditure is incurred, by way of corresponding grant payments received from the Nigerian government.

	2007 carrying value Rm	2007 fair value Rm
Long-term receivables	**1 675**	**1 675**

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
12 Long-term financial assets			
Forward exchange contracts	**8**	–	
Cross currency swaps	**243**	200	
Interest rate derivatives	**45**	48	
Commodity derivatives	**–**	3	
Arising on long-term derivative financial instruments	**296**	251	10
used for cash flow hedging	**288**		
held for trading	**8**		

Long-term financial assets include the revaluation of in-the-money long-term derivative instruments, refer pages 170 to 176.

Fair value of derivative financial instruments

Long-term financial assets are stated at fair value. The fair value of derivative instruments is based upon marked to market valuations.

Forward exchange contracts

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

Cross currency swaps

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

Interest rate and commodity derivatives

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

current assets

at 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Investments in securities	8	70	72	–
Assets held for sale	13	334	12 115	41
Inventories	14	14 399	8 003	9 995
Trade receivables (restated)	15	14 733	10 402	11 031
Other receivables and prepaid expenses (restated)	16	2 191	1 593	1 339
Short-term financial assets	17	22	180	178
Cash restricted for use	18	646	584	1 002
Cash	18	5 987	3 102	2 509
		38 382	36 051	26 095

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
13 Disposal groups held for sale			
Assets held for sale			
Sasol Dyno Nobel (Pty) Limited	146	–	–
Paramelt RMC BV	121	–	–
FFS Refiners (Pty) Limited	39	39	41
African Amines (Pty) Limited	21	–	–
Cirebelle business	7	–	–
DPI Holdings (Pty) Limited	–	192	–
Olefins & Surfactants	–	11 884	–
	334	12 115	41
Liabilities in disposal groups held for sale			
Sasol Dyno Nobel (Pty) Limited	(32)	–	–
African Amines (Pty) Limited	(3)	–	–
DPI Holdings (Pty) Limited	–	(165)	–
Olefins & Surfactants	–	(5 314)	–
	(35)	(5 479)	–

13.1 Sasol Dyno Nobel (Pty) Limited

Following the acquisition, in September 2006, of the remaining 40% of Sasol Dyno Nobel (Pty) Limited, Sasol Nitro entered into negotiations to sell 50% of this entity to form a joint venture. The agreement has been concluded and is awaiting approval from the competition authorities. The proportion of the assets (including goodwill of R94 million) and liabilities which will be disposed of in this transaction have been classified as held for sale at 30 June 2007.

13.2 Investment in associate – Paramelt RMC BV

On 10 July 2007, Sasol Wax disposed of its investment in Paramelt RMC B.V., operating in the Netherlands, realising a profit of R118 million. The business was classified as held for sale at 30 June 2007.

13.3 Investment in associate – FFS Refiners (Pty) Limited

In August 2007, Sasol Investment Company (Pty) Limited disposed of its investment in FFS Refiners (Pty) Limited and realised a profit of R101 million. This investment was classified as held for sale at 30 June 2007.

13.4 African Amines (Pty) Limited

Sasol Nitro has entered into an agreement to dispose of its joint venture investment in African Amines (Pty) Limited. The agreement is expected to be finalised in the near future and the assets and liabilities have, accordingly, been classified as held for sale.

13.5 DPI Holdings (Pty) Limited

In October 2006, Sasol's interest in DPI Holdings (Pty) Limited was sold to Dawn Limited for a consideration of R51 million. The proceeds are receivable in 2008. A R7 million loss was realised on this sale.

13 Disposal groups held for sale *(continued)*

13.6 Discontinued operations – Olefins & Surfactants (Sasol O&S)

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

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

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

The Sasol O&S business has ceased to be classified as held for sale and the results previously reported in discontinued operations have been reclassified and included in continuing operations for all periods presented. Further information is provided in note 1.

for the year ended 30 June	2006 Rm
The Sasol O&S disposal group included the following assets	
Non-current assets	3 859
Property, plant and equipment	2 484
Assets under construction	766
Other intangible assets	289
Investments in associates	5
Post-retirement benefit assets	226
Long-term receivables	41
Deferred tax assets	48
Current assets	8 025
Inventories	3 953
Trade receivables	3 374
Other receivables and prepaid expenses	142
Short-term financial assets	9
Cash restricted for use	116
Cash	431
Assets held for sale	11 884
The Sasol O&S disposal group included the following liabilities	
Non-current liabilities	(2 058)
Long-term debt	(13)
Long-term provisions	(432)
Post-retirement benefit obligations	(874)
Long-term deferred income	(48)
Deferred tax liabilities	(691)
Current liabilities	(3 256)
Short-term debt	(16)
Short-term provisions	(796)
Short-term portion of deferred income	(107)
Tax payable	(17)
Trade payables and accrued expenses	(2 032)
Other payables	(235)
Bank overdraft	(53)
Liabilities in disposal group held for sale	(5 314)

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
14 Inventories				
Carrying value				
Crude oil and other raw materials		**3 226**	1 605	2 388
Process material		**993**	326	387
Maintenance materials		**1 476**	1 081	937
Work in process		**429**	212	186
Manufactured products		**8 116**	4 724	6 013
Consignment inventory		**159**	55	84
		14 399	8 003	9 995
Inventories carried at net realisable value				
(included in the carrying value of inventory above)				
Crude oil and other raw materials		**20**	14	32
Process material		**55**	2	1
Maintenance materials		**58**	25	3
Manufactured products		**616**	668	533
		749	709	569
Write-down of inventories to net realisable value				
Crude oil and other raw materials		**1**	6	2
Process material		**24**	–	–
Maintenance materials		**1**	–	5
Manufactured products		**45**	124	40
Income statement charge	35	**71**	130	47
Inventory obsolescence				
(taken into account in the carrying value of inventory above)				
Balance at beginning of year		**171**	195	170
Raised during year		**65**	71	71
Utilised during year		**(2)**	(7)	(6)
Released during year		**(9)**	(11)	(42)
Reclassification from/(to) held for sale		**94**	(94)	–
Translation of foreign operations		**3**	11	2
Acquisition of business		**–**	6	–
Balance at end of year		**322**	171	195

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
14 Inventories (continued)				
Business segmentation				
South African energy cluster		5 365	3 942	2 808
Mining		412	393	330
Synfuels		1 190	884	652
Oil		3 684	2 598	1 747
Gas		79	67	79
International energy cluster		621	82	38
Synfuels International		593	51	–
Petroleum International		28	31	38
Chemical cluster		8 403	3 976	7 122
Polymers		1 084	972	821
Solvents		1 767	1 510	1 479
Olefins & Surfactants		3 966	–	3 646
Other		1 586	1 494	1 176
Other businesses		10	3	27
Total operations		14 399	8 003	9 995
Inventories to sale of products (%)*	31	14,9%	14,7%	14,6%
Inventories to cost of sales and services rendered (%)*		24,0%	24,6%	23,7%

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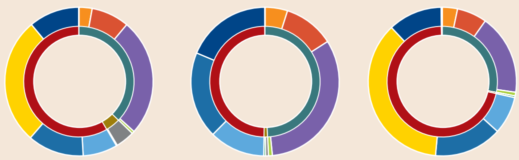


* 2006 percentage incorporates Sasol O&S inventory reclassified to held for sale.

No inventories were encumbered during the year.

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
15 Trade receivables			
Trade receivables	12 076	7 598	8 891
wholesale customers	3 476		
retail customers	1 948		
end-user customers	6 652		
Related party receivables	484	444	448
third parties	238	255	182
joint ventures	246	189	266
Impairment of trade receivables	(118)	(166)	(223)
Loans and receivables	12 442	7 876	9 116
Duties recoverable from customers	1 625	1 729	1 234
Value added tax	666	797	681
	14 733	10 402	11 031
Impairment of trade receivables			
Balance at beginning of year	(166)	(223)	(214)
Raised during year	(46)	(36)	(107)
Utilised during year	45	32	31
Released during year	60	61	71
Net reclassification (from)/to held for sale	(10)	10	–
Translation of foreign operations	(1)	(5)	(4)
Disposal of businesses	–	(5)	–
Balance at end of year	(118)	(166)	(223)
Trade receivables to turnover (%)*	15,0%	16,7%	15,9%

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

for the year ended 30 June	2007 Rm

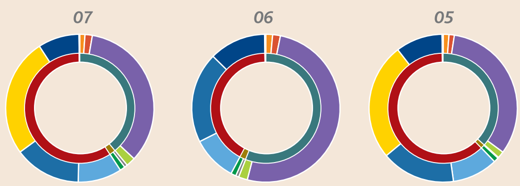
15 Trade receivables *(continued)*

Currency analysis of loans and receivables	
Euro	3 572
US dollar	3 074
Rand	5 414
Pound sterling	94
Other currencies	288
	12 442

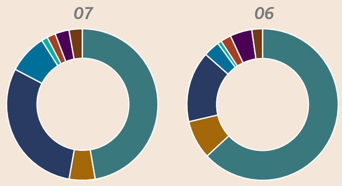
for the year ended 30 June	Carrying amount 2007 Rm	Impairment 2007 Rm
Credit quality of trade receivables		
Not past due	10 990	18
Past due 0 – 30 days	828	4
Past due 31 – 150 days	168	21
Past due 151 days – 1 year	42	27
More than 1 year	48	48
	12 076	118

No individual customer represents more than 5% of the group's trade receivables.

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
Credit risk exposure in respect of trade receivables is analysed as follows			
Business segmentation			
South African energy cluster	5 744	5 824	4 038
Mining	165	152	139
Synfuels	235	176	128
Oil	5 045	5 294	3 607
Gas	299	202	164
International energy cluster	268	187	137
Synfuels International	99	70	19
Petroleum International	169	117	118
Chemical cluster	8 694	4 362	6 828
Polymers	1 407	1 017	1 095
Solvents	2 145	2 061	1 781
Olefins & Surfactants	3 818	–	2 824
Other	1 324	1 284	1 128
Other businesses	27	29	28
Total operations	14 733	10 402	11 031



for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
15 Trade receivables (continued)				
Geographic segmentation of trade and other receivables				
South Africa		**7 998**	7 569	
Rest of Africa		**938**	990	
Europe		**5 058**	1 815	
North America		**1 413**	415	
South America		**220**	101	
South East Asia and Australasia		**311**	270	
Middle East and India		**508**	561	
Far East		**478**	274	
		16 924	11 995	



Fair value of loans and receivables

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

16 Other receivables and prepaid expenses

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
Employee related receivables		**34**	22	21
Capital projects related receivables		**82**	82	224
Insurance related receivables		**608**	192	282
Other receivables		**1 280**	1 127	611
		2 004	1 423	1 138
Short-term portion of long-term receivables	11	**20**	34	77
Loans and receivables		**2 024**	1 457	1 215
Prepaid expenses		**167**	136	121
		2 191	1 593	1 336
Short-term portion of post-retirement benefit assets	10	**–**	–	3
		2 191	1 593	1 339
Currency analysis				
Euro		**352**		
US dollar		**1 156**		
Rand		**440**		
Other currencies		**56**		
		2 004		

Fair value of loans and receivables

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

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
17 Short-term financial assets			
Forward exchange contracts	13	141	
Cross currency swaps	–	30	
Interest rate derivatives	8	6	
Commodity derivatives	1	3	
Arising on short-term derivative financial instruments	22	180	178
used for cash flow hedging	19		
held for trading	3		

Short-term financial assets include the revaluation of in-the-money derivative instruments, refer pages 170 to 176.

Fair value of derivative financial instruments

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

Forward exchange contracts and cross currency swaps

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

Interest rate and commodity derivatives

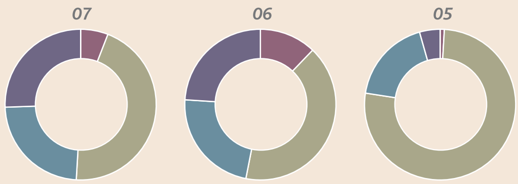
The fair value of interest rate and commodity derivatives were determined by reference to quoted market prices for similar instruments.

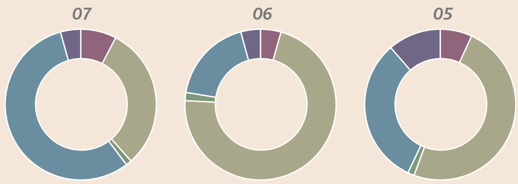
for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
18 Cash and cash equivalents			
Cash and cash equivalents			
Cash restricted for use	646	584	1 002
Cash	5 987	3 102	2 509
Bank overdraft	(545)	(442)	(287)
Per the cash flow statement	6 088	3 244	3 224
Cash restricted for use			
In joint ventures	289	308	666
In cell captive insurance company	143	119	135
Held as collateral	101	–	119
In trust	15	22	55
Other	98	135	27
	646	584	1 002

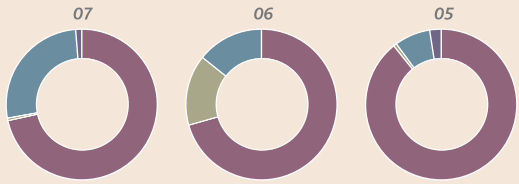
Included in cash restricted for use:

- Cash held in joint ventures can only be utilised by the joint venture to fund the business as set out in the the joint venture agreement;
- Cell captive insurance company funds of R143 million (2006 – R119 million; 2005 – R135 million) to which the group has restricted title. The funds are restricted solely to be utilised for insurance purposes;
- Cash deposits of R101 million (2006 – R nil million; 2005 – R119 million) serving as collateral for bank guarantees;
- Cash held in trust of R15 million (2006 – R22 million; 2005 – R55 million) is restricted for use and is being held in escrow to fund statutory obligations for mining rehabilitation which is in progress; and
- Customer foreign currency accounts to be used for the construction of reactors where the contractor pays in advance. The cash can be utilised only for these designated reactor supply projects.

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
18 Cash and cash equivalents *(continued)*			
Currency analysis			
Euro	**38**	71	9
US dollar	**291**	239	767
Rand	**152**	134	182
Other currencies	**165**	140	44
	646	584	1 002
Cash			
Cash on hand and in bank	**2 635**	2 458	2 127
Foreign currency accounts	**143**	387	35
Short-term deposits	**3 209**	257	347
	5 987	3 102	2 509
Currency analysis			
Euro	**458**	136	171
US dollar	**1 844**	2 217	1 225
Pound sterling	**73**	54	35
Rand	**3 353**	565	793
Other currencies	**259**	130	285
	5 987	3 102	2 509
Bank overdraft	**(545)**	(442)	(287)
Currency analysis			
Euro	**(390)**	(312)	(256)
US dollar	**(3)**	(67)	(2)
Rand	**(145)**	(63)	(22)
Other currencies	**(7)**	–	(7)
	(545)	(442)	(287)







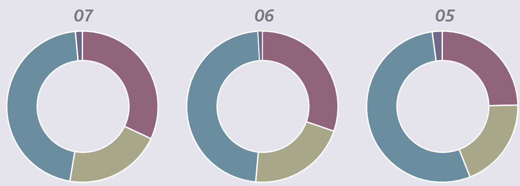
Fair value of cash and cash equivalents

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

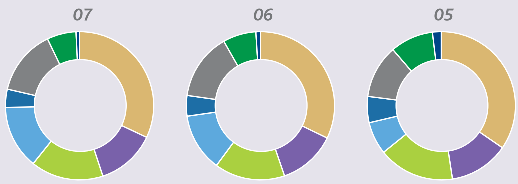
non-current liabilities

at 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Long-term debt	19	13 359	15 021	12 845
Long-term financial liabilities	20	53	–	–
Long-term provisions	21	3 788	3 463	2 954
Post-retirement benefit obligations	22	3 661	2 461	2 970
Long-term deferred income	23	2 765	1 698	763
Deferred tax liabilities (restated)	24	8 304	6 156	6 375
		31 930	28 799	25 907

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
19 Long-term debt				
Total long-term debt		16 434	16 015	13 846
Short-term portion	25	(3 075)	(994)	(1 001)
		13 359	15 021	12 845
Analysis of long-term debt				
At amortised cost				
Secured debt		7 300	7 661	5 598
Variable rate redeemable cumulative preference shares of subsidiaries		–	–	117
Finance leases		767	750	686
Unsecured debt		8 458	7 733	7 565
Unamortised loan costs		(91)	(129)	(120)
		16 434	16 015	13 846
Reconciliation				
Balance at beginning of year		16 015	13 846	9 537
Acquisition of businesses	55	–	5	–
Loans raised		1 021	2 631	6 586
Loans repaid		(1 034)	(1 326)	(2 421)
Amortisation of loan costs		38	51	20
Effect of cash flow hedge accounting		–	(63)	(43)
Disposal of businesses	56	303	299	–
Net reclassification from/(to) held for sale		29	(75)	–
Translation effect of foreign currency loan		(54)	198	–
Translation of foreign operations	47	116	449	167
Balance at end of year		16 434	16 015	13 846
Currency analysis				
Euro		5 252	4 846	3 415
US dollar		3 404	3 388	2 679
Rand		7 534	7 631	7 459
Other		244	150	293
		16 434	16 015	13 846



for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
19 Long-term debt (continued)			
Interest bearing status			
Interest bearing debt	**15 834**	15 715	13 845
Non-interest bearing debt	**600**	300	1
	16 434	16 015	13 846
Maturity profile			
Within one year	**3 075**	994	1 001
One to two years	**1 553**	3 000	830
Two to three years	**4 398**	1 015	2 918
Three to four years	**1 276**	3 773	971
Four to five years	**1 256**	1 005	3 343
More than five years	**4 876**	6 228	4 783
	16 434	16 015	13 846
Related party long-term debt			
Third parties	**107**	82	109
Joint ventures	**460**	92	80
	567	174	189
Business segmentation			
Financing	**5 261**	5 154	4 790
Oil	**2 120**	2 011	1 800
Gas	**2 606**	2 462	2 300
Polymers	**2 278**	2 024	985
Solvents	**654**	718	790
Synfuels International	**2 346**	2 330	1 613
Petroleum International	**1 043**	1 158	1 302
Other	**126**	158	266
	16 434	16 015	13 846
Fair value of long-term debt			
The fair value of the long-term loans is based on the quoted market price for the same or similar instruments or on the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows. Market related rates were used to discount estimated cash flows based on the underlying currency of the debt. The fair value of non-current loans, borrowings and other payables with variable interest rates approximates their carrying amounts.			
Long-term debt (before unamortised loan costs)	**16 525**	16 144	13 966



19 Long-term debt *(continued)*

In terms of Sasol Limited's Articles of Association the group's borrowing powers are limited to twice the sum of its share capital and reserves (2007 – R123 billion, 2006 – R105 billion and 2005 – R87 billion).

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2007	2007 Rm	2006 Rm	2005 Rm
Secured debt							
Repayable in semi-annual instalments commencing in June 2007 until December 2016	Secured by assets under construction with a book value of R3 717 million (2006 – R3 441 million)	Synfuels International (Oryx GTL)	US dollar	Fixed 3,78% and Libor + 0,75%	**2 346**	2 329	1 613
Repayable in semi-annual instalments ending between June 2015 and December 2017	Secured by plant with a book value of R3 064 million (2006 – R3 152 million)	Gas (Rompco)	Rand	Jibar + 0,4% to 2,5%	**2 042**	2 202	2 362
Repayable in semi-annual instalments ending between 2012 and 2016	Secured by assets under construction with a book value of R2 019 million.	Polymers (Arya)	Euro and US dollar	Euribor + 0,5%; Libor + 0,5%; and Fixed 2,6%	**1 718**	1 734	–
Repayable in semi-annual instalments ending 2015	Secured by plant and equipment with a book value of R1 383 million (2006 – R1 721 million)	Petroleum International	Euro and Rand	Jibar + 1,15% to 2,5% and Euribor + 2,5%	**1 077**	1 202	1 302
Repayable in equal semi-annual instalments ending 31 March 2008	Secured by a mortgage over plant with a book value of R107 million (2006 – R112 million)	Wax International	Euro	Fixed 4,25% to 5,00%	**25**	37	50
Repayable in quarterly instalments ending June 2009	Secured by trade receivables with a book value of R21 million (2006 – R26 million)	Gas (Spring Lights)	Rand	Jibar + 2,4%	**21**	28	55
Repayable in March 2014	Secured by the shares in the company borrowing the funds	Oil (Petromoc)	US dollar	Fixed 18,0%	**11**	13	13
	Other secured debt	Various	Various	Various	**60**	14	18
	Settled during the financial year				**–**	102	185
					7 300	7 661	5 598
Variable rate redeemable cumulative preference shares of subsidiary							
Repaid in full by December 2005	Secured in terms of a put option against the shareholders of National Petroleum Refiners of South Africa (Pty) Limited	Oil	Rand	6,8% – 8,8%	**–**	–	117
					–	–	117

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2007	2007 Rm	2006 Rm	2005 Rm
19 Long-term debt *(continued)*							
Finance leases							
Repayable in monthly instalments over 20 to 30 years ending 2033	Secured by plant and equipment with a book value of R720 million (2006 – R687 million)	Oil	Rand	Variable 8,0% to 18,0%	**720**	687	590
Half yearly payments until April 2009	Secured by buildings with a book value of R12 million (2006 – R17 million)	Polymers	Rand	Fixed 20,8%	**30**	39	–
Other smaller finance leases	Underlying assets		Various	Various	**17**	24	96
					767	750	686
Total secured debt					**8 067**	8 411	6 401

Terms of repayment	Business	Currency	Interest rate at 30 June 2007	2007 Rm	2006 Rm	2005 Rm
Unsecured debt						
Repayable on maturity in June 2010	Financing	Euro	Fixed 3,375%	**2 850**	2 750	2 407
Repayable in August 2007	Financing	Rand	Fixed 10,5%	**1 999**	2 000	1 993
Repayable in semi-annual instalments ending December 2015	Oil	Rand	Variable 10,76% to 11,04%	**699**	777	603
Repayable in semi-annual instalments ending December 2013	Solvents (Acrylates)	US dollar and Rand	Fixed 7,34% to 10,58%	**651**	709	758
Repayable in semi-annual instalments ending June 2010	Polymers (Arya)	Euro	Euribor + 3,0%	**450**	61	–
Repayable in June 2013	Financing	US dollar	Libor + 0,13%	**412**	419	390
Loan from iGas (minority shareholder) in Republic of Mozambique Pipeline Investment Company (Pty) Limited. No fixed repayment terms.	Gas (Rompco)	Rand	–	**300**	300	–
Loan from CMG (minority shareholder) in Republic of Mozambique Pipeline Investment Company (Pty) Limited. No fixed repayment terms.	Gas (Rompco)	Rand	–	**300**	–	–
Repayable in semi-annual instalments ending January 2014	Oil	Rand	Fixed 11,55%	**249**	272	262
Repayable in May 2008	Oil	Other	Namibian prime rate +1,0%	**214**	146	146

Terms of repayment	Business	Currency	Interest rate at 30 June 2007	2007 Rm	2006 Rm	2005 Rm
19 Long-term debt *(continued)*						
Unsecured debt *(continued)*						
Repayable in semi-annual instalments ending December 2007 with an unconditional option to extend the loan beyond 12 months	Oil	Rand	Variable 10,76%	**109**	–	–
No fixed repayment terms	Oil	Rand	Fixed 8%	**107**	79	63
Repayable in equal semi-annual instalments over 6,5 years until February 2010	Polymers (Petlin)	US dollar	Variable 5,36% to 6,84%	**70**	–	–
Repayable December 2007	Mining	Rand	Variable 8,74%	**14**	19	28
Repayable in annual instalments ending March 2009	Polymers (Petlin)	US dollar	Variable 5,58%	**10**	31	–
Other	Various	Various	Various	**24**	93	145
Settled during the financial year	Various	Various	Various	**–**	77	770
Total unsecured debt				**8 458**	7 733	7 565
Total long-term debt				**16 525**	16 144	13 966
Unamortised loan costs (amortised over period of loan using effective interest rate method)				**(91)**	(129)	(120)
				16 434	16 015	13 846
Repayable within one year included in short-term debt (refer note 25)				**(3 075)**	(994)	(1 001)
				13 359	15 021	12 845

at 30 June 2007	Expiry date	Currency	Rand equivalent Rm	Utilisation Rm
19 Long-term debt *(continued)*				
Banking facilities and debt arrangements at 30 June 2007				
Sasol Financing				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Rand	12 880	98
Commercial paper programme	None	Rand	6 000	–
Committed facility				
Revolving credit facility (syndicated)	May 2008	Euro	1 430	–
Debt arrangements				
RSA Bond	August 2007	Rand	2 000	1 999
Japan Bank for International Co-operation	June 2013	US dollar	412	412
Sasol Financing International				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Euro	148	–
Committed facility				
Revolving credit facility	May 2008	Euro	2 383	2 107
Debt arrangement				
Eurobond	June 2010	Euro	2 850	2 850
Other Sasol businesses				
Asset based finance				
Republic of Mozambique Pipeline Investments Company (Pty) Limited	December 2015	Rand	2 642	2 642
Oryx GTL Limited (QSC)	December 2015	US dollar	2 414	2 346
Sasol Petroleum Temane Limitada	June 2015	Euro and Rand	1 077	1 077
Debt arrangements				
Arya Sasol Polymer Company	May 2015	Euro	2 168	2 168
National Petroleum Refiners of South Africa (Pty) Limited	Various	Rand	1 130	1 057
Sasol Dia Acrylates (South Africa) (Pty) Limited	March 2011	US dollar and Rand	651	651
Property finance leases				
Sasol Oil (Pty) Limited and subsidiaries	Various	Rand	845	720
Other banking facilities and debt arrangements	Various	Various	2 082	1 398
			41 112	19 525
Comprising				
Long-term debt				16 434
Short-term debt				2 546
Bank overdraft				545
				19 525

Financial covenants

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

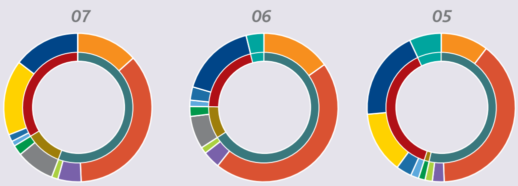
for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
20 Long-term financial liabilities				
Financial guarantees recognised		56		
Less amortisation of financial guarantees		(3)		
Arising on long-term financial instruments		53		
held for trading		53		

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

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

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
21 Long-term provisions				
Balance at beginning of year		3 929	3 414	3 017
Capitalised in property, plant and equipment and assets under construction		82	252	42
Operating income charge		337	970	567
increase for year		835	930	1 127
reversal of unutilised amounts		(89)	(165)	(652)
effect of change in discount rate		(409)	205	92
Notional interest		263	264	177
Utilised during year (cash flow)		(789)	(288)	(461)
Reclassification from/(to) held for sale		836	(836)	–
Translation of foreign operations	47	30	153	72
Balance at end of year		4 688	3 929	3 414
Less short-term portion	27	(900)	(466)	(460)
Long-term provisions		3 788	3 463	2 954
Comprising				
Environmental		3 355	3 184	2 634
Other		1 333	745	780
provision against guarantees		502	351	
restructuring costs		176	–	
long-term insurance obligation		–	172	
long-term supply obligation		135	135	
share appreciation rights		4	–	
other		516	87	
		4 688	3 929	3 414

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
21 Long-term provisions *(continued)*			
Business segmentation			
South African energy cluster	**2 112**	2 283	1 581
Mining	**508**	526	307
Synfuels	**1 359**	1 576	1 151
Oil	**192**	132	76
Gas	**53**	49	47
International energy cluster	**402**	323	43
Synfuels International	**318**	248	–
Petroleum International	**84**	75	43
Chemical cluster	**1 273**	723	1 124
Polymers	**42**	47	52
Solvents	**59**	100	100
Olefins & Surfactants	**620**	–	397
Other	**552**	576	575
Other businesses	**1**	134	206
Total operations	**3 788**	3 463	2 954
Expected timing of future cash flows			
Within one year	**900**	466	460
One to two years	**549**	399	295
Two to three years	**255**	180	243
Three to four years	**327**	160	131
Four to five years	**157**	288	353
More than five years	**2 500**	2 436	1 932
	4 688	3 929	3 414
Estimated undiscounted obligation	**16 342**	13 510	14 735



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

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

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

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

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

for the year ended 30 June	2007 Rm	2006 Rm

21 Long-term provisions (continued)

A 1% change in the discount rate would have the following effect on the long-term provisions recognised

	2007 Rm	2006 Rm
Increase in the discount rate	**(404)**	(426)
amount capitalised to property, plant and equipment	**(98)**	
amount recognised in income statement	**(306)**	
Decrease in the discount rate	**450**	523
amount capitalised to property, plant and equipment	**84**	
amount recognised in income statement	**366**	

for the year ended 30 June	2007 Environmental Rm	2007 Other Rm	2007 Total Rm
Balance at beginning of year	3 184	745	3 929
Capitalised in property, plant and equipment	82	–	82
Operating income charge	(160)	497	337
increase for year	345	490	835
reversal of unutilised amounts	(74)	(15)	(89)
effect of change in discount rate	(431)	22	(409)
Notional interest	231	32	263
Utilised during year (cash flow)	(211)	(578)	(789)
Reclassification from held for sale	218	618	836
Translation of foreign operations	11	19	30
Balance at end of year	**3 355**	**1 333**	**4 688**

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm

22 Post-retirement benefit obligations

	Note	2007 Rm	2006 Rm	2005 Rm
Post-retirement healthcare benefits	22.1	**2 027**	1 616	1 772
Pension benefits	22.2	**1 677**	850	1 239
Total post-retirement benefit obligations		**3 704**	2 466	3 011
Less short-term portion				
post-retirement healthcare benefits	27	**(24)**	–	(31)
pension benefits	27	**(19)**	(5)	(10)
		3 661	2 461	2 970

The group provides for obligations for pension and provident funds as they apply to both defined contribution and defined benefit schemes, as well as post-retirement healthcare. The obligations are determined on a number of assumptions and in consultation with independent actuaries. These assumptions include, amongst others, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare cost inflation and rates of increase in compensation costs.

22 Post-retirement benefit obligations *(continued)*

22.1 Post-retirement healthcare benefits

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

South Africa

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

United States of America

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

for the year ended 30 June	South Africa	United States of America
Last actuarial valuation	31 March 2007	30 June 2007
Full/interim valuation	Full	Full
Valuation method adopted	Projected unit credit	Projected unit credit

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuation

	South Africa		United States of America	
at valuation date	2007 %	2006 %	2007 %	2006 %
Healthcare cost inflation				
Initial	**6,5**	6,5	**7,5**	8,0
Ultimate	**6,5**	6,5	**5,5**	5,5
Discount rate	**8,0**	8,0	**6,0**	6,0

Reconciliation of projected benefit obligation to the amount recognised in the balance sheet

	South Africa		United States of America		Total	
for the year ended 30 June	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm
Projected benefit obligation	**2 040**	1 728	**343**	–	**2 383**	1 728
Unrecognised prior service cost	**–**	–	**3**	–	**3**	–
Unrecognised actuarial losses	**(267)**	(112)	**(92)**	–	**(359)**	(112)
Total post-retirement healthcare obligation	**1 773**	1 616	**254**	–	**2 027**	1 616
Less short-term portion	**–**	–	**(24)**	–	**(24)**	–
Non-current post-retirement healthcare obligation	**1 773**	1 616	**230**	–	**2 003**	1 616

22 Post-retirement benefit obligations *(continued)*

22.1 Post-retirement healthcare benefits *(continued)*

Reconciliation of the total post-retirement healthcare obligation recognised in the balance sheet

for the year ended 30 June	South Africa 2007 Rm	South Africa 2006 Rm	United States of America 2007 Rm	United States of America 2006 Rm	Total 2007 Rm	Total 2006 Rm
Total post-retirement healthcare obligation at beginning of year	**1 616**	1 487	**–**	285	**1 616**	1 772
Service cost	**58**	47	**8**	5	**66**	52
Interest cost	**135**	116	**20**	18	**155**	134
Recognised actuarial loss	**–**	–	**13**	7	**13**	7
Past service cost recognised	**–**	–	**(5)**	(5)	**(5)**	(5)
Benefits paid	**(36)**	(34)	**(20)**	(23)	**(56)**	(57)
Translation of foreign operations	**–**	–	**(6)**	16	**(6)**	16
Curtailments and settlements	**–**	–	**(6)**	(53)	**(6)**	(53)
Reclassification from/(to) held for sale	**–**	–	**250**	(250)	**250**	(250)
Total post-retirement healthcare obligation at end of year	**1 773**	1 616	**254**	–	**2 027**	1 616

Reconciliation of projected benefit obligation

for the year ended 30 June	South Africa 2007 Rm	South Africa 2006 Rm	United States of America 2007 Rm	United States of America 2006 Rm	Total 2007 Rm	Total 2006 Rm
Projected benefit obligations at beginning of year	**1 728**	1 387	**–**	415	**1 728**	1 802
Service cost	**58**	47	**8**	5	**66**	52
Interest cost	**135**	116	**20**	18	**155**	134
Actuarial losses/(gains)	**155**	212	**12**	(22)	**167**	190
Benefits paid	**(36)**	(34)	**(20)**	(23)	**(56)**	(57)
Translation of foreign operations	**–**	–	**(6)**	19	**(6)**	19
Curtailments and settlements[1]	**–**	–	**(6)**	(80)	**(6)**	(80)
Plan amendments	**–**	–	**–**	3	**–**	3
Reclassification from/(to) held for sale	**–**	–	**335**	(335)	**335**	(335)
Projected benefit obligation at end of year	**2 040**	1 728	**343**	–	**2 383**	1 728

1. Included in the 2006 amount for curtailments and settlements is R25 million in respect of the recognition of a pro-rata portion of the unrecognised actuarial losses/(gains).

The post-retirement healthcare liability is calculated, using the projected unit credit method, as the present value of the expected future contributions required to be made in respect of eligible employees once they have retired. Had this liability been calculated on the basis of the expected future benefits to be provided to the eligible employees, the projected benefit obligation would have been increased by R1 412 million (2006 – R1 138 million).

22 Post-retirement benefit obligations *(continued)*

22.1 Post-retirement healthcare benefits *(continued)*

Net post-retirement healthcare costs recognised in the income statement

	South Africa		United States of America		Total	
for the year ended 30 June	**2007 Rm**	2006 Rm	**2007 Rm**	2006 Rm	**2007 Rm**	2006 Rm
Service cost	**58**	47	**8**	5	**66**	52
Interest cost	**135**	116	**20**	18	**155**	134
Recognised net actuarial loss	**–**	–	**13**	7	**13**	7
Past service cost	**–**	–	**(5)**	(5)	**(5)**	(5)
Curtailments and settlements	**–**	–	**(6)**	(53)	**(6)**	(53)
Net periodic benefit cost	**193**	163	**30**	(28)	**223**	135

Sensitivity analysis

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the post-retirement healthcare benefits. A one percentage-point change in assumed healthcare cost trend rates could have the following effect:

	South Africa		United States of America	
	% point increase Rm	% point decrease Rm	% point increase Rm	% point decrease Rm
2007				
Total service and interest cost components	**236**	**(160)**	**–**	**–**
Accumulated post-retirement benefit obligations	**2 444**	**(1 721)**	**2**	**(2)**
2006				
Total service and interest cost components	381	(260)	–	–
Accumulated post-retirement benefit obligations	3 414	(2 432)	3	(4)

Expected employer benefit payments

	South Africa Rm	United States of America Rm	Total Rm
Within one year	**45**	**24**	**69**
One to two years	**48**	**24**	**72**
Two to three years	**51**	**25**	**76**
Three to four years	**55**	**25**	**80**
Four to five years	**59**	**26**	**85**
More than five years	**300**	**138**	**438**
	558	**262**	**820**

22 Post-retirement benefit obligations *(continued)*

22.2 Pension benefits

The group operates or contributes to defined benefit pension plans and defined contribution plans in the countries in which it operates.

Contributions by the group and in some cases the employees are made for funds set up in South Africa and the United States of America whilst no contributions are made for plans established in other geographic areas.

Provisions for pension obligations are established for benefits payable in the form of retirement, disability and surviving dependent pensions. The benefits offered vary according to the legal, fiscal and economic conditions of each country.

South African operations

Background

Sasol contributes to a pension fund which provides defined post-retirement and death benefits based on final pensionable salary at retirement. Prior to 1 April 1994, this pension fund was open to all employees of the group in South Africa. In 1994, all members were given the choice to voluntarily transfer to the newly established defined contribution section of the pension fund and approximately 99% of contributing members chose to transfer to the defined contribution section. At that date the calculated actuarial surplus of approximately R1 250 million was apportioned to pensioners, members transferring to the defined contribution section and a R200 million balance was allocated within the pension fund to an employer's reserve.

The assets of the Sasol Pension Fund (the Fund) are held separately from those of the company in a trustee administered fund, registered in terms of the South African Pension Funds Act, 1956. Included in the Fund assets are 2 395 208 Sasol Limited shares valued at R637 million at year end (2006 – 2 369 708 shares at R652 million) purchased in terms of an approved investment strategy.

Contributions

The annual pension charge is determined in consultation with the pension fund's independent actuary and is calculated using assumptions consistent with those used at the last actuarial valuation of the pension fund. The pension fund assets have been valued at fair value.

The prepayment of R92 million (2006 – R78 million) in the balance sheet represents the accumulated excess of the actual contributions paid to the pension fund in excess of the accumulated pension liability and the surplus that arose prior to 31 December 2002, to which the company is entitled in terms of the Surplus Apportionment Scheme.

Limitation of asset recognition

In December 2001, the Pension Funds Second Amendment Act was promulgated. The Act generally provides for the payment of enhanced benefits to former members, minimum pension increases for pensioners and the apportionment of any actuarial surplus existing in the Fund, at the apportionment date, in an equitable manner between existing members including pensioners, former members and the employer in such proportions as the trustees of the Fund shall determine.

In terms of the Pension Funds Second Amendment Act 2001, the Fund undertook a surplus apportionment exercise as at December 2002. The surplus apportionment exercise, and the 31 December 2002 statutory valuation of the Fund, was approved by the Financial Services Board on 26 September 2006. Payments to former members have commenced and an amount of R319 million has been set aside for this purpose. The surplus due to the company amounts to approximately R7 million as at 31 March 2007 and has been included in the pension asset recognised in the current year. The trustee's of the Fund have, in principle, agreed that the company can utilise any surplus that arises in the defined benefit portion of the Fund.

The pension fund asset recognised is limited to the present value of any economic benefits available to the company in the form of refunds from the plan or reductions in future contributions to the plan. This limitation has been applied in the current and previous year and is determined on a financial soundness valuation basis.

Membership

A significant number of employees are covered by union sponsored, collectively bargained, and in some cases, multi-employer defined contribution pension plans. Information from the administrators of these plans offering defined benefits is not sufficient to permit the company to determine its share, if any, of any unfunded vested benefits.

The group occupies certain properties owned by the Sasol Pension Fund. The fair value thereof is R 2 340 million as at 30 June 2007.

Defined contribution plans

Members of the defined benefit section are required to contribute to the pension fund at the rate of 7,5% of pensionable salary. Sasol meets the balance of the cost of providing benefits. Company contributions are based on the results of the actuarial valuation of the pension fund in terms of South African legislation and are agreed by Sasol Limited and the pension fund trustees.

Contributions, for the defined contributions section, are paid by the members and Sasol at fixed rates. Contributions to the defined contribution fund by the group for the year ended 30 June 2007 amounted to R612 million (2006 – R507 million).

22 Post-retirement benefit obligations *(continued)*

22.2 Pension benefits *(continued)*

Foreign operations

Pension coverage for employees of the group's international operations is provided through separate plans. The company systematically provides for obligations under such plans by depositing funds with trustees for those plans operating in the United States of America or by creation of accounting obligations for other plans.

Pension fund assets

The assets of the pension funds are invested as follows

	South Africa		United States of America	
at 30 June	**2007 %**	2006 %	**2007 %**	2006 %
Equities				
local	**59**	60	**49**	50
foreign	**13**	8	**17**	16
Fixed interest	**10**	11	**30**	30
Property	**18**	15	**–**	–
Other	**–**	6	**4**	4
Total	**100**	100	**100**	100

Investment strategy

The investment objectives of the group's pension plans are designed to generate returns that will enable the plans to meet their future obligations. The precise amount for which these obligations will be settled depends on future events, including the life expectancy of the plan's members and salary inflation. The obligations are estimated using actuarial assumptions, based on the current economic environment.

The pension plans seek to achieve total returns both sufficient to meet expected future obligations as well as returns greater than their policy benchmark reflecting the target weights of the asset classes used in its targeted strategic asset allocation.

In evaluating the strategic asset allocation choices, an emphasis is placed on the long-term characteristics of each individual asset class, and the benefits of diversification among multiple asset classes. Consideration is also given to the proper long-term level of risk for the plan, particularly with respect to the long-term nature of the plan's liabilities, the impact of asset allocation on investment results, and the corresponding impact on the volatility and magnitude of plan contributions and expense and the impact certain actuarial techniques may have on the plan's recognition of investment experience.

The trustees target the plans' asset allocation within the following ranges within each asset class

	South Africa[1]		United States of America	
Asset classes	**Minimum %**	**Maximum %**	**Minimum %**	**Maximum %**
Equities				
local	50	60	50	75
foreign	–	15	–	20
Fixed interest	10	25	–	40
Property	10	25	–	10
Other	–	10	–	10

1. Members of the scheme have a choice of three investment portfolios. The targeted allocation disclosed represents the moderate balanced investment portfolio which the majority of the members of the scheme have adopted. The total assets under these investment portfolios are R18 million, R17 776 million and R185 million for the low portfolio, moderate portfolio and aggressive portfolio, respectively. Defined benefit members' funds are invested in the moderate balanced portfolio.

22 Post-retirement benefit obligations *(continued)*

22.2 Pension benefits *(continued)*

The trustees of the respective funds monitor investment performance and portfolio characteristics on a regular basis to ensure that managers are meeting expectations with respect to their investment approach. There are restrictions and controls placed on managers in this regard.

for the year ended 30 June	South Africa	United States of America	Europe
Last actuarial valuation	31 March 2007	30 June 2007	30 June 2007
Full/interim valuation	Full	Full	Full
Valuation method adopted	Projected unit credit	Projected unit credit	Projected unit credit

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuation

			Foreign			
	South Africa		United States of America		Europe	
at valuation date	2007 %	2006 %	2007 %	2006 %	2007 %	2006 %
Discount rate	8,0	8,0	6,0	5,5	5,1	4,5
Expected return on plan assets	8,8	8,5	7,8	7,8	–	–
Average salary increases	6,0	6,0	2,9	2,7	2,7	2,5
Average pension increases	2,9	3,3	–	–	1,1	2,2

Assumptions regarding future mortality are based on published statistics and mortality tables.

Reconciliation of the funded status to amounts recognised in the balance sheet

	South Africa		Foreign		Total	
for the year ended 30 June	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm
Projected benefit obligation (funded obligation)	4 754	3 582	778	36	5 532	3 618
Plan assets	(5 381)	(4 640)	(842)	(23)	(6 223)	(4 663)
Projected benefit obligation (unfunded obligation)	–	–	1 913	1 068	1 913	1 068
Unrecognised actuarial net (losses)/gains	314	850	(443)	(233)	(129)	617
Asset not recognised due to legal limitation	221	130	–	–	221	130
Net (asset)/liability recognised	(92)	(78)	1 406	848	1 314	770
Comprising						
Prepaid pension asset (refer note 10)	(92)	(78)	(271)	(2)	(363)	(80)
Pension benefit obligation	–	–	1 677	850	1 677	850
Long-term portion	–	–	1 658	845	1 658	845
Short-term portion	–	–	19	5	19	5
Net (asset)/liability recognised	(92)	(78)	1 406	848	1 314	770

22 Post-retirement benefit obligations *(continued)*

22.2 Pension benefits *(continued)*

Reconciliation of projected benefit obligation (funded obligation)

	South Africa		Foreign		Total	
for the year ended 30 June	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm
Projected benefit obligation at beginning of year	3 582	2 519	36	684	3 618	3 203
Service cost	7	5	31	30	38	35
Interest cost	276	206	50	50	326	256
Actuarial losses/(gains)	1 088	746	92	(68)	1 180	678
Member contributions	2	2	–	–	2	2
Benefits paid	(277)	(209)	(68)	(50)	(345)	(259)
Translation of foreign operations	–	–	(15)	47	(15)	47
Curtailments and settlements	–	–	(5)	–	(5)	–
Transfer from defined contribution plan[1]	395	313	–	–	395	313
Surplus allocation	(319)	–	–	–	(319)	–
Reclassification from/(to) held for sale	–	–	657	(657)	657	(657)
Projected benefit obligation at end of year	4 754	3 582	778	36	5 532	3 618

Reconciliation of projected benefit obligation (unfunded obligation)

	Foreign		Total	
	2007 Rm	2006 Rm	2007 Rm	2006 Rm
Projected benefit obligation at beginning of year	1 068	1 489	1 068	1 489
Service cost	63	49	63	49
Interest cost	81	58	81	58
Actuarial loss	5	18	5	18
Benefits paid	(48)	(35)	(48)	(35)
Translation of foreign operations	72	213	72	213
Plan amendments	(59)	7	(59)	7
Reclassification from/(to) held for sale	731	(731)	731	(731)
Projected benefit obligation at end of year	1 913	1 068	1 913	1 068

Reconciliation of plan assets of funded obligation

	South Africa		Foreign		Total	
for the year ended 30 June	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm
Fair value of plan assets at beginning of year	4 640	3 240	23	609	4 663	3 849
Actual return on plan assets	1 319	1 290	56	73	1 375	1 363
Plan participant contributions	2	2	–	–	2	2
Employer contributions	4	4	83	40	87	44
Benefit payments	(277)	(209)	(68)	(50)	(345)	(259)
Translation of foreign operations	–	–	46	53	46	53
Transfer from defined contribution plan[1]	395	313	–	–	395	313
Transfer to defined contribution plan[2]	(383)	–	–	–	(383)	–
Surplus allocation	(319)	–	–	–	(319)	–
Reclassification from/(to) held for sale	–	–	702	(702)	702	(702)
Fair value of plan assets at end of year	5 381	4 640	842	23	6 223	4 663

1. Amount represents retired employees from the defined contribution section of the plan, who, on retirement, have elected to participate in the defined benefit plan by purchasing a defined benefit pension from the fund.
2. Following approval of the surplus apportionment as well as the subsequent statutory actuarial valuation, certain assets previously allocated to the defined benefit portion of the fund were reallocated to the defined contribution portion of the fund.

22 Post-retirement benefit obligations *(continued)*

22.2 Pension benefits *(continued)*

Net periodic pension cost/(gain) recognised in the income statement

	South Africa		Foreign		Total	
for the year ended 30 June	**2007 Rm**	2006 Rm	**2007 Rm**	2006 Rm	**2007 Rm**	2006 Rm
Service cost	**7**	5	**94**	79	**101**	84
Interest cost	**276**	206	**131**	108	**407**	314
Expected return on plan assets	**(337)**	(278)	**(55)**	(42)	**(392)**	(320)
Recognised actuarial (gains)/losses	**(48)**	(37)	**(1)**	29	**(49)**	(8)
Legal limitation cost	**91**	109	**–**	–	**91**	109
Plan amendments	**–**	–	**–**	7	**–**	7
Net pension cost/(gain)	**(11)**	5	**169**	181	**158**	186
Actual return on plan assets	**1 319**	1 290	**56**	73	**1 375**	1 363

The group expects the following benefit payments to be paid out of the plans for the years indicated. The expected benefits are based on the same assumptions used to measure the group's benefit obligation as at 30 June 2007 and include estimated future employee service.

for the year ended 30 June	South Africa Rm	Foreign Rm	**Total Rm**
Within one year	301	116	**417**
One to two years	338	138	**476**
Two to three years	357	147	**504**
Three to four years	376	149	**525**
Four to five years	398	114	**512**
More than five years	2 362	1 132	**3 494**
	4 132	1 796	**5 928**

Contributions

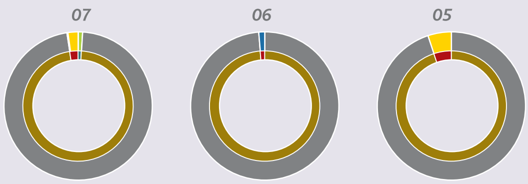
Funding is based on actuarial determined contributions. The following table sets forth the projected pension contributions for the 2008 financial year.

	South Africa Rm	United States of America Rm
Pension contributions	7	84

for the year ended 30 June	**2007 Rm**	2006 Rm	2005 Rm
23 Long-term deferred income			
Total deferred income	**2 809**	1 708	771
Short-term portion	**(44)**	(10)	(8)
	2 765	1 698	763

Amounts received in respect of capital investment, to be recognised in income over the useful lives of the underlying assets, as well as emission rights received to be recognised in income as the emissions are generated.

Business segmentation			
South African energy cluster	**27**	–	–
Oil	**1**	–	–
Gas	**26**	–	–
International energy cluster	**2 671**	1 676	724
Synfuels International	**2 671**	1 676	724
Chemical cluster	**67**	22	39
Solvents	**6**	22	–
Olefins & Surfactants	**61**	–	39
Total operations	**2 765**	1 698	763



for the year ended 30 June	Note	**2007 Rm**	2006 Restated Rm	2005 Restated Rm
24 Deferred tax				
Reconciliation				
Balance at beginning of year as previously reported		**5 362**	5 877	5 462
Effect of change in accounting policy	2	**103**	89	84
Restated balance at beginning of year		**5 465**	5 966	5 546
Acquisition of businesses	55	**–**	–	(15)
Disposal of businesses	56	**–**	–	5
Current year charge		**1 360**	(21)	341
per the income statement	41	**1 360**	(86)	247
per the changes in equity statement		**–**	65	94
Net reclassification from/(to) held for sale		**641**	(643)	–
Translation of foreign operations	47	**(7)**	163	89
Balance at end of year		**7 459**	5 465	5 966
Comprising				
Deferred tax assets		**(845)**	(691)	(409)
Deferred tax liabilities		**8 304**	6 156	6 375
		7 459	5 465	5 966

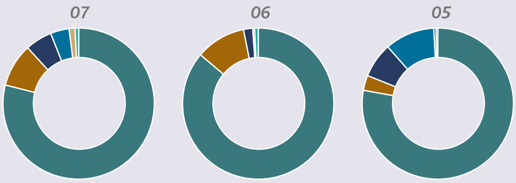
Deferred tax assets and liabilities are determined based on the tax status of the underlying entities.

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
24 Deferred tax (continued)			
Deferred tax is attributable to the following temporary differences			
Assets			
Property, plant and equipment	**354**	414	419
Short- and long-term provisions	**(276)**	(290)	(58)
Calculated tax losses	**(810)**	(611)	(759)
Other	**(113)**	(204)	(11)
	(845)	(691)	(409)
Liabilities			
Property, plant and equipment	**10 352**	8 015	7 863
Intangible assets	**128**	168	196
Current assets	**85**	(129)	95
Long-term debt	**(62)**	12	(9)
Short- and long-term provisions	**(1 891)**	(1 594)	(1 490)
Calculated tax losses	**(580)**	(477)	(564)
Other	**272**	161	284
	8 304	6 156	6 375

Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the group's operations where, among other things, taxation losses can be carried forward indefinitely and there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward.

Deferred tax assets are not recognised for the carry forward of unused tax losses when it cannot be demonstrated that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

Attributable to the following tax jurisdictions



	2007 Rm	2006 Restated Rm	2005 Restated Rm
South Africa	**5 972**	4 766	4 697
Nigeria	**701**	592	194
Germany	**434**	108	451
United States of America	**302**	(66)	642
Mozambique	**96**	22	(69)
Italy	**(104)**	–	28
Other	**58**	43	23
	7 459	5 465	5 966
Calculated tax losses			
(before applying the applicable tax rate)			
Available for offset against future taxable income	**8 379**	5 722	6 224
Utilised to reduce the deferred tax balance	**(5 025)**	(4 230)	(4 643)
Not recognised as a deferred tax asset	**3 354**	1 492	1 581

Deferred tax assets have been recognised to the extent that it is probable that the entities will generate future taxable income against which these tax losses can be utilised.

A portion of the estimated tax losses available may be subject to various statutory limitations as to its usage in the event of significant changes in that entity.

Calculated tax losses carried forward that have not been recognised

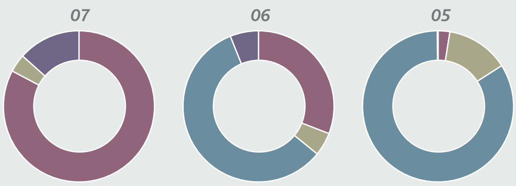
	2007 Rm		
Expiry between one and two years	**311**		
Expiry between two and five years	**1 293**		
Expiry thereafter	**984**		
Indefinite life	**766**		
	3 354		

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
24 Deferred tax *(continued)*			
Unremitted earnings of foreign subsidiaries and foreign incorporated joint ventures			
No provision is made for the income tax effect that may arise on the remittance of unremitted earnings by certain foreign subsidiaries and foreign incorporated joint ventures. It is management's intention that, where there is no double taxation relief, these earnings will be permanently re-invested in these entities.			
Unremitted earnings at end of year	**7 238**	3 770	1 826
Europe	**6 217**		
Rest of Africa	**632**		
USA	**248**		
Other	**141**		
Tax effect if remitted	**69**	53	72
Europe	**36**		
Rest of Africa	**6**		
USA	**13**		
Other	**14**		
Secondary Taxation on Companies (STC)			
STC is a tax levied on South African companies at a rate of 10,0% with effect from 1 October 2007 (previously 12,5%) on dividends distributed.			
Current and deferred tax are measured at the tax rate applicable to undistributed income and therefore only take STC into account to the extent that dividends have been received or paid.			
On declaration of a dividend, the company includes the STC on this dividend in its computation of the income tax expense in the period of such declaration.			
Undistributed earnings that would be subject to STC	**71 762**	54 889	44 949
Tax effect if distributed	**6 524**	6 099	4 994
Available STC credits at end of year	**126**	851	67

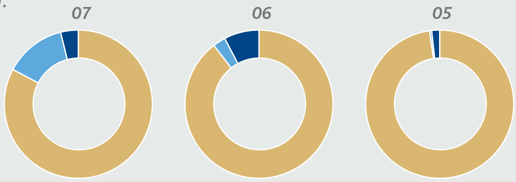
current liabilities

at 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Liabilities in disposal groups held for sale	13	35	5 479	–
Short-term debt	25	5 621	2 721	5 614
Short-term financial liabilities	26	383	514	792
Short-term provisions	27	2 693	1 875	1 801
Short-term portion of deferred income	23	44	10	8
Tax payable	28	1 465	1 899	614
Trade payables and accrued expenses (restated)	29	9 376	6 602	7 192
Other payables (restated)	30	3 704	1 833	1 957
Bank overdraft	18	545	442	287
		23 866	21 375	18 265

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
25 Short-term debt				
Bank loans		288	1 188	2 405
Revolving credit		2 107	535	663
Short-term joint venture loans		–	4	20
Commercial paper in issue		–	–	1 522
Other		151	–	3
Short-term external loans		2 546	1 727	4 613
Short-term portion of long-term debt	19	3 075	994	1 001
		5 621	2 721	5 614
Reconciliation				
Balance at beginning of year		1 727	4 613	6 730
Loans raised		1 918	973	2 824
Loans repaid		(1 053)	(3 911)	(4 968)
Translation effect of foreign currency loan		(45)	–	–
Translation of foreign operations	47	(1)	52	27
Balance at end of year		2 546	1 727	4 613
Currency analysis				
Euro		2 107	533	116
US dollar		98	86	620
Rand		–	1 003	3 870
Other currencies		341	105	7
		2 546	1 727	4 613



for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
25 Short-term debt *(continued)*			
Interest bearing status			
All short-term debt bears interest at market related rates. The weighted average interest rate applicable to short-term debt for the year was approximately 5,4% (2006 – 6,1%).			
Security			
All short-term debt is unsecured.			
Business segmentation			
Financing	**2 107**	1 547	4 513
Polymers	**341**	48	20
Other	**98**	132	80
	2 546	1 727	4 613



Fair value of short-term debt

The carrying amount of short-term external loans approximates fair value because of the short period to maturity of those instruments. The fair value of the short-term portion of long-term debt is disclosed in note 19.

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
26 Short-term financial liabilities			
Forward exchange contracts	**56**	12	
Cross currency swaps	**130**	397	
Interest rate derivatives	**–**	12	
Commodity derivatives	**197**	93	
Arising on short-term financial instruments	**383**	514	792
used for cash flow hedging	**153**		
held for trading	**230**		

Short-term financial liabilities include the revaluation of out-of-the-money derivative instruments, refer pages 170 to 176.

Fair value of derivative financial instruments

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

Forward exchange contracts and cross currency swaps

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

Interest rate and commodity derivatives

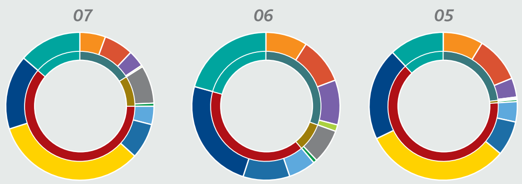
The fair value of interest rate and commodity derivatives were determined by reference to quoted market prices for similar instruments.

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
27 Short-term provisions				
Employee provisions		**1 234**	850	920
Insurance related provisions		**105**	97	62
Restructuring provisions		**93**	–	–
Other provisions		**318**	457	318
		1 750	1 404	1 300
Short-term portion of				
long-term provisions	21	**900**	466	460
post-retirement benefit obligations	22	**43**	5	41
		2 693	1 875	1 801
Reconciliation				
Balance at beginning of year		**1 404**	1 300	1 146
Acquisition of businesses	55	**–**	2	–
Disposal of businesses	56	**1**	–	(15)
Net income statement movement*		**(13)**	389	138
income statement charge		**1 609**	1 398	1 278
reversal of unutilised amounts		**(92)**	(36)	(49)
provisions utilised		**(1 530)**	(973)	(1 091)
Reclassification from/(to) held for sale		**347**	(362)	–
Translation of foreign operations	47	**11**	75	31
Balance at end of year		**1 750**	1 404	1 300

* Included in the net income statement movement of short-term provisions are charges relating to the increase in emission obligations for the year as well as the utilisation of emission rights in reducing these provisions.

Business segmentation

South African energy cluster		**431**	572	419
Mining		**151**	171	158
Synfuels		**173**	190	181
Oil		**98**	184	75
Gas		**9**	27	5
International energy cluster		**242**	156	13
Synfuels International		**224**	141	5
Petroleum International		**18**	15	8
Chemical cluster		**1 651**	759	1 153
Polymers		**108**	112	80
Solvents		**209**	191	137
Olefins & Surfactants		**896**	–	572
Other		**438**	456	364
Other businesses		**369**	388	216
Total operations		**2 693**	1 875	1 801



for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
28 Tax paid				
Amounts unpaid at beginning of year		**(1 899)**	(614)	(61)
Net interest received/(paid) on tax		**7**	2	(3)
Income tax per income statement	41	**(6 793)**	(6 620)	(4 326)
Acquisition of businesses	55	**–**	(5)	–
Disposal of businesses	56	**2**	2	31
Reclassification (to)/from held for sale		**(16)**	19	–
Translation of foreign operations	47	**(17)**	(72)	(8)
		(8 716)	(7 288)	(4 367)
Tax payable per balance sheet		**1 465**	1 899	614
Per the cash flow statement		**(7 251)**	(5 389)	(3 753)
Comprising				
Normal tax				
South Africa		**(6 448)**	(4 540)	(2 950)
Foreign		**(198)**	(294)	(424)
STC		**(605)**	(555)	(379)
		(7 251)	(5 389)	(3 753)

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
29 Trade payables and accrued expenses			
Trade payables	**5 946**	3 555	4 733
Accrued expenses	**1 423**	1 563	1 247
Related party payables	**273**	148	278
third parties	**191**	67	85
joint ventures	**82**	81	193
Duties payable to revenue authorities	**1 381**	1 093	787
Value added tax	**353**	243	147
	9 376	6 602	7 192
No individual vendor represents more than 10% of the group's trade payables.			
Trade payables to cost of sales and services rendered (%)*	**15,6%**	17,8%	17,0%

* 2006 percentage incorporates Olefins & Surfactants trade payables reclassified to held for sale.

	2007 Rm
Currency analysis	
Euro	**2 238**
US dollar	**2 343**
Rand	**4 542**
Other currencies	**253**
	9 376

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm

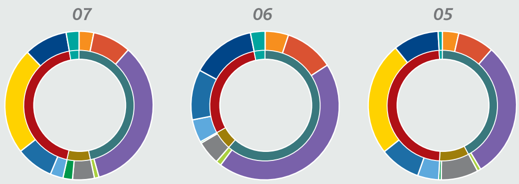
29 Trade payables and accrued expenses (continued)

Fair value of trade payables

The carrying amount approximates fair value because of the short period to settlement of these obligations.

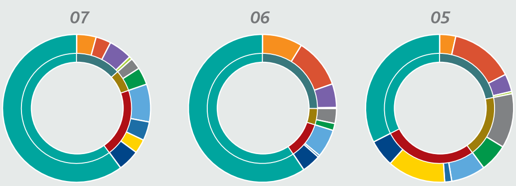
In determining the fair value of financial instruments included in trade payables, the carrying value of value added tax and duties payable to revenue authorities have been excluded.

Business segmentation



	2007 Rm	2006 Restated Rm	2005 Restated Rm
South African energy cluster	4 374	4 054	3 030
Mining	301	338	257
Synfuels	782	709	570
Oil	3 198	2 930	2 148
Gas	93	77	55
International energy cluster	642	362	624
Synfuels International	447	340	585
Petroleum International	195	22	39
Chemical cluster	4 097	1 976	3 471
Polymers	264	331	331
Solvents	765	723	643
Olefins & Surfactants	2 180	–	1 781
Other	888	922	716
Other businesses	263	210	67
Total operations	9 376	6 602	7 192

for the year ended 30 June	2007 Rm	2006 Restated Rm	2005 Restated Rm
30 Other payables			
Capital projects related payables	935	594	805
Employee related payables	826	369	335
Insurance related payables	923	381	139
Other payables	1 020	489	678
Financial liabilities measured at amortised cost	3 704	1 833	1 957
Currency analysis			
Euro	167		
US dollar	1 275		
Rand	1 842		
Other currencies	420		
	3 704		
Business segmentation			
South African energy cluster	496	459	427
Mining	158	161	69
Synfuels	123	199	272
Oil	190	95	76
Gas	25	4	10
International energy cluster	234	88	353
Synfuels International	93	60	233
Petroleum International	141	28	120
Chemical cluster	747	197	541
Polymers	306	113	147
Solvents	152	8	30
Olefins & Surfactants	114	–	249
Other	175	76	115
Other businesses	2 227	1 089	636
Total operations	3 704	1 833	1 957



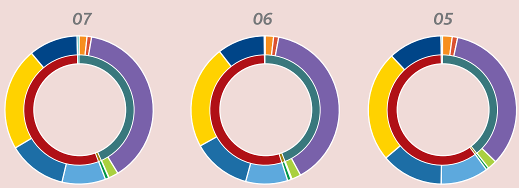
Fair value of financial liabilities measured at amortised cost

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

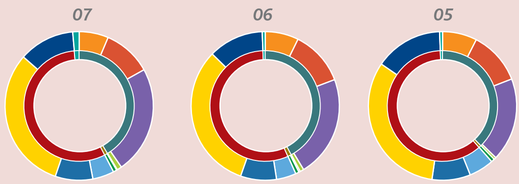
results of operations

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Turnover	31	98 127	82 395	69 239
Cost of sales	32	59 997	48 547	42 250
Other operating income	33	639	533	417
Translation (losses)/gains	34	(232)	243	91
Operating profit	35	25 621	17 212	14 386
Finance income/(expenses)	36	409	(93)	(1 136)
Auditors' remuneration	37	(86)	(68)	(80)
Dividends and interest received	38	825	341	149
Income from associates	39	405	134	184
Borrowing costs	40	(1 148)	(571)	(587)
Taxation	41	(8 153)	(6 534)	(4 573)
Capital items	42	1 233	(3 841)	(1 162)
		Rand	Rand	Rand
Earnings per share	43	27,35	16,78	15,39

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
31 Turnover			
Sale of products	96 785	81 172	68 432
Services rendered	918	714	448
Other trading income	424	509	359
	98 127	82 395	69 239
Comprising			
Within South Africa	51 011	43 033	34 448
Exported from South Africa	9 854	8 823	8 453
Outside South Africa	37 262	30 539	26 338
	98 127	82 395	69 239
Business segmentation			
South African energy cluster	42 561	36 338	27 224
Mining	1 694	1 517	1 471
Synfuels	976	915	820
Oil	37 816	32 243	23 525
Gas	2 075	1 663	1 408
International energy cluster	842	810	396
Synfuels International	65	161	–
Petroleum International	777	649	396
Chemical cluster	54 297	45 098	41 395
Polymers	9 305	7 537	7 199
Solvents	12 509	10 485	9 361
Olefins & Surfactants	22 012	18 545	16 742
Other	10 471	8 531	8 093
Other businesses	427	149	224
Total operations	98 127	82 395	69 239



for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
32 Cost of sales and services rendered			
Cost of sales of products	**59 434**	48 125	41 978
Cost of services rendered	**563**	422	272
	59 997	48 547	42 250
Comprising			
Within South Africa	**20 412**		
Exported from South Africa	**6 096**		
Outside South Africa	**33 489**		
	59 997		
Business segmentation			
South African energy cluster	**24 847**	20 476	15 947
Mining	**3 832**	3 539	3 176
Synfuels	**6 317**	5 805	4 897
Oil	**14 074**	10 729	7 666
Gas	**624**	403	208
International energy cluster	**560**	522	309
Synfuels International	**98**	156	–
Petroleum International	**462**	366	309
Chemical cluster	**33 751**	27 229	25 724
Polymers	**2 816**	2 089	2 298
Solvents	**4 915**	3 806	3 539
Olefins & Surfactants	**18 735**	15 501	13 623
Other	**7 285**	5 833	6 264
Other businesses	**839**	320	270
Total operations	**59 997**	48 547	42 250



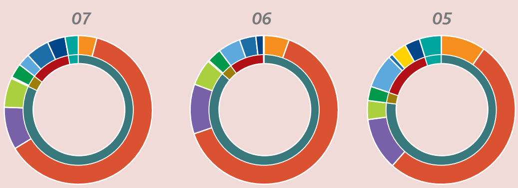
	2007 Rm	2006 Rm	2005 Rm
33 Other operating income			
Emission rights received	**185**	185	–
Gain on hedging activities	**91**	84	82
Bad debts recovered	**60**	–	–
Insurance proceeds	**–**	40	210
Other	**303**	224	125
	639	533	417

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
34 Translation (losses)/gains				
(Losses)/gains on foreign exchange transactions				
realised		(240)	(220)	(117)
unrealised		8	463	208
		(232)	243	91
Comprising				
Forward exchange contracts		(116)	93	(14)
Trade receivables		(18)	164	163
Gain/(loss) on translation of foreign currency loans		99	(198)	–
Other		(197)	184	(58)
		(232)	243	91
35 Operating profit				
Operating profit includes				
Amortisation of other intangible assets	7	(279)	(303)	(338)
Auditors' remuneration	37	(86)	(68)	(80)
Depreciation of property, plant and equipment	4	(3 736)	(3 965)	(3 744)
Effect of capital items	42	1 140	(4 272)	(1 275)
Employee costs (including share-based payment expenditure)		(11 695)	(9 551)	(8 782)
Exploration expenditure		(526)	(123)	(121)
Finance income/(expenses)	36	409	(93)	(1 136)
Insurance proceeds		–	40	210
Operating lease charges				
buildings		(236)	(179)	(193)
plant and equipment		(471)	(389)	(269)
Research expenditure		(690)	(249)	(227)
Restructuring costs		(361)	(3)	(69)
Technical and other fees		(256)	(324)	(294)
Write-down of inventories to net realisable value	14	(71)	(130)	(47)
36 Finance income/(expenses)				
Finance income and expenses recognised in the income statement				
Net gain/(loss) on derivative instruments		408	(93)	(1 136)
realised effect of crude oil hedging		408	–	(1 147)
revaluation of crude oil derivatives		(227)	(93)	11
revaluation of cross currency swaps		227	–	–
Net gain on extinguishment of financial liabilities		21		
Ineffectiveness on cash flow hedges		(2)		
Impairment of investments available-for-sale		(9)		
Impairment of long-term receivables		(9)		
		409	(93)	(1 136)

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
37 Auditors' remuneration			
Audit fees	71	34	38
KPMG for financial statement audit	54	32	36
KPMG for Sarbanes-Oxley Section 404 audit	15	–	–
other external auditors	2	2	2
Other fees paid to auditors	8	28	36
management advisory services	6	1	1
Sarbanes-Oxley Section 404 implementation	–	2	22
other advisory services	2	25	13
Tax advisory fees	3	3	5
Expenses	4	3	1
	86	68	80
38 Dividends and interest received			
Dividends received from investments available for sale	34	36	28
South Africa	15	22	5
outside South Africa	19	14	23
Interest received	788	305	121
South Africa	549	172	62
outside South Africa	239	133	59
Notional interest received	3	–	–
	825	341	149
Interest received on			
investments held-to-maturity	50		
investments available-for-sale	7		
loans and receivables	731		
	788		
39 Income from associates			
Profit before tax	437	155	224
Taxation	(32)	(21)	(40)
Income from associates	405	134	184
Dividends distributed to shareholders	247	115	20

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
40 Borrowing costs				
Bank overdraft		49	13	151
Debt		1 447	1 385	1 108
Finance leases		80	79	55
Other		218	255	133
		1 794	1 732	1 447
Finance charges		80	23	79
		1 874	1 755	1 526
Notional interest	21	263	264	177
Total borrowing costs		2 137	2 019	1 703
Amounts capitalised		(989)	(1 448)	(1 116)
property, plant and equipment	4	(8)	(5)	(6)
assets under construction	5	(981)	(1 443)	(1 110)
Income statement charge		1 148	571	587
Total borrowing costs comprise				
South Africa		1 176	1 243	1 301
outside South Africa		961	776	402
		2 137	2 019	1 703
Average capitalisation rate applied		4,9%	7,9%	9,1%
Total borrowing costs before notional interest		1 874	1 755	1 526
Less interest paid on tax payable		(3)	(10)	(3)
Less financial guarantee charge		(17)	–	–
Less amortisation of loan costs		(38)	–	–
Per the cash flow statement		1 816	1 745	1 523

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
41 Taxation				
Profit before tax				
South Africa		23 739	19 436	12 769
Foreign		1 964	(2 320)	1 363
		25 703	17 116	14 132
South African normal tax		6 016	5 644	3 211
current year		6 055	5 573	3 193
prior years		(39)	71	18
STC		529	555	379
foreign tax		248	421	736
current year		241	407	577
prior years		7	14	159
Income tax	28	6 793	6 620	4 326
Deferred tax – South Africa	24	952	236	314
current year		845	290	441
prior years		107	(54)	11
tax rate change		–	–	(138)
Deferred tax – foreign	24	408	(322)	(67)
current year		391	(324)	(185)
prior years		17	1	–
tax losses written off (previously recognised as assets)		–	–	122
tax rate change		–	1	(4)
		8 153	6 534	4 573
Business segmentation				
South African energy cluster		6 764	5 900	3 524
Mining		334	374	445
Synfuels		5 137	4 395	2 368
Oil		764	739	523
Gas		529	392	188
International energy cluster		284	229	139
Synfuels International		26	17	(2)
Petroleum International		258	212	141
Chemical cluster		866	394	691
Polymers		224	335	338
Solvents		418	245	43
Olefins & Surfactants		(97)	(299)	157
Other		321	113	153
Other businesses		239	11	219
Total operations		8 153	6 534	4 573



for the year ended 30 June	2007 %	2006 %	2005 %
41 Taxation (continued)			
Reconciliation of effective tax rate			
Total income tax expense differs from the amount computed by applying the South African normal tax rate to profit before tax. The reasons for these differences are			
South African normal tax rate	**29,0**	29,0	29,0
Increase in rate of tax due to			
STC	**2,0**	3,2	2,7
disallowed expenditure	**4,5**	3,3	2,0
increase in calculated tax losses	**2,0**	1,2	0,8
non-taxable goodwill and negative goodwill	**0,1**	–	0,6
prior year adjustments	**0,3**	–	0,2
write-off of deferred tax assets	**–**	0,1	–
different foreign tax rate	**–**	2,2	–
	37,9	39,0	35,3
Decrease in rate of tax due to			
exempt income	**(3,2)**	(0,8)	(1,5)
reduction in tax rate	**–**	–	(1,0)
different foreign tax rate	**(3,0)**	–	(0,3)
utilisation of tax losses	**–**	–	(0,1)
Effective tax rate	**31,7**	38,2	32,4

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
42 Capital items affecting operating profit				
Impairment of		**(208)**	(1 067)	(1 078)
property, plant and equipment	4	**(19)**	(897)	(660)
assets under construction	5	**–**	(26)	(148)
goodwill	6	**(4)**	(8)	(213)
other intangible assets	7	**(167)**	(136)	(13)
investments in securities	8	**(9)**	–	(2)
investments in associates		**–**	–	(42)
long-term receivables		**(9)**	–	–
Profit/(loss) on disposal of		**749**	132	60
property, plant and equipment		**63**	(66)	20
other intangible assets		**(10)**	–	–
investments in businesses	56	**696**	198	31
investments in securities		**–**	–	9
Fair value write-down of disposal group held for sale		**–**	(3 196)	–
Reversal of fair value write-down of disposal group held for sale		**803**	–	–
Profit on sale of participation rights in GTL project		**–**	–	33
Reversal of impairment	5	**–**	140	–
Scrapping of property, plant and equipment		**(204)**	(281)	(290)
		1 140	(4 272)	(1 275)
Tax effect thereon		**93**	431	113
		1 233	(3 841)	(1 162)

42 Capital items affecting operating profit (continued)

Impairment of property, plant and equipment and other intangible assets

In March 2007, management announced that it would not sell the Olefins & Surfactants (O&S) business but rather maximise value in the business through a rigorous turnaround process. In a first step of this process, the linear alkyl benzene (LAB) plants in Baltimore (Maryland), USA and Porte Torres (Sardinia), Italy were shut down for an indefinite period of time, including the head office in Bad Homburg, Germany. The impairment to the plants, Baltimore and Porte Torres, were the main contributors to impairment of property, plant and equipment during the year. Other smaller impairments are in respect of assets which are subject to reduced utilisation.

The recoverable amount of the assets reviewed for impairment is determined based on value-in-use calculations. These calculations take into account cash flow projections based on financial budgets approved by management covering a three, five and ten year period. Cash flows beyond the budget period are extrapolated using the estimated growth rate for the specific business.

Reversal of fair value write-down of disposal group held for sale

On reintegration of O&S an assessment was performed of the carrying value of the non-current assets, based on the expectation that these assets would continue to be used. The value in use of these assets were considered in terms of the cash generating units to which they belong, with a portion of the fair value write-down recognised in the prior year being reversed in the current year. Further detail of the reversal of the fair value write-down is provided in the chief financial officer's review, section 4.1 on page 5.

Main assumptions used for value-in-use calculations:

for the year ended 30 June	2007 South Africa %	2007 Europe %	2007 North America %
Growth rate – long-term Producer Price Index (PPI)	4,8	1,5	1,5
Discount rate – Weighted Average Cost of Capital (WACC)	11,75	7,25	7,25

Management determines the expected performance of the assets based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the increase in the geographic segment inflation index. The estimated future cash flows and discount rates used are post-tax and reflect specific risks relating to the relevant geographic segment. Discounting post-tax cash flows at a post-tax discount rate yields the same result as discounting pre-tax cash flows at a pre-tax discount rate.

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
Business segmentation			
South African energy cluster	291	(73)	(150)
Mining	(13)	(16)	23
Synfuels	(64)	(187)	(110)
Oil	(2)	(8)	(63)
Gas	370	138	–
International energy cluster	–	(82)	37
Synfuels International	–	–	33
Petroleum International	–	(82)	4
Chemical cluster	538	(4 107)	(1 152)
Polymers	(9)	(17)	(12)
Solvents	(152)	105	(593)
Olefins & Surfactants	707	(4 143)	(572)
Other	(8)	(52)	25
Other businesses	311	(10)	(10)
	1 140	(4 272)	(1 275)

for the year ended 30 June		Gross 2007 Rm	Tax 2007 Rm	Net 2007 Rm
42 Capital items affecting operating profit (continued)				
Earnings effect of capital items				
Impairment of		(208)	41	(167)
property, plant and equipment		(19)	5	(14)
goodwill		(4)	–	(4)
other intangible assets		(167)	32	(135)
investments in securities		(9)	4	(5)
long-term receivables		(9)	–	(9)
Profit/(loss) on disposal of		749	(83)	666
property, plant and equipment		63	(18)	45
other intangible assets		(10)	3	(7)
investments in businesses		696	(68)	628
Reversal of fair value write-down of disposal group held for sale		803	100	903
Scrapping of property, plant and equipment		(204)	35	(169)
		1 140	93	1 233
Impairments				
Emission allowances	O&S	(106)		
	Solvents	(30)		
	Wax/Other chemicals	(8)		
European Pipeline Development Company	Solvents	(15)		
Fine chemicals business (Germany)	Solvents	(12)		
Alkylates business (Germany)	O&S	(12)		
Commercial contracts	Oil	(10)		
Fair-value write down of African Amines	Other chemicals	(7)		
Other		(8)		
		(208)		

43 Earnings per share

Earnings per share is derived by dividing attributable earnings by the weighted average number of shares after taking the share repurchase programme into account. Appropriate adjustments are made in calculating diluted and headline earnings per share.

Diluted earnings per share reflect the potential dilution that could occur if all of the group's outstanding share options were exercised. The number of shares outstanding is adjusted to show the potential dilution if employee share options are converted into ordinary shares.

No adjustments were made to reported earnings attributable to shareholders in the computation of diluted earnings per share.

	Number of shares		
for the year ended 30 June	2007 million	2006 Restated million	2005 Restated million
Weighted average number of shares	622,6	620,0	613,8
Potential dilutive effect of outstanding share options	7,7	10,2	7,1
Diluted weighted average number of shares	630,3	630,2	620,9

For further information on the restatement of comparative information regarding the diluted weighted average number of shares, refer note 1.

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Headline earnings is determined as follows				
Earnings attributable to shareholders		17 030	10 406	9 449
Adjusted for				
effect of capital items	42	(1 140)	4 272	1 275
tax effect thereon		(93)	(431)	(113)
Headline earnings		15 797	14 247	10 611

for the year ended 30 June	2007 Rand	2006 Restated Rand	2005 Restated Rand
Profit attributable to shareholders			
Earnings per share	27,35	16,78	15,39
Diluted earnings per share	27,02	16,51	15,22
Effect of share repurchase programme	0,10	1,48	1,37
Headline earnings			
Headline earnings per share	25,37	22,98	17,29
Diluted headline earnings per share	25,06	22,61	17,09
Effect of share repurchase programme	0,09	2,03	1,54
Dividends per share			
Interim	3,10	2,80	2,30
Final*	5,90	4,30	3,10
	9,00	7,10	5,40

* Declared subsequent to 30 June 2007 and has been presented for information purposes only. No provision regarding this final dividend has been recognised.

Potential dilutive effect of options issued in terms of the Sasol Share Incentive Scheme

		2007	2006	2005
Number of options granted at year end	thousand	21 439	23 819	24 976
Average issue price of options	Rand	159,03	129,34	93,87
Value at issue price	Rm	3 409	3 081	2 344
Average closing share price during year on JSE	Rand	248,93	226,86	131,23
Equivalent shares at closing share price	thousand	13 695	13 581	17 862
Potential dilutive effect of outstanding share options	thousand	7 744	10 238	7 114

equity structure

for the year ended 30 June	Note
Share capital	44
The Sasol Share Incentive Scheme	45
The Sasol Share Appreciation Rights Scheme	46
Foreign currency translation reserve	47
Share repurchase programme	48

	Number of shares		
	2007	2006	2005
44 Share capital			
Authorised			
Ordinary shares of no par value	**1 175 000 000**	1 175 000 000	1 175 000 000
Issued			
Shares issued at beginning of year	**682 978 425**	676 877 125	671 271 425
Issued in terms of the Sasol Share Incentive Scheme	**4 829 200**	6 101 300	5 605 700
Shares cancelled during the year	**(60 111 477)**	–	–
Shares issued at end of year	**627 696 148**	682 978 425	676 877 125
Held in reserve			
Allocated to the Sasol Share Incentive Scheme	**22 865 200**	27 694 400	33 795 700
Unissued shares	**524 438 652**	464 327 175	464 327 175
	547 303 852	492 021 575	498 122 875

45 The Sasol Share Incentive Scheme

In 1988, the shareholders approved the adoption of the Sasol Share Incentive Scheme. The scheme was introduced to provide an incentive for senior employees (including executive directors) of the group who participate in management and also non-executive directors from time to time.

The objective of the Sasol Share Incentive Scheme is to recognise the contributions of senior staff to the value added to the group's financial position and performance and to retain key employees. Allocations are linked to the performance of both the group and the individual. Options are granted for a period of nine years and vest as follows:

– 2 years: 1st third
– 4 years: 2nd third
– 6 years: final third

The offer price of these options equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the option.

In terms of the scheme, options to a maximum of 60 000 000 ordinary shares may be offered by the trustees to eligible group employees. Each employee is limited to holding a maximum of 1 000 000 options to acquire Sasol Limited shares.

On resignation, share options which have not yet vested will lapse and share options which have vested may be taken up at the employee's election before their last day of service. Payment on shares forfeited will therefore not be required. On death, all options vest immediately and the deceased estate has a period of twelve months to exercise these options. On retirement the options vest immediately and the nine year expiry period remains unchanged.

Following the introduction of the Sasol Share Appreciation Rights Scheme, no further options are expected to be issued in terms of the Sasol Share Incentive Scheme. Unimplemented share options will not be affected by the Sasol Share Appreciation Rights Scheme.

It is group policy that employees should not deal in Sasol Limited shares for the periods from 1 January for half year end and 1 July for year end until two days after publication of the results and at any other time during which they have access to price sensitive information.

45 The Sasol Share Incentive Scheme *(continued)*

	Number of shares 2007	2006	2005
Shares allotted	**37 134 800**	32 305 600	26 204 300
Share options granted	**21 439 100**	23 818 700	24 975 700
Available for allocation	**1 426 100**	3 875 700	8 820 000
	60 000 000	60 000 000	60 000 000
Vesting periods of options granted			
Already vested	**5 818 300**	5 295 500	5 034 700
Within one year	**4 523 700**	5 208 500	5 826 000
One to two years	**3 465 400**	4 751 700	5 522 300
Two to three years	**2 790 900**	2 624 400	3 206 100
Three to four years	**2 206 300**	2 891 000	2 797 700
Four to five years	**1 699 100**	1 291 400	1 218 200
More than five years	**935 400**	1 756 200	1 370 700
	21 439 100	23 818 700	24 975 700

Movements in the number of options granted	Number of shares 2007	Weighted average option price 2007 Rand
Balance at 30 June 2004	**27 097 900**	71,77
Options granted	**4 208 800**	120,34
Options converted to shares	**(5 605 700)**	55,33
Options forfeited	**(43 700)**	128,70
Options lapsed	**(681 600)**	83,99
Balance at 30 June 2005	**24 975 700**	83,18
Options granted	**5 390 500**	218,95
Options converted to shares	**(6 101 300)**	70,52
Options forfeited	**(37 700)**	218,18
Options lapsed	**(408 500)**	137,95
Balance at 30 June 2006	**23 818 700**	116,32
Options granted	**2 911 800**	238,27
Options converted to shares	**(4 829 200)**	68,72
Options forfeited	**(21 400)**	232,38
Options lapsed	**(440 800)**	152,21
Balance at 30 June 2007	**21 439 100**	142,75

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
Average price at which share options were granted during the year	**238,27**	218,95	120,34
Average market price of options traded during the year	**253,68**	234,13	138,73
Average fair value of share options vested during the year	**27,85**	26,17	22,81
Average fair value of share options issued during the year	**64,35**	58,74	33,44

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm

45 The Sasol Share Incentive Scheme (continued)

	2007 Rm	2006 Rm	2005 Rm
Total intrinsic value of share options exercised during the year	893	998	468
Compensation expense recognised*	186	169	137

* The unrecognised compensation expense related to non-vested share options, expected to be recognised over a weighted average period of 3,0 years, amounted to R349 million at 30 June 2007 (2006 – R361 million).

There was no income tax recognised as a consequence of the Sasol Share Incentive Scheme.

		2007	2006	2005
The compensation expense is calculated using the Black Scholes model based on the following assumptions at grant date.				
Risk-free interest rate	(%)	7,75	8,00	9,25
Expected volatility	(%)	34	34	34
Expected dividend yield	(%)	3,8	4,0	4,3
Vesting period		2, 4, 6 years	2, 4, 6 years	2, 4, 6 years

The risk-free rate for periods within the contractual term of the share options is based on the South African Government bonds in effect at the time of the grant.

The expected volatility in the value of the share options granted is determined using the historical volatility of the Sasol share price.

The valuation of share-based payments requires a significant degree of judgement to be applied by management.

Range of exercise prices	Number of shares	Weighted average option price Rand	Aggregate intrinsic value Rm	Weighted average remaining life years
Details of unimplemented share options granted up to 30 June 2007				
R20,01 – R40,00	571 500	32,76	133	1,07
R40,01 – R60,00	1 559 400	49,49	338	1,91
R60,01 – R80,00	1 986 400	77,40	375	3,21
R80,01 – R100,00	3 185 300	89,78	561	5,20
R100,01 – R120,00	5 129 800	112,87	785	5,11
R120,01 – R140,00	405 200	127,29	56	5,82
R140,01 – R160,00	588 600	151,71	67	6,78
R160,01 – R180,00	74 300	170,20	7	6,93
R180,01 – R200,00	695 300	193,33	50	7,02
R200,01 – R220,00	3 223 000	216,81	159	7,24
R220,01 – R240,00	2 884 200	231,37	100	8,01
R240,01 – R260,00	869 300	251,39	13	8,24
R260,01 – R280,00	266 800	274,69	(2)	7,93
	21 439 100	142,75	2 642	
Details of unimplemented share options vested at 30 June 2007				
R20,01 – R40,00	571 500	32,76	133	
R40,01 – R60,00	1 534 800	49,94	332	
R60,01 – R80,00	831 000	76,87	157	
R80,01 – R100,00	708 500	89,71	125	
R100,01 – R120,00	1 880 400	113,76	286	
R120,01 – R140,00	104 100	128,45	14	
R140,01 – R160,00	145 700	152,51	17	
R160,01 – R180,00	18 200	170,20	2	
R180,01 – R200,00	–	–	–	
R200,01 – R220,00	22 900	217,84	1	
R220,01 – R240,00	1 200	232,38	–	
	5 818 300	82,53	1 067	

46 The Sasol Share Appreciation Rights Scheme

During March 2007 the group introduced the Sasol Share Appreciation Rights Scheme. This scheme replaces the Sasol Share Incentive Scheme. The objectives of the scheme are similar to that of the Sasol Share Incentive Scheme. The Share Appreciation Rights Scheme allows certain senior employees to earn a long-term incentive amount calculated with reference to the increase in the Sasol Limited share price between the offer date of share appreciation rights to vesting and exercise of such rights.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Share Appreciation Rights Scheme will be settled in cash.

The objective of the Sasol Share Appreciation Rights Scheme is to recognise the contributions of senior staff to the group's financial position and performance and to retain key employees. Allocations are linked to the performance of both the group and the individual. Rights are granted for a period of nine years and vest as follows:

- *2 years: 1st third*
- *4 years: 2nd third*
- *6 years: final third*

The offer price of these appreciation rights equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the right.

On resignation, share appreciation rights which have not yet vested will lapse and share appreciation rights which have vested may be taken up at the employee's election before their last day of service. Payment on shares forfeited will therefore not be required. On death, all appreciation rights vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retirement the appreciation rights vest immediately and the nine year expiry period remains unchanged.

It is group policy that employees should not deal in Sasol Limited shares (and this is extended to the Sasol Share Appreciation Rights) for the periods from 1 January for half year end and 1 July for year end until two days after publication of the results and at any other time during which they have access to price sensitive information.

	Number of share appreciation rights 2007
Rights granted	917 400
Available for allocation*	19 082 600
	20 000 000

* In terms of the Sasol Share Appreciation Rights Scheme, the number of rights available through the scheme together with the number of share options available under the previous Sasol Share Incentive Scheme shall not at any time exceed 80 million shares/rights.

Vesting periods of rights granted	
One to two years	306 400
Three to four years	306 400
More than five years	304 600
	917 400

Movements in the number of rights granted	Number of share appreciation rights 2007	Weighted average share price 2007 Rand
Rights granted	931 800	242,08
Rights forfeited	(14 400)	(257,06)
Balance at 30 June 2007	917 400	241,85

	2007 Rand
46 The Sasol Share Appreciation Rights Scheme (continued)	
Average price at which share appreciation rights were granted during year	242,08
Average fair value of share appreciation rights issued during year	81,58

	2007 Rm
Compensation expense recognised*	4

* The unrecognised compensation expense related to non-vested share appreciation rights, expected to be recognised over a weighted average period of 4,0 years, amounted to R63 million at 30 June 2007.

The compensation expense is calculated using the binomial tree approach based on the following assumptions at 30 June

		2007
Risk free interest rate	(%)	9,02 – 9,05
Expected volatility	(%)	29,22
Expected dividend yield	(%)	3,60
Expected forfeiture rate	(%)	3,25
Vesting period		2, 4, 6 years

The risk-free rate for periods within the contractual term of the rights is based on the South African government bonds in effect at the time of the valuation of the rights.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The valuation of share-based payments requires a significant degree of judgement to be applied by management.

Range of exercise prices	Number of shares	Weighted average price per right Rand	Aggregate intrinsic value Rm	Weighted average remaining life years
Details of unimplemented rights granted up to 30 June 2007				
R220,01 – R240,00	423 700	222,50	18	8,68
R240,01 – R260,00	416 700	257,06	4	8,92
R260,01 – R280,00	77 000	266,00	–	8,99
	917 400	241,85	22	

No unimplemented share appreciation rights have vested at year end.

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
47 Foreign currency translation reserve				
Translation of foreign operations				
Property, plant and equipment	4	**(40)**	785	498
cost		**441**	2 534	1 380
accumulated depreciation		**(481)**	(1 749)	(882)
Assets under construction	5	**(349)**	1 039	299
Goodwill	6	**5**	48	31
Other intangible assets	7	**18**	91	22
cost		**37**	155	47
accumulated amortisation		**(19)**	(64)	(25)
Investments in securities	8	**6**	23	14
Investments in associates		**7**	54	36
Post-retirement benefit assets		**(5)**	16	22
Long-term receivables		**4**	45	32
Long-term financial assets		**–**	1	1
Inventories		**255**	574	275
Trade receivables		**134**	544	242
Other receivables and prepaid expenses		**(21)**	89	44
Short-term financial assets		**1**	4	–
Cash and cash equivalents		**(24)**	(133)	(175)
Minority interest		**–**	(3)	(11)
Long-term debt	19	**(116)**	(449)	(167)
Long-term provisions	21	**(30)**	(153)	(72)
Post-retirement benefit obligations		**(55)**	(200)	(96)
Long-term deferred income		**48**	(175)	(53)
Deferred tax	24	**7**	(163)	(89)
Short-term debt	25	**1**	(52)	(27)
Short-term financial liabilities		**–**	1	(1)
Short-term provisions	27	**(11)**	(75)	(31)
Tax payable	28	**(17)**	(72)	(8)
Trade payables		**(66)**	(347)	(196)
Other payables and accrued expenses		**(201)**	(513)	(463)
		(449)	979	127
Arising from net investment in foreign operations		**(26)**	33	211
Less tax effect thereon				
deferred		**–**	(2)	–
Movement for the year		**(475)**	1 010	338
Realisation of foreign currency translation reserve		**217**	137	–
Effect of negative goodwill written off		**–**	–	(80)
Disposal of businesses		**4**	–	(25)
Balance at beginning of year		**(189)**	(1 336)	(1 569)
Balance at end of year		**(443)**	(189)	(1 336)

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
47 Foreign currency translation reserve (continued)			
Business segmentation			
South African energy cluster	(3)	(4)	(4)
International energy cluster	(941)	(831)	(953)
Synfuels International	(892)	(801)	(856)
Petroleum International	(49)	(30)	(97)
Chemical cluster	357	423	(345)
Polymers	14	44	(196)
Solvents	745	916	1 087
Olefins & Surfactants	(490)	(607)	(1 199)
Wax	59	43	(60)
Merisol	29	27	23
Other businesses	144	223	(34)
Financing	99	170	(67)
Other	45	53	33
	(443)	(189)	(1 336)

for the year ended 30 June	Number of shares 2007	2006	2005
48 Share repurchase programme			
Held by the wholly owned subsidiary, Sasol Investment Company (Pty) Limited			
Balance at beginning of year	60 111 477	60 111 477	60 111 477
Shares cancelled	(60 111 477)	–	–
Shares repurchased	14 919 592	–	–
Balance at end of year	14 919 592	60 111 477	60 111 477
Percentage of issued share capital	2,38%	8,80%	8,88%

for the year ended 30 June	2007 Rand	2006 Rand	2005 Rand
Average cumulative purchase price	245,94	60,67	60,67
Average purchase price during year	245,94	–	–

As at 30 June 2006, Sasol Investment Company (Pty) Limited, a wholly-owned subsidiary of Sasol Limited, held 60 111 477 shares representing 8,80% of the issued share capital of the company, which had been repurchased on the open market at an average price of R60,67 per share from 9 May 2000. In terms of a specific authority granted by shareholders at a general meeting of shareholders held on 3 October 2006, the company repurchased these shares on 6 October 2006 whereupon they were cancelled and restored to authorised share capital.

At the company's annual general meeting held on 22 November 2006, the shareholders authorised the directors to undertake a general repurchase by Sasol Limited, or any of its subsidiaries, of Sasol Limited ordinary shares up to a maximum of 10% of the company's issued share capital, subject to the provisions of the Companies Act and the requirements of the JSE Limited.

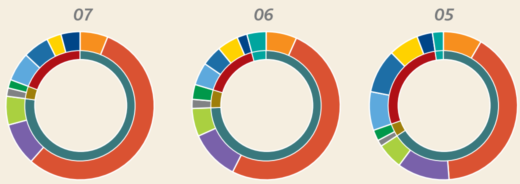
As at 29 June 2007, a total of 14 919 592 shares, representing 2,38% of the issued share capital of the company, had been repurchased by Sasol Investment Company (Pty) Limited since 7 March 2007 at an average price of R245,94 per share. These shares are held as treasury shares and do not carry any voting rights.

liquidity and capital resources

at 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Cash generated by operating activities (restated)	49	28 425	24 527	18 902
Cash flow from operations (restated)	50	29 684	28 276	21 081
Increase in working capital (restated)	51	(1 259)	(3 749)	(2 179)
Investment income	52	1 059	444	169
Dividends paid	53	(4 613)	(3 660)	(2 856)
Non-current assets sold	54	193	542	478
Acquisition of businesses	55	(285)	(147)	–
Disposal of businesses	56	2 200	587	36

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
49 Cash generated by operating activities				
Cash flow from operations	50	29 684	28 276	21 081
Increase in working capital	51	(1 259)	(3 749)	(2 179)
		28 425	24 527	18 902
50 Cash flow from operations				
Operating profit		25 621	17 212	14 386
Adjusted for				
amortisation of intangible assets		279	303	338
capitalised exploration expenditure written off		–	–	33
share based payment expenditure		186	169	137
deferred income		942	612	466
depreciation of property, plant and equipment		3 736	3 965	3 744
effect of cash flow hedging activities		18	–	23
effect of capital items	42	(1 140)	4 272	1 275
profit on sale of participation rights in future GTL venture		–	–	33
impairment of trade receivables		(59)	(57)	9
amortisation of loan costs		–	51	20
movement in long-term prepaid expenses		(19)	–	–
movement in long-term provisions				
income statement charge		337	970	567
utilisation		(789)	(288)	(461)
movement in short-term provisions		159	389	138
movement in post-retirement benefit				
assets		(62)	13	(39)
obligations		273	167	154
realisation of foreign currency translation reserve		217	137	–
translation effect of foreign currency loans		(99)	198	–
translation of net investment in foreign operations		(26)	33	211
Tshwarisano guarantee issued at fair value		39	–	–
write-down of inventories to net realisable value		71	130	47
		29 684	28 276	21 081

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
50 Cash flow from operations (continued)				
Business segmentation				
South African energy cluster		**23 024**	21 040	13 883
Mining		**1 819**	1 896	1 779
Synfuels		**16 553**	14 351	8 504
Oil		**2 789**	3 069	2 405
Gas		**1 863**	1 724	1 195
International energy cluster		**1 094**	1 476	795
Synfuels International		**540**	561	291
Petroleum International		**554**	915	504
Chemical cluster		**5 760**	4 579	5 899
Polymers		**1 874**	1 396	1 778
Solvents		**1 697**	1 258	2 022
Olefins & Surfactants		**945**	1 301	1 381
Other		**1 244**	624	718
Other businesses		**(194)**	1 181	504
Total operations		**29 684**	28 276	21 081



51 Increase in working capital

	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
Increase in inventories				
Per the balance sheet		**(6 396)**	1 992	(1 703)
Acquisition of businesses	55	**–**	103	–
Write-down of inventories to net realisable value		**(71)**	(130)	(47)
Transfer from other assets		**248**	6	–
Reclassification from/(to) held for sale		**3 921**	(4 001)	–
Translation of foreign operations	47	**255**	574	275
Disposal of businesses	56	**(13)**	–	(68)
		(2 056)	(1 456)	(1 543)
Increase in trade receivables				
Per the balance sheet		**(4 331)**	629	(1 407)
Acquisition of businesses	55	**–**	67	–
Movement in impairment		**59**	57	(9)
Reclassification from/(to) held for sale		**3 358**	(3 463)	–
Translation of foreign operations	47	**134**	544	242
Disposal of businesses	56	**(8)**	–	(83)
		(788)	(2 166)	(1 257)
Increase in other receivables and prepaid expenses				
Per the balance sheet		**(598)**	(254)	(4)
Movement in short-term portion of long-term receivables		**(14)**	(46)	(188)
Acquisition of businesses	55	**–**	73	–
Reclassification from/(to) held for sale		**140**	(139)	–
Translation of foreign operations	47	**(21)**	89	44
Disposal of businesses	56	**(58)**	–	(13)
		(551)	(277)	(161)

for the year ended 30 June	Note	2007 Rm	2006 Restated Rm	2005 Restated Rm
51 Increase in working capital *(continued)*				
Increase in trade payables				
Per the balance sheet		2 774	(590)	1 694
Acquisition of businesses	55	–	(24)	–
Reclassification (from)/to held for sale		(2 014)	2 075	–
Translation of foreign operations	47	(66)	(347)	(196)
Disposal of businesses	56	10	–	39
		704	1 114	1 537
Increase/(decrease) in other payables				
Per the balance sheet		1 871	(124)	67
Acquisition of businesses	55	–	(22)	–
Reclassification (from)/to held for sale		(234)	274	–
Translation of foreign operations	47	(201)	(513)	(463)
Disposal of businesses	56	12	–	45
		1 448	(385)	(351)
Movement in financial assets and liabilities				
Long-term financial assets		(45)	(240)	(2)
Short-term financial assets		161	(46)	15
Short-term financial liabilities		(132)	(293)	(417)
		(16)	(579)	(404)
Increase in working capital		(1 259)	(3 749)	(2 179)

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
52 Investment income				
Interest received	38	788	305	121
Interest received on tax		(10)	(12)	–
Dividends received from investments	38	34	36	28
Dividends received from associates	9	247	115	20
		1 059	444	169
53 Dividends paid				
Final dividend – prior year		(2 683)	(1 920)	(1 440)
Interim dividend – current year		(1 930)	(1 740)	(1 416)
		(4 613)	(3 660)	(2 856)
Forecast cash flow on final dividend – current year		(3 615)		
Forecast STC charge on final dividend – current year		(349)		

The forecast cash flow on the final dividend is calculated based on the net number of shares in issue at 30 June 2007 of 612,8 million. The actual dividend payment will be determined on the record date of 12 October 2007.

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
54 Non-current assets sold			
Non-current assets sold	193	542	469
Investments in securities	–	–	9
	193	542	478
55 Acquisition of businesses			
Property, plant and equipment	(31)	(27)	–
Assets under construction	–	(9)	–
Intangible assets	(10)	–	–
Investment in associates	–	44	–
Inventories	–	(103)	–
Trade receivables	–	(67)	–
Other receivables and prepaid expenses	–	(73)	–
Cash/overdraft	–	113	–
Long-term debt	–	5	–
Short-term provisions	–	2	–
Tax payable	–	5	–
Trade payables	–	24	–
Other payables and accrued expenses	–	22	–
	(41)	(64)	–
Minority interest	(32)	(77)	–
	(73)	(141)	–
Goodwill	(212)	(6)	–
Total consideration per the cash flow statement	(285)	(147)	–
Comprising			
Nitro – Sasol Dyno Nobel	(221)	–	–
Solvents – Interchem Terminal	(64)	–	–
Oil	–	(147)	–
Total consideration	(285)	(147)	–
Fair value adjustments			
Recognition of previously unrecognised deferred tax asset on acquisition of Sasol Nanjing.			
Deferred tax	–	–	(15)
Goodwill	–	–	15
Purchase price amendment	–	–	–

During the current year, Sasol acquired Interchem Terminal FZCO and the remaining 40% of Sasol Dyno Nobel (Pty) Limited.

In terms of a loan and security agreement with LUX International Corporation, Sasol Wax obtained effective control of the business and the business has been consolidated with effect from January 2006.

With effect from 30 November 2005, Sasol Limited acquired the remaining 2% of Sasol Oil (Pty) Limited for a consideration of R147 million.

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
56 Disposal of businesses			
Property, plant and equipment			
cost	–	–	332
accumulated depreciation	(2)	–	(196)
Assets under construction	1	–	2
Goodwill	–	–	(4)
Intangible assets			
cost	–	–	5
Investments in securities	–	–	1
Investments in associates	–	–	(69)
Long-term receivables	(13)	–	1
Assets held for sale	192	–	–
Inventories	13	–	68
Trade receivables	8	–	83
Other receivables and prepaid expenses	58	–	13
Cash/overdraft	(33)	1	94
Long-term debt	303	299	–
Deferred tax	–	–	5
Liabilities in disposal groups held for sale	(165)	–	–
Short-term provisions	1	–	(15)
Tax payable	(2)	(2)	(31)
Trade payables	(10)	–	(39)
Other payables and accrued expenses	(12)	–	(45)
	339	298	205
Minority interest	1 161	91	(175)
	1 500	389	30
Realisation of accumulated translation effects	4	–	(25)
Profit on disposal of businesses	696	198	31
Total consideration	2 200	587	36
Comprising			
Oil	1 450	–	–
Gas – Rompco	755	595	–
Olefins & Surfactants	–	(2)	(11)
Nitro	–	–	20
Wax – Ceravan	17	–	–
Other	(22)	(6)	27
Total consideration	2 200	587	36

With effect from 1 July 2006, a 25% interest in Republic of Mozambique Pipeline Investment Company (Pty) Limited (Rompco) was sold to Companhia de Moçambicana de Gasoduto (CMG) and a profit of R346 million was realised. CMG assumed its portion of the shareholder loan provided to Rompco.

With effect from 1 July 2006, Tshwarisano LFB Investment (Pty) Limited acquired a 25% shareholding in Sasol Oil (Pty) Limited for a consideration of R1 450 million. A profit of R315 million was realised.

In October 2006, Sasol's interest in DPI Holdings (Pty) Limited was sold to Dawn Limited and a R7 million loss was realised.

On 1 July 2005, a 25% interest in Rompco was sold to iGas Limited for a consideration of R595 million. iGas assumed its portion of the shareholder loan provided to Rompco.

With effect from 1 March 2005, Sasol Wax restructured its business which resulted in the company losing effective control over its Paramelt operations but retaining significant influence. The effect is reflected as a disposal of business with a corresponding amount of R72 million being recognised in investments in associates.

other disclosures

for the year ended 30 June	Note
Guarantees and contingent liabilities	57
Commitments under leases	58
Related party transactions	59
Inflation reporting	60
Post balance sheet events	61

at 30 June	Note	Guarantees 2007 Rm	Liability included on balance sheet 2007 Rm	Guarantees 2006 Rm	Liability included on balance sheet 2006 Rm
57 Guarantees and contingent liabilities					
57.1 Financial guarantees					
In respect of GTL ventures	i	**8 006**	**–**	8 190	110
Commercial paper holders	ii	**6 000**	**–**	6 000	–
Subsidiaries' financial obligations	iii	**4 289**	**2 519**	4 194	994
In respect of the natural gas project	iv	**3 855**	**3 139**	3 373	3 404
Eurobond	v	**2 850**	**2 850**	2 750	2 750
SA Commercial Bond	vi	**2 000**	**1 999**	2 000	2 000
In respect of development of filling stations	vii	**1 500**	**720**	1 500	687
In respect of letters of credit	viii	**1 476**	**–**	1 185	–
In respect of Natref debt	ix	**1 192**	**948**	1 192	1 048
In favour of BEE partners	x	**1 051**	**36**	–	–
In respect of joint venture commitments	xi	**1 022**	**658**	1 360	848
Performance guarantees	xii	**1 022**	**497**	767	241
To RWE-DEA AG	xiii	**286**	**–**	276	–
Customs and excise	xiv	**110**	**–**	112	–
Other guarantees and claims	xv	**488**	**22**	313	24
		35 147	**13 388**	33 212	12 106

i. Sasol Limited has issued the following significant guarantees for the obligations of various of its subsidiaries in respect of the GTL ventures. These guarantees relate to the construction and funding of Oryx GTL Limited in Qatar and Escravos GTL in Nigeria, including inter alia:

A completion guarantee has been issued for Sasol's portion of the project debt of Oryx GTL Limited capped at US$343 million (R2 414 million) plus interest and costs subject to the project demonstrating a minimum level of sustained production over a continuous period of ninety days and catalyst deactivation within acceptable parameters for at least two hundred and seventy days, after commissioning. The project was commissioned during the year.

A guarantee for the take-or-pay obligations of a wholly owned subsidiary has been issued under the gas sale and purchase agreement (GSPA) entered into between Oryx GTL Limited, Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited, by virtue of this subsidiary's 49% shareholding in Oryx GTL Limited. Sasol's exposure is limited to the amount of US$123 million (R867 million). In terms of the GSPA, Oryx GTL Limited is contractually committed to purchase minimum volumes of gas from Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited on a take-or-pay basis. Should Oryx GTL terminate the GSPA prematurely, Sasol Limited's wholly owned subsidiary will be obliged to take or pay for its 49% share of the contracted gas requirements. The term of the GSPA is 25 years from the date of commencement of operations. The project was commissioned during the year.

A guarantee has been issued for the obligation of a wholly owned subsidiary to contribute 49% of the required equity in respect of the investment in Oryx GTL Limited. Sasol's equity contribution is estimated at US$160 million (R1 126 million). The project was commissioned during the year.

A performance guarantee for the obligations of subsidiaries has been issued in respect of the construction of Escravos GTL in Nigeria for the duration of the investment in Escravos GTL Limited to an amount of US$250 million (R1 760 million).

57 Guarantees and contingent liabilities *(continued)*

57.1 Financial guarantees (continued)

Sasol Limited issued a performance guarantee for the obligations of its subsidiaries in respect of and for the duration of the investment in Sasol Chevron Holdings Limited, limited to an amount of US$250 million (R1 760 million). Sasol Chevron Holdings Limited is a joint venture between a wholly owned subsidiary of Sasol Limited and Chevron Corporation.

All guarantees listed above are issued in the normal course of business.

ii *A guarantee has been issued for the commercial paper facility of a wholly owned subsidiary. As at 30 June 2007, no outstanding obligation to third parties existed.*

iii *Guarantees issued to a financial institution in respect of a subsidiaries' debt obligations. Included are guarantees of R412 million in respect of the Japan Bank of International Cooperation (debt of R412 million at 30 June 2007) and the rolling credit facility of R3 813 million (debt of R2 107 at 30 June 2007).*

iv *Guarantees have been issued to various financial institutions in respect of the obligations of its subsidiaries (Sasol Petroleum International (Pty) Limited (SPI) and Republic of Mozambique Pipeline Investment Company (Pty) Limited (Rompco)) for the natural gas project. The guarantee in respect of Rompco's obligations to the financial institutions has been reduced to 50% of the outstanding obligation upon selling a further 25% interest in Rompco to CMG. The liability on balance sheet of R3 139 million represents the gross amount owing by SPI and Rompco to the financial institutions at 30 June 2007.*

v *A guarantee has been issued in respect of the Eurobond which is listed on the Luxembourg Stock Exchange issued by a wholly owned subsidiary. The bond is repayable on 29 June 2010.*

vi *A guarantee has been issued in respect of the SA Commercial Bond issued by its wholly owned subsidiary. The bond is listed on the Bond Exchange of South Africa and is repayable on 31 August 2007.*

vii *Guarantees issued to various financial institutions in respect of debt facilities for the establishment of the retail service station network of R1 500 million. The outstanding debt on balance sheet was R720 million at 30 June 2007.*

viii *Various guarantees issued in respect of letters of credit issued by subsidiaries.*

ix *Guarantees issued in favour of various financial institutions in respect of the debt facilities of R1 192 million for the Natref crude oil refinery. The outstanding debt on balance sheet was R948 million at 30 June 2007.*

x *In terms of the sale of 25% in Sasol Oil (Pty) Limited to Tshwarisano LFB Investment (Pty) Limited (Tshwarisano), facilitation for the financing requirements of Tshwarisano has been provided. The undiscounted exposure at 30 June 2007 amounted to R1 051 million. A liability for the fair value of this guarantee at 30 June 2007, amounting to R36 million, has been recognised.*

xi *Guarantees issued to various financial institutions in respect of debt obligations of joint venture companies. Included are guarantees of R1 009 million for the debt obligations of R651 million at 30 June 2007 in respect of the Dia Acrylates joint venture.*

xii *Various performance guarantees issued by subsidiaries. Provisions have been recognised in relation to certain performance guarantees that were issued as part of the licensing of Sasol's GTL technology. The events that gave rise to these provisions are not expected to have a material effect on the economics of the group's GTL ventures.*

xiii *Various performance guarantees issued in favour of RWE-DEA.*

xiv *Various guarantees were issued in respect of the group's customs and excise obligations.*

xv *Included in other guarantees are environmental guarantees of R133 million.*

57.2 Product warranties

The group provides product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products sold will conform to specifications. The group generally does not establish a liability for product warranty based on a percentage of turnover or other formula. The group accrues a warranty liability on a transaction-specific basis depending on the individual facts and circumstances related to each sale. Both the liability and the annual expense related to product warranties are immaterial to the consolidated financial statements.

57.3 Other contingencies

Subsidiaries

Sasol Limited has guaranteed the fulfillment of various subsidiaries' obligations in terms of contractual agreements.

Sasol Limited has guaranteed the borrowing facilities of certain of its subsidiaries. Further details of major banking facilities and debt arrangements at 30 June 2007 are provided on page 118.

57 Guarantees and contingent liabilities *(continued)*

57.3 Other contingencies *(continued)*

Mineral rights

As a result of the promulgation of legislation in South Africa, the common law (mineral rights) and associated statutory competencies of Sasol Mining have been converted to interim statutory rights (old order rights). Sasol Mining is entitled to convert these old order rights to statutory mining and prospecting rights (new order rights) after complying with certain statutory requirements. All applications due to date, including the conversion of the four old order mining rights covering the Secunda operations, have been submitted to the Department of Minerals and Energy (DME), and we are awaiting approval in this regard. To date Sasol has submitted 41 applications to the DME to acquire prospecting and mining rights. Thus far, 31 prospecting rights and 4 mining rights have been granted. These applications cover all the prospecting rights in the Free State and Waterberg as well as the prospecting and mining rights in Secunda. No value has been attributed to these rights in the financial statements.

Legal costs

Legal costs expected to be incurred in connection with loss contingencies are expensed as incurred.

57.4 Litigation

Fly Ash Plant

Sasol Synfuels is in legal proceedings with regard to the operation of a plant in Secunda. Ashcor has claimed damages of R313 million relating to their inability to develop their business and a projected loss of future cash flows. The prospect of future loss is deemed to be reasonably possible and the loss is unlikely to exceed R10 million.

Nutri-Flo

Nutri-Flo filed a complaint with the South African Competition Commission (the Commission) in 2002, alleging that Sasol was engaging in price discrimination, excessive pricing and exclusionary pricing. The Commission elected not to refer that complaint to the South African Competition Tribunal (the Tribunal). In November 2003, Nutri-Flo brought an urgent application before the Tribunal to interdict Sasol from implementing a new price list. By way of this application, Nutri-Flo filed a further complaint in which, in addition to contending for contraventions on the grounds specified above, Nutri-Flo alleged that Sasol, Kynoch and Omnia were colluding to fix prices in the fertiliser industry. Nutri-Flo subsequently withdrew the application. However, the Commission investigated the further complaint and in May 2005 referred the complaint to the Tribunal, alleging findings of prohibited horizontal practices (namely, price fixing and the prevention or lessening of competition) and abuses of dominance (namely, charging excessive prices and engaging in exclusionary conduct), and requesting the Tribunal to impose the maximum administrative penalty in terms of the South African Competition Act 89 of 1998 (the Competition Act).

Sasol raised an exception to the complaint referral on the basis that it was vague and did not disclose a clear contravention of the Competition Act. In response, the Commission filed an amended version of the complaint referral. Nutri-Flo applied to the Tribunal for leave to intervene, submitting in its application that it would institute a civil action against Sasol if the Tribunal found in favour of the Commission. The Tribunal approved that Nutri-Flo may intervene in the proceedings. Nutri-Flo has still to file the statement in which it makes out its case against Sasol. On the basis purely of the Commission's amended complaint referral, we believe that the likelihood of a finding of unlawful conduct in terms of the Competition Act is remote. However, Nutri-Flo's statement to be filed may require a review of our current assessment. Therefore, it is currently not possible to make an estimate of the contingent liability in this matter (whether arising out of penalties that may be imposed by the Tribunal or civil lawsuits that may arise in the event of a finding of unlawful conduct).

However, Nutri-Flo has at this stage indicated that should Sasol be found by the Tribunal to have committed the prohibited practises as alleged, then it intends to sue Sasol for damages in the aggregate of about R57,5 million.

Profert

Profert filed a complaint against Sasol in August 2004, alleging that Sasol Nitro refused to supply Profert, charged Profert discriminatory pricing in sales of limestone ammonium nitrate and engaged in exclusionary conduct to exclude Profert from the fertiliser market. In May 2006, the Commission referred the complaint to the Tribunal, alleging findings of prohibited horizontal practices (namely, entering into agreements which constructed and divided the relevant market and which substantially lessened or prevented competition in that market) and abuses of dominance (namely, refusing to supply scarce goods to competitors, discriminating on sale prices and engaging in other exclusionary acts), and requesting that the Tribunal impose the maximum administrative penalty in terms of the Competition Act. On 4 August 2006, Sasol filed a reply to the complaint referral. The matter has been set down for hearing from 3 to 14 March 2008. Preparations for the hearing are proceeding. The Commission has previously indicated that it may seek to have these proceedings heard together with those regarding Nutri-Flo. On the basis of the complaint referral in its current form, we believe that the likelihood of a finding of unlawful conduct in terms of the Competition Act is remote.

However, if these proceedings are joined with those pertaining to Nutri-Flo, then our current assessment may require review. For these reasons, it is currently not possible to make an estimate of the contingent liability (whether arising out of penalties that may be imposed by the Competition Tribunal or civil lawsuits that may arise in the event of a finding of unlawful conduct).

57 Guarantees and contingent liabilities *(continued)*

57.4 Litigation *(continued)*

Sale of Phosphoric Acid production assets

In June 2004, Foskor increased its phosphate rock price to such an extent that Sasol indicated that it would shut down the operations in Phalaborwa. Sasol and Foskor then entered into an agreement in terms of which Foskor would purchase the Phalaborwa plant. For the period that this intended sale was under assessment by the South African Competition Authorities, the parties entered into a toll manufacturing arrangement in terms of which Sasol would toll manufacture phosphoric acid for Foskor. The toll manufacturing arrangement commenced on 1 September 2005. In October 2005, the South African Competition Commission issued a recommendation that the proposed merger be prohibited and referred the matter to the South African Competition Tribunal. The parties abandoned the merger in June 2006 and notified the Competition Commission that they intend to enter into a new toll manufacturing agreement for a period of 4 years. The Competition Commission notified the parties that the intended transaction may amount to a merger, thereby triggering the statutory merger notification requirements in South Africa.

The parties have applied to the Competition Tribunal for a declaratory order that the current toll manufacturing agreement and the proposed 4 year toll manufacturing agreement do not amount to a merger. The Competition Commission in its reply has stated that at face value, these agreements do not amount to a merger. The Competition Commission had previously notified the parties of its intent to investigate whether the current toll manufacturing arrangement (that commenced in September 2005) amounts to pre-implementation of a merger without the required approval of the South African Competition Authorities and/or if there were any other unlawful agreements between Foskor and Sasol relating to the proposed sale of the phosphoric acid assets. The Competition Commission has now notified the parties that it has initiated an investigation to determine if these agreements do not amount to contraventions of the Competition Act's prohibitions on restrictive horizontal practices.

As the Commission has not yet made any findings on its investigation, the likelihood of liability is remote. In the event that the Competition Commission refers the matter to the Competition Tribunal, our current assessment may require review. For this reason, it is currently not possible to make an estimate of the contingent liability.

Sasol Wax

On 28 and 29 April 2005, the European Commission conducted an investigation at the offices of Sasol Wax International AG and its subsidiary Sasol Wax GmbH, both located in Hamburg, Germany. A parallel investigation was conducted by the US Department of Justice in the United States. On 3 May 2007, the US Department of Justice decided to close the investigation without taking any action against Sasol Wax. On 31 May 2007, the European Commission issued a statement of objections against Sasol Wax International AG and its subsidiary Sasol Wax GmbH and its shareholders, Sasol Holding Germany GmbH and Sasol Limited. According to the findings of the European Commission, members of the European paraffin wax industry, including Sasol Wax GmbH, formed a cartel and violated antitrust laws. Sasol Wax continues to co-operate with the European Commission. Although it is reasonably likely that a fine will be imposed, a reliable estimate of the amount of the possible penalty cannot be made, since the determination thereof is at the sole discretion of the antitrust authorities. However, Sasol Wax has been advised by the European Commission that it in principle qualifies for a discount in respect of the fine to be imposed because of its candid and helpful support in the investigation.

It is expected that an oral hearing at the European Commission in Brussels will take place within this calendar year.

Yellow Rock litigation

In July 2005, Sasol North America (Sasol NA) received notice of suit by Yellow Rock LLC alleging over US$1 million in damages and seeking an injunction that would require Sasol NA to remove its ethylene from Salt Storage Dome 1-A in Sulfur, Louisiana near the Lake Charles Chemical Complex. The suit alleges that in 2004 the Dome 1-A was leaking ethylene and caused the "blow out" of an oil and gas exploration well being drilled by Yellow Rock. An integrity assessment of the well performed by an independent consultant in early 2005 concluded that the Dome 1-A was not leaking. These results were conveyed to Yellow Rock and were signed off on by the Louisiana Department of Natural Resources, but did not deter the filing of the suit. In March 2007, plaintiffs amended their petition to assert significant additional damages in excess of US$70 million. A trial date has been set for January 2008. Sasol NA has instituted action against the insurer for appropriate indemnification. Prospects of future events confirming a loss are therefore remote.

Other

From time to time Sasol companies are involved in other litigation and administrative proceedings in the normal course of business. Although the outcome of these proceedings and claims cannot be predicted with certainty, the company does not believe that the outcome of any of these cases would have a material effect on the group's financial results.

57 Guarantees and contingent liabilities *(continued)*

57.5 Environmental orders

The group is subject to loss contingencies pursuant to numerous national and local environmental laws and regulations that regulate the discharge of materials into the environment or that otherwise relate to the protection of human health and the environment in all locations in which it operates. These laws and regulations may, in future, require the group 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 the magnitude 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 and the discretion of regulators and changing legal requirements.

The group's environmental obligation accrued on a discounted basis at 30 June 2007 was R3 355 million (2006 – R3 184 million). Included in this balance are the costs of remediation of soil and groundwater contamination and similar environmental costs. These costs relate to the following activities: site assessments, soil and groundwater clean-up and remediation, and ongoing monitoring. Due to the uncertainties regarding the future costs, the range of loss in excess of the amount accrued cannot be reasonably determined.

Under the agreement for the acquisition of Sasol Chemie, we received an indemnification from RWE-DEA for most of the costs of remediation and rehabilitation of environmental contamination existing at Condea Vista Company located in the United States on or before 1 March 2001.

Although the group 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, safety and process safety laws and regulations increases the overall cost of business, including capital costs to construct, maintain, and upgrade equipment and facilities. These laws and regulations have required, and are expected to continue to require, the group to make significant expenditures of both a capital and expense nature.

57.6 September 2004 accident trust

On 1 September 2004, the lives of ten employees and contractors were lost and a number of employees and contractors were injured during an explosion that occurred at our Secunda West ethylene production facility.

Since January 2006, Sasol Limited, Solidarity, the Chemical, Energy, Paper, Printing, Wood and Allied Workers' Union and an attorney representing the unions have been in negotiations to find a mechanism to pay compensation to the dependants of people that died or were physically injured in the accident to the extent that they had not been previously compensated in terms of existing policies and practices. It was agreed to establish an independent trust, the September 2004 Accident Trust (the Trust), to expeditiously make grants to persons who were physically injured in the 1 September 2004 explosion at our Secunda West ethylene production facilities and to the dependants of persons who died in that accident. The September 2004 Accident Trust was registered on 29 June 2006. Qualifying victims of the accident were invited to submit applications for compensation. These grants will be calculated in accordance with the applicable South African legal principles for the harm and loss suffered by them as a result of the accident to the extent that they have not already been compensated.

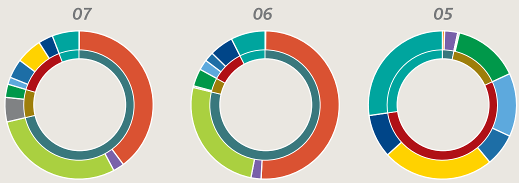
The company will fund the Trust to pay the grants. Whilst accepting social responsibility, the company has not acknowledged legal liability in creating the trust. As at 30 June 2007, a total of 172 claims have been received, of which 55 have been finalised, resulting in payments totalling R871 962. Future payments are dependent on the number of applications which will still qualify and the calculation of the grants based on the applicable South African legal principles. It is believed that the possible loss, inclusive of legal costs, is unlikely to exceed R10 million.

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
58 Commitments under leases			
Minimum future lease payments – operating leases			
The group rents buildings under long-term non-cancellable operating leases and also rents offices and other equipment under operating leases that are cancellable at various short-term notice periods by either party.			
Buildings and offices			
Within one year	**134**	108	127
One to two years	**122**	93	119
Two to three years	**123**	95	111
Three to four years	**117**	97	105
Four to five years	**106**	88	96
More than five years	**803**	497	563
	1 405	978	1 121
Equipment			
Within one year	**325**	186	210
One to two years	**286**	164	148
Two to three years	**271**	144	121
Three to four years	**232**	121	106
Four to five years	**210**	125	78
More than five years	**1 736**	1 163	75
	3 060	1 903	738
Included in the operating leases for equipment is the rental of a pipeline for the transportation of gas products. The rental payments are determined based on the quantity of gas transported. The lease may be extended by either party to the lease for a further three year period prior to the expiry of the current lease term of seventeen years.			
Water reticulation for Sasol Synfuels			
One to two years	**19**	29	
Two to three years	**75**	79	
Three to four years	**79**	90	
Four to five years	**85**	95	
More than five years	**2 690**	2 648	
	2 948	2 941	
Total minimum future lease payments	**7 413**	5 822	1 859

The water reticulation commitments of Sasol Synfuels relate to a long-term water supply agreement. The rental payments are determined based on the quantity of water consumed over the twenty year period of the lease.

These leasing arrangements do not impose any significant restrictions on the group or its subsidiaries.

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
58 Commitments under leases (continued)			
Business segmentation – minimum future operating lease payments			
South African energy cluster	**5 287**	4 589	63
Mining	**4**	8	9
Synfuels	**2 948**	2 954	–
Oil	**179**	128	53
Gas	**2 156**	1 499	1
International energy cluster	**609**	243	273
Synfuels International	**396**	20	6
Petroleum International	**213**	223	267
Chemical cluster	**1 082**	554	1 016
Polymers	**116**	132	257
Solvents	**310**	120	132
Olefins & Surfactants	**420**	–	451
Other	**236**	302	176
Other businesses	**435**	436	507
	7 413	5 822	1 859
Minimum future lease payments – finance leases			
Within one year	**144**	143	164
One to two years	**154**	132	103
Two to three years	**129**	131	86
Three to four years	**128**	115	84
Four to five years	**127**	111	83
More than five years	**849**	774	683
Less amounts representing finance charges	**(764)**	(656)	(517)
	767	750	686



Contingent rentals

The group has no contingent rentals in respect of finance leases.

59 Related party transactions

Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates and joint ventures. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions are determined on an arm's length basis.

Disclosure in respect of joint ventures is provided on page 169 and of associates in note 9.

Material related party transactions were as follows

Sales and services rendered to related parties

	2007 Rm	2006 Rm	2005 Rm
joint ventures	**1 759**	1 446	1 067
associates	**632**	424	379
third parties	**160**	250	204
retirement funds	**4**	–	–
	2 555	2 120	1 650

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
59 Related party transactions (continued)			
Amounts owing (after eliminating intercompany balances) by related parties are disclosed in the respective notes to the financial statements for those balance sheet items.			
No provision for impairment of receivables related to the amount of outstanding balances is required.			
Purchases from related parties			
joint ventures	**135**	131	240
associates	**712**	360	530
third parties	**832**	600	282
retirement funds	**374**	224	128
	2 053	1 315	1 180

Amounts owing (after eliminating intercompany balances) to related parties are disclosed in the respective notes to the financial statements for those balance sheet items.

Included in the above amounts are a number of transactions with related parties which are individually insignificant.

Identity of related parties with whom material transactions have occurred

Except for the group's interests in joint ventures and associates, there are no other related parties with whom material individual transactions have taken place.

Directors and senior management

Details of the directors' and group executive committee remuneration and the shareholding in Sasol Limited are disclosed in the remuneration report on pages 41 to 50.

Shareholders

An analysis of major shareholders is provided on pages 32 and 33.

	2007 %	2006 %	2005 %
60 Inflation reporting			
The financial statements have not been restated to a current cost basis as the group does not operate in a hyperinflationary economy.			
Consumer Price Index – South Africa	**5,9**	4,9	2,6
Producer Price Index – South Africa	**9,8**	5,1	1,7

61 Post balance sheet events

The following non-adjusting events occurred subsequent to 30 June 2007. These are more fully described in the directors' report, refer pages 39 and 40.

- Sasol Limited empowerment transaction.
- Dissolution of Sasol Dia Acrylates joint venture and acquisition of the entire interest by Sasol Chemical Industries Limited.
- Announcement of fiscal regime applicable to windfall profits in South Africa's Liquid Fuel Energy Sector.
- Sale of investment in Paramelt RMC BV.
- Sale of investment in FFS Refiners (Pty) Limited.

interest in joint ventures

In accordance with the group's accounting policy, the results of joint ventures are proportionately consolidated on a line-by-line basis. The information provided below includes intercompany transactions and balances.

	Development stage ventures		Operating ventures						
	Sasol GTL Rm	Polymers joint ventures* Rm	Merisol Rm	Spring Lights Gas Rm	Dia Acrylates∅ Rm	Other† Rm	**2007 Total Rm**	2006 Total Rm	2005 Total Rm
Balance sheet									
External non-current assets	9 047	4 986	344	55	1 524	351	**16 307**	12 801	8 056
Property, plant and equipment	3 728	449	311	–	1 327	174	**5 989**		
Assets under construction	5 290	4 536	9	–	8	170	**10 013**		
Other non-current assets	29	1	24	55	189	7	**305**		
Intercompany non-current assets	–	–	–	–	–	–	**–**	4	–
External current assets	874	358	311	53	332	282	**2 210**	2 009	2 131
Intercompany current assets	53	7	2	–	13	6	**81**	139	235
Total assets	9 974	5 351	657	108	1 869	639	**18 598**	14 953	10 422
Shareholders' equity	3 688	1 637	332	70	1 041	379	**7 147**	6 142	3 960
Long-term debt (interest bearing)	2 202	1 501	5	13	612	79	**4 412**	4 801	3 176
Intercompany long-term debt	21	958	22	1	–	4	**1 006**	157	283
Long-term provisions	36	–	5	–	–	–	**41**	35	103
Other non-current liabilities	3 372	2	64	–	–	14	**3 452**	2 096	947
Interest bearing current liabilities	144	627	99	9	40	5	**924**	592	332
Non-interest bearing current liabilities	440	600	55	6	83	119	**1 303**	862	1 301
Intercompany current liabilities	71	26	75	9	93	39	**313**	268	320
Total equity and liabilities	9 974	5 351	657	108	1 869	639	**18 598**	14 953	10 422
Income statement									
Turnover	142	1 073	740	150	786	727	**3 618**	2 612	3 043
Operating (loss)/profit	(307)	40	27	71	39	100	**(30)**	62	254
Other charges	(33)	(13)	(12)	(1)	(58)	–	**(117)**	(82)	(104)
Net (loss)/profit before tax	(340)	27	15	70	(19)	100	**(147)**	(20)	150
Taxation	(8)	(4)	(21)	(22)	1	(26)	**(80)**	(31)	66
Attributable (loss)/profit	(348)	23	(6)	48	(18)	74	**(227)**	(51)	216
Cash flow statement									
Cash flow from operations	839	311	55	76	127	124	**1 532**	1 109	875
Movement in working capital	131	76	21	(6)	(55)	31	**198**	(585)	359
Taxation received/(paid)	348	–	(2)	(25)	(21)	(14)	**286**	115	(112)
Other charges	(144)	(436)	(13)	(3)	(62)	(3)	**(661)**	(516)	(173)
Cash available from operations	1 174	(49)	61	42	(11)	138	**1 355**	123	949
Dividends paid	–	–	–	(8)	(7)	(13)	**(28)**	(14)	(2)
Cash retained from operations	1 174	(49)	61	34	(18)	125	**1 327**	109	947
Cash flow from investing activities	(2 561)	(728)	(21)	–	(13)	(173)	**(3 496)**	(2 864)	(2 213)
Cash flow from financing activities	1 396	854	(37)	(8)	(61)	98	**2 242**	2 739	1 733
Decrease/(increase) in cash requirements	9	77	3	26	(92)	50	**73**	(16)	467

* Comprising Arya Sasol Polymer Company and Petlin.

† Includes African Amines, Asphacell, Merkur, Sasol Fibres, Sasol Huntsman, Sasol Lurgi and Sasol Oil Petromoc.

∅ Although the group has a 75% investment in Sasol Dia Acrylates (South Africa) (Pty) Limited, the governing agreements and constitutive documents for this entity do not allow the group to control this entity as voting control is either split 50:50 between the shareholders or requires unanimous approval of the shareholders or their representatives and, therefore, this entity has not been consolidated.

At 30 June 2007, the group's share of the total capital commitments of joint ventures amounted to R4 128 million (2006 – R5 252 million; 2005 – R8 454 million).

The GTL businesses losses are associated with the advancing GTL projects in Qatar and Nigeria and evaluation of other projects in accordance with the group's strategy.

financial risk management and financial instruments

Introduction

The Sasol group has a risk management and central treasury function that manages the financial risks relating to the group's operations. The group is exposed to liquidity, credit, foreign currency, interest rate and commodity price risks arising from its financial instruments. These risks are continuously monitored. The group has developed a comprehensive risk management process to monitor and control these risks. The Group Executive Committee and senior management meet regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of financial risk.

Risk profile

Risk management relating to each of these risks is discussed under the headings below. The group's objective in using derivative instruments for hedging purposes is to reduce the uncertainty over future cash flows arising from foreign currency, interest rate and commodity price risk exposures.

Liquidity risk

Liquidity risk is the risk that an entity in the group will be unable to meet its obligations under financial instruments as they become due. The group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The group finances its operations through a mixture of retained earnings, short and long-term bank funding, a commercial paper programme and commercial bond issues. Adequate banking facilities and reserve borrowing capacities are maintained (refer page 118). The group is in compliance with all of the financial covenants in its loan documents, none of which is expected to present a material restriction on funding or investment policy in the near future. The group has sufficient undrawn call/demand borrowing facilities, which could be utilised to fund any potential shortfall in cash resources.

Credit risk

Credit risk, or the risk of financial loss due to counterparties to financial instruments not meeting their contractual obligations, is managed by the application of credit approvals, limits and monitoring procedures. Where appropriate, the group obtains collateral to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary boards.

Trade and other receivables consist of a large number of customers spread across diverse industries and geographical areas. The exposure to credit risk is influenced by the individual characteristics, the industry and geographical area of the counterparty with whom we have transacted. Trade and other receivables are carefully monitored for impairment. No single customer represents more than 10% of the group's total turnover or more than 5% of total trade receivables for the years ended 30 June 2007 and 30 June 2006. Approximately 52% of the group's total turnover is generated from sales within South Africa and 51% of the amount owing in respect of our trade receivables is from counterparties in South Africa.

Credit risk exposure in respect of trade receivables is further analysed in note 15.

Treasury counterparties consist of a diversified group of prime financial institutions. The group does not expect any treasury counterparties to fail to meet their obligations, given their high credit ratings.

The group has provided guarantees for the financial obligations of subsidiaries, joint-ventures and third parties. The outstanding guarantees at 30 June 2007 are provided in note 57.

Foreign currency risk

The group's operations utilise various foreign currencies on sales, purchases and borrowings and, consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. These transactions are predominantly entered into in the respective functional currency of the individual operations. Some operations are exposed to foreign currency risk in connection with contracted payments in currencies not in their individual functional currency. The translation of foreign operations to the presentation currency of Sasol Limited is not taken into account when considering foreign currency risk. Foreign exchange risks are managed through the group's financing policies and the selective use of forward exchange contracts, cross currency swaps and cross currency options. Forward exchange contracts are utilised primarily to reduce foreign currency exposure arising from imports into South Africa. Hedging of exports from South Africa is evaluated regularly and on a case-by-case basis.

All forward exchange contracts are supported by underlying commitments or receivables.

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

The following forward exchange contracts and cross currency swaps were held at 30 June 2007:

	Contract foreign currency amount million	Contract amount – rand equivalent Rm	Average rate of exchange (calculated)	**Estimated fair value gains/ (losses) Rm**
Forward exchange contracts				
Derivative instruments – cash flow hedges				
Related to transactions which have already occurred				
Imports – capital				
Euro	2	23	9,67	**1**
US dollar	3	20	7,18	**–**
		43		**1**
Imports – goods				
Euro	1	8	9,53	**–**
US dollar	18	132	7,14	**(2)**
Pound sterling	2	32	13,98	**–**
Other currencies – US dollar equivalent	–	1	7,04	**–**
		173		**(2)**
Exports				
Euro	–	1	9,52	**–**
US dollar	41	290	7,02	**(1)**
Pound sterling	4	60	14,02	**–**
Other currencies – US dollar equivalent	9	56	6,32	**1**
		407		**–**
Other payables (liabilities)				
Euro	–	2	9,76	**–**
US dollar	8	59	7,17	**(1)**
		61		**(1)**
Other receivables (assets)				
US dollar	149	1 057	7,10	**10**
Derivative instruments – held for trading				
Imports – goods				
US dollar	129	933	7,21	**(16)**
Exports				
Euro	5	52	9,52	**–**
US dollar	1	5	7,05	**–**
		57		**–**

	Contract foreign currency amount million	Contract amount – rand equivalent Rm	Average rate of exchange (calculated)	**Estimated fair value gains/ (losses) Rm**
Forward exchange contracts				
Derivative instruments – cash flow hedges				
Related to future commitments				
Imports				
Euro	14	130	9,57	**(1)**
US dollar	27	194	7,20	**(4)**
Pound sterling	–	2	14,14	**–**
Other currencies – US dollar equivalent	15	106	7,05	**(8)**
		432		**(13)**
Exports				
US dollar	–	1	7,05	**–**
Other payables (liabilities)				
Euro	6	65	10,03	**(2)**
US dollar	9	63	7,28	**(2)**
Pound sterling	–	1	14,49	**–**
Other currencies – US dollar equivalent	1	9	7,42	**(1)**
		138		**(5)**
Derivative instruments – held for trading				
Imports				
Euro	1	5	9,56	**1**
US dollar	4	27	7,14	**–**
		32		**1**
Other payables (liabilities)				
Euro	4	32	8,10	**–**
US dollar	50	372	7,40	**(10)**
Pound sterling	–	1	14,31	**–**
		405		**(10)**
Other receivables (assets)				
US dollar	3	21	7,07	**–**
Cross currency swaps				
Derivative instruments – cash flow hedges				
US dollar to euro	49	479	9,71	**(130)**
US dollar to rand	59	374	6,40	**39**
Euro to rand	299	2 652	8,87	**183**
Other	68	454	6,72	**22**
		3 959		**114**

The following exchange rates applied during the year:

	Average rate		Closing rate	
	2007	2006	**2007**	2006
Rand/US dollar	**7,20**	6,41	**7,04**	7,17
Rand/Euro	**9,40**	7,70	**9,53**	9,17
Rand/Pound sterling	**13,91**	11,40	**14,14**	13,25

Interest rate risk

Exposure to interest rate risk on financial assets and liabilities is monitored on a continuous and proactive basis. The debt of the group is structured on a combination of floating and fixed interest rates. The benefits of fixing or capping interest rates on the group's various financing activities are considered on a case-by-case and project-by-project basis, taking the specific and overall risk profile into consideration. For further details on long-term debt refer note 19.

The following interest rate derivative contracts were in place at 30 June 2007:

	Contract foreign currency amount million	Contract amount – rand equivalent Rm	Average fixed rate %	Expiry	Estimated fair value gains/ (losses) Rm
Interest rate derivatives					
Derivative instruments – cash flow hedges					
Pay fixed rate receive floating rate					
US dollar	98	690	3,8	15 Jan 2008	**6**
Rand	–	938	7,6	15 Dec 2009	**44**
		1 628			**50**
Derivative instruments – held for trading					
Pay fixed rate receive floating rate					
Rand	–	500	9,7	30 June 2008	**2**
Interest rate cap or collar					
(relating to long-term debt)					
Rand – cap	–	227	11,0	1 June 2009	**1**

Commodity price risk

The group makes use of derivative instruments, including commodity swaps, options and futures contracts of short duration as a means of mitigating price and timing risks on crude oil and other energy related product purchases and sales. In effecting these transactions, the companies concerned operate within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

The following commodity derivative contracts were in place at 30 June 2007:

	Contract foreign currency amount million	Contract amount – rand equivalent Rm	Average price US$	Estimated fair value gains/ (losses) Rm
Commodity derivatives				
Derivatives – held for trading				
Futures				
Crude oil (US dollar)	13	89	70,69	**1**
Zero cost collar				**(197)**
Call options sold (US dollar)	1 294	9 111	76,70	
Put options bought (US dollar)	1 053	7 414	62,40	

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities at 30 June 2007 were as follows:

	Note	Carrying value Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four years Rm	Four to five years Rm	More than five years Rm
Financial assets								
Loans and receivables		**22 754**	21 099	268	350	17	22	998
Long-term receivables	11	**1 655**	–	268	350	17	22	998
Trade receivables	15	**12 442**	12 442	–	–	–	–	–
Other receivables	16	**2 024**	2 024	–	–	–	–	–
Cash restricted for use	18	**646**	646	–	–	–	–	–
Cash	18	**5 987**	5 987	–	–	–	–	–
Investments available-for-sale								
Investments in securities	8	**230**	70	–	–	–	–	160
Investments held-to-maturity								
Investments in securities	8	**312**	–	–	–	–	–	312
Derivatives used for hedging		**307**	19	45	183	–	38	22
Long-term financial assets	12	**288**	–	45	183	–	38	22
Short-term financial assets	17	**19**	19	–	–	–	–	–
Derivatives held for trading		**11**	3	8	–	–	–	–
Long-term financial assets	12	**8**	–	8	–	–	–	–
Short-term financial assets	17	**3**	3	–	–	–	–	–
		23 614	21 191	321	533	17	60	1 492
Financial liabilities								
Measured at amortised cost		**30 871**	17 512	1 553	4 398	1 276	1 256	4 876
Long-term debt	19	**13 359**	–	1 553	4 398	1 276	1 256	4 876
Short-term debt	25	**5 621**	5 621	–	–	–	–	–
Trade payables and accrued expenses	29	**7 642**	7 642	–	–	–	–	–
Other payables	30	**3 704**	3 704	–	–	–	–	–
Bank overdraft	18	**545**	545	–	–	–	–	–
Derivatives used for hedging		**153**	153	–	–	–	–	–
Long-term financial liabilities	20	**–**	–	–	–	–	–	–
Short-term financial liabilities	26	**153**	153	–	–	–	–	–
Derivatives held for trading		**283**	230	3	4	4	5	37
Long-term financial liabilities	20	**53**	–	3	4	4	5	37
Short-term financial liabilities	26	**230**	230	–	–	–	–	–
		31 307	17 895	1 556	4 402	1 280	1 261	4 913

	Contract amount Rm	Within one year Rm
Forward exchange contracts		
Transactions which have already occurred		
Imports – capital		
Euro	***23***	*23*
US dollar	***20***	*20*
	43	*43*
Imports – goods		
Euro	***8***	*8*
US dollar	***1 065***	*1 065*
Pound sterling	***32***	*32*
Other currencies – US dollar equivalent	***1***	*1*
	1 106	*1 106*
Exports		
Euro	***53***	*53*
US dollar	***295***	*295*
Pound sterling	***60***	*60*
Other currencies	***56***	*56*
	464	*464*
Other payables (liabilities)		
Euro	***2***	*2*
US dollar	***59***	*59*
	61	*61*
Other receivables (assets)		
US dollar	***1 057***	*1 057*

	Contract amount Rm	Within one year Rm	One to two years Rm	Two to three years Rm	More than four years Rm
Related to future commitments					
Imports					
Euro	**135**	135	–	–	–
US dollar	**221**	221	–	–	–
Pound sterling	**2**	2	–	–	–
Other currencies – US dollar equivalent	**106**	106	–	–	–
	464	464	–	–	–
Exports					
US dollar	**1**	1	–	–	–
Other payables (liabilities)					
Euro	**97**	97	–	–	–
US dollar	**435**	430	5	–	–
Pound sterling	**2**	2	–	–	–
Other currencies – US dollar equivalent	**9**	9	–	–	–
	543	538	5	–	–
Other receivables (assets)					
US dollar	**21**	21	–	–	–
Cross currency swaps					
US dollar to euro	**479**	479	–	–	–
US dollar to rand	**374**	31	62	125	156
Euro to rand	**2 652**	1 443	–	1 209	–
Other	**454**	38	76	151	189
	3 959	1 991	138	1 485	345
Interest rate derivatives					
Pay fixed rate receive floating rate					
US dollar	**690**	690	–	–	
Rand	**938**	125	813	–	–
Rand	**500**	500	–	–	–
	2 128	1 315	813	–	–
Interest rate cap or collar					
Rand	**227**	114	113	–	–
Commodity derivatives					
Futures					
Crude oil	**89**	89	–	–	–
Zero cost collar					
Call options sold (US dollar)	**9 111**	9 111	–	–	–
Put options bought (US dollar)	**7 414**	7 414	–	–	–
	16 525	16 525	–	–	–

balance sheet

at 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Assets				
Investment in securities	1	**2**	2	2
Investments in subsidiaries	2	**22 212**	32 820	29 022
Deferred tax asset	3	**5**	107	14
Non-current assets		**22 219**	32 929	29 038
Trade and other receivables	4	**185**	3 012	481
Short-term financial asset	5	**–**	29	–
Tax receivable		**4**	–	5
Cash and cash equivalents	6	**4**	7	19
Current assets		**193**	3 048	505
Total assets		**22 412**	35 977	29 543
Equity and liabilities				
Shareholders' equity		**21 225**	34 692	28 354
Long-term debt	7	**1 058**	1 057	1 057
Long-term financial liability	8	**36**	–	–
Non-current liabilities		**1 094**	1 057	1 057
Short-term financial liability	9	**1**	–	–
Tax payable		**–**	38	–
Trade and other payables		**92**	190	132
Current liabilities		**93**	228	132
Total equity and liabilities		**22 412**	35 977	29 543

income statement

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Operating profit/(loss)	10	**1 202**	(38)	(125)
Investment income	11	**3 844**	9 745	5 556
Borrowing costs		**(1)**	(2)	–
Profit before tax		**5 045**	9 705	5 431
Taxation	12	**(101)**	51	2
Profit		**4 944**	9 756	5 433

changes in equity statement

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Share capital	13			
Balance at beginning of year		**3 634**	3 203	2 892
Issued during year		**332**	431	311
Shares repurchased and cancelled		**(338)**	–	–
Balance at end of year		**3 628**	3 634	3 203
Share-based payment reserve				
Balance at beginning of year		**780**	611	474
Current year charge		**186**	169	137
Balance at end of year		**966**	780	611
Accumulated profit				
Balance at beginning of year		**30 277**	24 536	22 238
Effective share cancellation	13	**(13 968)**	–	–
Profit for year		**4 944**	9 756	5 433
Dividends paid	15	**(4 623)**	(4 015)	(3 135)
Balance at end of year		**16 630**	30 277	24 536
Foreign currency translation reserve				
Balance at beginning of year		**–**	3	2
Movement during year		**–**	(3)	1
Balance at end of year		**–**	–	3
Investment fair value reserve		**1**	1	1
Shareholders' equity		**21 225**	34 692	28 354

cash flow statement

for the year ended 30 June	Note	2007 Rm	2006 Rm	2005 Rm
Cash flow from operations	14	**(83)**	(10)	(82)
Investment income		**3 842**	9 745	5 556
Movement in working capital		**2 758**	(2 473)	470
Cash generated by operating activities		**6 517**	7 262	5 944
Dividends paid	15	**(4 623)**	(4 015)	(3 135)
Tax paid	16	**(35)**	(1)	(19)
Borrowing costs		**(1)**	–	–
Cash retained from operating activities		**1 858**	3 246	2 790
Investments in subsidiaries		**(3 807)**	(3 689)	(3 092)
Proceeds on disposal of businesses	17	**1 614**	–	–
Cash utilised in investing activities		**(2 193)**	(3 689)	(3 092)
Share capital issued		**332**	431	311
(Decrease)/increase in cash and cash equivalents		**(3)**	(12)	9
Cash and cash equivalents				
at beginning of year		**(7)**	(19)	(10)
at end of year	6	**4**	7	19
(Decrease)/increase in cash and cash equivalents		**(3)**	(12)	9

notes to the financial statements

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
1 Investment in securities			
Unlisted shares (available-for-sale)			
Carried at fair value	**2**	2	2
The investment in securities comprises 1 077 261 ordinary shares of R1,00 each in Business Partners Limited. This shareholding represents 0,6% of that company's issued share capital.			
2 Investments in subsidiaries			
Reflected as non-current assets			
Shares at cost	**1 600**	1 725	1 304
Share-based payment expenditure	**687**	501	393
Long-term loans to subsidiaries	**19 925**	30 594	27 325
	22 212	32 820	29 022
Reflected as current assets			
Short-term loans to subsidiaries (refer note 4)	**161**	2 961	465
Reflected as non-current liability			
Long-term loans from subsidiaries	**(1 094)**	(1 057)	(1 057)
Reflected as current liabilities			
Short-term loans from subsidiaries	**(81)**	(47)	(36)
Net investments in subsidiaries	**21 198**	34 677	28 394

Investments in subsidiaries are accounted for at cost.

In terms of Sasol's group funding policy, subsidiaries are funded by way of equity from the holding company as well as long-term interest free loans. These long-term loans granted by the holding company are considered to form part of the permanent capital structure of the subsidiaries and therefore are not deemed to form part of the debt of the subsidiary. The long-term loans are unsecured and there are no fixed terms of repayment.

For further details of interest in significant subsidiaries, refer page 185.

	2007 Rm	2006 Rm	2005 Rm
3 Deferred tax asset			
Balance at beginning of year	**107**	14	11
Current year charge per income statement	**(108)**	93	3
Disposal of operating business	**6**	–	–
Balance at end of year	**5**	107	14
Comprising			
Secondary Tax on Companies (STC)	**–**	99	–
Provisions	**–**	17	14
Short-term financial asset	**–**	(9)	–
Calculated tax loss	**5**	–	–
	5	107	14

The deferred tax asset arises from the estimated assessed loss carried forward and has been recognised to the extent that the company will generate future taxable income against which the deferred tax asset can be utilised.

for the year ended 30 June		2007 Rm	2006 Rm	2005 Rm
4 Trade and other receivables				
Deposit with Sasol Financing (Pty) Limited		**161**	2 698	394
Inter company receivables		**–**	263	71
Other receivables		**24**	51	16
		185	3 012	481
5 Short-term financial asset				
Arising on short-term financial instrument		**–**	29	–
The short-term financial asset comprises forward exchange contracts. The forward exchange contracts are supported by underlying commitments, as follows:				
Import contracts				
US dollar contract amount	US$m	**–**	26	–
– contract amount – rand equivalent	Rm	**–**	156	–
– rate of exchange	R	**–**	6,05	–
– estimated fair value gain	Rm	**–**	29	–
Pound sterling contract amount	GBPm	**–**	–	–
– contract amount – rand equivalent	Rm	**–**	2	–
– rate of exchange	R	**–**	10,91	–
– estimated fair value gain	Rm	**–**	–	–
6 Cash and cash equivalents				
Cash and bank balance		**4**	7	19
7 Long-term debt				
Total long-term loans		**1 058**	1 057	1 057
The unsecured long-term debt comprises interest free loans from subsidiaries for which there are no fixed terms of repayment.				
8 Long-term financial liability				
Long-term financial liability		**37**	–	–
Short-term portion (refer note 9)		**(1)**	–	–
		36	–	–
The long-term financial liability consists of the fair value of a guarantee issued in favour of Standard Bank of South Africa Limited as a result of the disposal of 25% of Sasol Limited's investment in its wholly owned subsidiary Sasol Oil (Pty) Limited on 1 July 2006 (refer note 17.2). The fair value adjustment of R2 million is included in investment income (refer note 11).				
9 Short-term financial liability				
Short-term portion of long-term financial liability (refer note 8)		**1**	–	–

for the year ended 30 June		2007 Rm	2006 Rm	2005 Rm
10	**Operating profit/(loss)**			
	Operating profit/(loss) includes			
	Auditors' remuneration – audit fees	(3)	(6)	(5)
	– other services	–	(2)	(24)
	Directors' emoluments	(13)	(10)	(8)
	– total remuneration	(45)	(33)	(26)
	– paid by subsidiaries	32	23	18
	Donations and sponsorships	(12)	(51)	(47)
	Employee costs	–	(282)	(209)
	Fee paid to subsidiary	(35)	–	–
	Operating lease charges			
	– buildings	–	(22)	(23)
	Share-based payment expenditure	–	(60)	(43)
	Income from subsidiaries – fees	–	651	544
	Profit/(loss) on disposal of businesses (refer note 17)	1 324	–	(6)
11	**Investment income**			
	Dividends received from subsidiaries			
	– subject to STC	3 830	4 806	3 062
	– exempt from STC	10	4 937	2 491
		3 840	9 743	5 553
	Amortisation of financial guarantee (refer note 8)	2	–	–
	Interest received	2	2	3
		3 844	9 745	5 556

for the year ended 30 June		**2007 Rm**	2006 Rm	2005 Rm
12	**Taxation**			
	South African normal tax	**7**	(42)	(1)
	– current year	**–**	(28)	(4)
	– prior years	**7**	(14)	3
	Deferred tax – current year	**(108)**	93	3
		(101)	51	2
	Reconciliation of tax rate	**%**	%	%
	South African normal tax rate	**29,0**	29,0	29,0
	Increase in effective tax rate due to:			
	– disallowed expenditure	**0,6**	0,3	0,4
	– share-based payment expenditure	**–**	0,2	0,2
	– utilisation of STC credits	**2.3**	–	–
	– prior year adjustments	**–**	0,2	–
		31,9	29,7	29,6
	Decrease in effective tax rate due to:			
	– STC	**–**	(1,0)	–
	– prior year adjustments	**(0,2)**	–	–
	– exempt income	**(29,7)**	(29,2)	(29,6)
	Effective tax rate	**2,0**	(0,5)	–
	Available STC credits at end of year	**–**	793	1

13 Share capital

	Number of shares		
	2007	2006	2005
Authorised			
Ordinary shares of no par value	**1 175 000 000**	1 175 000 000	1 175 000 000
Issued			
Ordinary shares of no par value	**627 696 148**	682 978 425	676 877 125

At a general meeting held on 3 October 2006, shareholders approved that Sasol Limited repurchase the 60 111 477 Sasol Limited shares held by its wholly owned subsidiary, Sasol Investment Company (Pty) Limited. Once repurchased, these shares were cancelled realising a loss of R13 968 million.

For further details of share capital, refer note 44 in the group annual financial statements.

for the year ended 30 June	2007 Rm	2006 Rm	2005 Rm
14 Cash flow from operations			
Operating profit/(loss)	**1 202**	(38)	(125)
Realisation of foreign currency translation reserve	**–**	(3)	–
Movement in short-term financial asset	**–**	(29)	–
Share-based payment expenditure	**–**	60	43
Profit on disposal of businesses	**(1 324)**	–	–
Fair value of guarantee issued	**39**	–	–
	(83)	(10)	(82)
15 Dividends paid			
Final dividend – prior year			
– external shareholders	**(2 683)**	(1 920)	(1 440)
– subsidiary company	**–**	(187)	(141)
Interim dividend – current year			
– external shareholders	**(1 930)**	(1 740)	(1 416)
– subsidiary company	**(10)**	(168)	(138)
	(4 623)	(4 015)	(3 135)
Expected cash flow on final dividend – current year			
– external shareholders	**(3 615)**		
– subsidiary company	**(88)**		
16 Tax paid			
Amount (payable)/receivable at beginning of year	**(38)**	5	(13)
Income tax per the income statement	**7**	(42)	(1)
Interest paid on tax	**–**	(2)	–
	(31)	(39)	(14)
Amount (receivable)/payable at end of year	**(4)**	38	(5)
Per the cash flow statement	**(35)**	(1)	(19)

17 Disposal of businesses

17.1 With effect from 1 July 2006, the company disposed of its management services business at book value to a newly formed, wholly owned subsidiary, Sasol Group Services (Pty) Limited, for a consideration of R164 million.

	2007 Rm
Assets	**326**
Deferred tax asset	**6**
Trade and other receivables	**313**
Cash and cash equivalents	**7**
Liabilities	**(162)**
Trade and other payables	**(162)**
Consideration	**164**

for the year ended 30 June	**2007 Rm**	2006 Rm	2005 Rm
17 Disposal of businesses *(continued)*			
17.2 With effect from 1 July 2006, the company disposed of 25% of its investment in its wholly owned subsidiary Sasol Oil (Pty) Limited to Tshwarisano LFB Investment (Pty) Limited, for a consideration of R1 450 million.			
Investment in subsidiary			
cost	**126**		
profit realised	**1 324**		
Consideration	**1 450**		
Total consideration on disposal of businesses	**1 614**		
18 Guarantees and contingent liabilities			
Guarantees and claims	**31 784**	37 719	29 808
Unutilised borrowing facilities guaranteed	**15 927**	19 717	12 450
The company has guaranteed the fulfilment of various subsidiaries' obligations in terms of contractual agreements.			
19 Commitments under operating leases			
With effect from 1 July 2006, the company ceded all its operating leases to Sasol Group Services (Pty) Limited (refer note 17.1).			
Maturity profile			
Within one year		22	32
One to two years		22	33
Two to three years		27	34
Three to four years		30	40
Four to five years		34	45
Over five years		241	305
		376	489

interest in significant operating subsidiaries and incorporated joint ventures

Name	Nature of business		Nominal issued share capital	Interest %	Investment at cost 2007 Rm	Investment at cost 2006 Rm	Loans to subsidiaries 2007 Rm	Loans to subsidiaries 2006 Rm
Operating subsidiaries								
Direct								
Sasol Mining (Pty) Limited	Coal mining activities	Rm	215	100	**456**	456	**31**	31
Sasol Synfuels (Pty) Limited	Production of liquid fuels, gases, chemical products and refining of tar acids	Rm	100	100	**676**	676	**518**	518
Sasol Technology (Pty) Limited	Engineering services, research and development and technology transfer	Rm	1	100	**1**	1	**244**	244
Sasol Financing (Pty) Limited	Management of cash resources, investment and procurement of loans for South African operations	R	200	100	**–**	–	**2 508**	6 344
Sasol Investment Company (Pty) Limited	Holding company of the group's foreign investments and investment in movable and immovable property	R	200	100	**–**	–	**6 882**	16 261
Sasol Chemical Industries Limited	Production and marketing of mining explosives, gases, petrochemicals and fertilisers	R	152	100	**–**	–	**5 391**	5 392
Sasol Gas Holdings (Pty) Limited	Holding company of the group's gas interests	R	100	100	**–**	–	**–**	662
Sasol Oil (Pty) Limited	Marketing of fuels and lubricants	R	1 200	75	**378**	504	**–**	–

sasol limited company

Name	Nature of business		Nominal issued share capital	Interest %
Operating subsidiaries				
Indirect				
Chemcity (Pty) Limited	Supporting empowered small and medium manufacturing enterprises' requirements in order to enable them to thrive in the chemical industry	R	477	100
Republic of Mozambique Pipeline Investment Company (Pty) Limited	Owning and operating of the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa	Rm	10	50
Sasol Chemicals Europe Limited [a]	Marketing and distribution of chemical products	GBP	20 000	100
Sasol Chemicals Pacific Limited [b]	Marketing and distribution of chemical products	HKD	10 000	100
Sasol Chemical Holdings International (Pty) Limited	Investment in the Sasol Chemie group	R	420	100
Sasol Financing International Plc [d]	Management of cash resources, investment and procurement of loans for operations outside South Africa	US$	1 001	100
Sasol Gas Limited	Marketing, distribution and transportation of pipeline gas and the maintenance and operation of pipelines used for the transportation of various types of gas	R	1 000	100
Sasol Germany GmbH [e]	Production, marketing and distribution of chemical products	Euro m	70	100
Sasol Italy SpA [f]	Trading and transportation of oil products, petrochemicals and chemical products and their derivatives	Euro m	23	100
Sasol North America Inc. [c]	Manufacturing of commodity and speciality chemicals	US$m	318	100
Sasol Oil International Limited [d]*	Buying and selling of crude oil	US$	1	100
Sasol Petroleum International (Pty) Limited	Exploration, production, marketing and distribution of petroleum and natural gas	R	100	100
Sasol Polymers International Investments (Pty) Limited	Holding company of Sasol Polymers foreign investments	R	100	100
Sasol Synfuels International (Pty) Limited	Conversion and marketing of liquid fuels and chemical products	R	100	100
Sasol Wax International Aktiengesellschaft [f]	Holding company of the Sasol Wax international operations	Euro m	33	100
National Petroleum Refiners of South Africa (Pty) Limited*	Refining of crude oil	Rm	128	64

* The investment in the company is held by Sasol Oil (Pty) Limited, a subsidiary in which Sasol Limited has a 75% shareholding, thereby reducing the effective interest held in the company.

Name	Nature of business		Nominal issued share capital	Interest %
Incorporated joint ventures				
Indirect				
Sasol Dia Acrylates (South Africa) (Pty) Limited	Production of acrylic acid and acrylates	R'000	1 002	75
Sasol Dia Acrylates (Pty) Limited	Marketing of acrylic acid and acrylates	R'000	1 002	50
Arya Sasol Polymer Company [g]	Production of polyethylene	Rial m	800	50
Merisol LP [c]	Production, marketing and distribution of phenolics	US$m	71	50
Sasol Chevron Holdings Limited [h]	Management of the group's joint venture interests with Chevron corporation	US$	12 000	50
Sasol-Huntsman GmbH & Co KG [e]	Production and marketing of maleic anhydride	Euro m	20	50
Namibia Liquid Fuel (Pty) Limited [i]	Marketing and distribution of petroleum products	N$	100	49
Oryx GTL Limited (QSC) [j]	Manufacturing and marketing of synthetic fuels from gas	US$m	242	49
Petlin (Malaysia) Sdn Bhd [k]	Manufacturing and marketing of low-density polyethylene pellets	RM m	52	40
Spring Lights Gas (Pty) Limited	Marketing of pipeline gas in the Durban South area	R	1 000	49

Except as indicated below, all companies are registered in the Republic of South Africa.

Foreign registered companies
(a) Registered in the United Kingdom. Share capital stated in Pound sterling.
(b) Registered in Hong Kong. Share capital stated in Hong Kong dollars.
(c) Registered in the United States of America. Share capital stated in United States dollars.
(d) Registered in the Isle of Man. Share capital stated in United States dollars.
(e) Registered in Germany. Share capital stated in Euro.
(f) Registered in Italy. Share capital stated in Euro.
(g) Registered in Iran. Share capital stated in Rials.
(h) Registered in Bermuda. Share capital in United States dollars.
(i) Registered in Namibia. Share capital in Namibian dollars.
(j) Registered in Qatar. Share capital in United States dollars.
(k) Registered in Malaysia. Share capital in Malaysian ringgets.

The company's interest in the aggregate profits and losses of subsidiaries amounts to R32 246 million (2006 – R12 253 million) profits and R16 320 million (2006 – R1 893 million) losses.

The group maintains a register of all subsidiaries and incorporated joint ventures, available for inspection at the registered office of Sasol Limited.

contact information

Shareholder information helpline

We have reserved 0861 100 926 as the South African toll-free number and +27 (0) 11 373-0048 for shareholders calling from outside South Africa.

The toll-free inbound telephone helpline will enable shareholders to obtain information regarding the resolutions and to provide assistance for completing proxy forms.

Depositary Bank

The Bank of New York
Depositary Receipts Division
101 Barclay Street
New York 10286, New York

Direct purchase plan

The Bank of New York maintains a sponsored dividend reinvestment and direct purchase programme for Sasol's Depositary Receipts. As a participant in Global BuyDIRECT[SM], investors benefit from the direct ownership of their Depositary Receipts, the efficiency of receiving corporate communications directly from the Depositary Receipt issuer, and the savings resulting from the reduced brokerage and transaction costs. Additional information is available at www.globalbuydirect.com

Questions or correspondence about Global BuyDIRECT[SM] should be addressed to:

The Bank of New York
Investor Relations
PO Box 11258
Church Street Station
New York, New York 10286-1258

Toll-free telephone for US Global BuyDIRECT[SM] participants:
1-888-BNY-ADRS
Telephone for international callers: 212-815-3700

E-mail: shareowner-svcs@bankofny.com

Company registration number

1979/003231/06

Addresses

Business address and registered office

1 Sturdee Avenue, Rosebank 2196
Republic of South Africa

Postal and electronic addresses and telecommunication numbers

PO Box 5486, Johannesburg 2000
Republic of South Africa

Telephone: +27 (0) 11 441-3111
Telefax: +27 (0) 11 788-5092

Website: http://www.sasol.com

Share registrars

Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street, Johannesburg 2001
Republic of South Africa
PO Box 61051, Marshalltown 2107
Republic of South Africa

Telephone: +27 (0) 11 370-7700

Investor relations

Telephone +27 (0) 11 441-3112
E-mail: investor.relations@sasol.com

Sasol group corporate affairs department

Telephone: +27 (0) 11 441-3249
Telefax: +27 (0) 11 441-3236

The annual financial statements must be read in conjunction with our annual report under the Securities Exchange Act of 1934 on Form 20-F to be filed with the United States Securities and Exchange Commission during October 2007. The Form 20-F is available on our website at www.sasol.com.

***Note on measurement:** Besides applying barrels (b) and cubic feet (cf) for reporting on oil and gas reserves and production, Sasol applies Système International (SI) metric measures for all global operations. A ton (also spelt as tonne) denotes one metric ton equivalent to 1 000 kilograms (kg) or about 2 200 imperial pounds. Sasol's reference to a metric ton should not be confused with an imperial ton equivalent to 2 240 pounds (or about 1 016 kg). In addition, in line with a particular South African distinction under the auspices of the South African Bureau of Standards (SABS), all Sasol global reporting emanating from South Africa uses the decimal comma (eg 3,5) instead of the more familiar decimal point (eg 3.5) used in the UK, USA and elsewhere. Similarly, a hard space is used to distinguish thousands in numeric figures (eg 2 500) instead of a comma (eg 2,500).*

notes

1. *Only registered shareholders who are registered in the register of members of the company under their own name may appoint a proxy or alternatively attend the meeting.*

   Beneficial shareholders, whose shares are not registered in their own name, but in the name of another, e.g. a nominee, may not appoint a proxy or attend the meeting unless a proxy is issued to them by the registered shareholder. Beneficial shareholders who are not also registered shareholders should contact the registered shareholder for assistance in issuing instructions on voting their shares or obtaining a proxy to attend the meeting.

2. *All beneficial owners who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, other than those shares in their own name, must provide the CSDP or broker with a voting instruction, or request their CSDP or broker for a letter of representation, should they wish to attend the annual general meeting in person, in terms of their Custody Agreement with the CSDP or broker.*

3. *A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the meeting." Any such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.*

4. *A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting, as he deems fit, in respect of all the shareholder's votes exercisable thereat, but where the proxy is the chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.*

   A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his proxy.

5. *A shareholder's authorisation to the proxy, including the chairman of the meeting, to vote on his or her behalf, shall be deemed to include the authority to vote on procedural matters at the meeting.*

6. *Shareholders are advised that the company has appointed Computershare Investor Services 2004 (Pty) Limited as its proxy solicitation agent. Forms of proxy must be received by Computershare Investor Services 2004 (Pty) Limited on or before 09:00, South African time, on Thursday, 29 November 2007. Forms can be posted or hand delivered.*

7. *The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat and the exclusion of any proxy appointed in terms hereof should such shareholder wish to do so.*

8. *Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form.*

9. *Any alteration must be initialled by the signatory(ies).*

10. ***ADR holders please note:** Registered holders who hold their American Depositary Receipts in physical form will receive a proxy card and voting instructions from the Bank of New York. Beneficial holders who hold their American Depositary Receipts in book entry form will receive their proxy card and voting instructions from their broker.*

Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street, Johannesburg, 2001
Republic of South Africa
PO Box 61051, Marshalltown, 2107
Republic of South Africa
Telephone +27 (0) 11 370-5000

notice of annual general meeting to members

Notice is hereby given that the 28th annual general meeting of members of Sasol Limited will be held on Friday, 30 November 2007 at 09:00 in the Sasol Limited Auditorium, 1 Sturdee Avenue Rosebank, for the following purposes:

1. *to receive and consider the annual financial statements of the company and of the group for the year ended 30 June 2007, together with the reports of the directors and auditors;*
2. *to elect the following directors retiring, in terms of articles 75(d) and 75(e) of the company's articles of association, and who are eligible and have offered themselves for re-election [1]:*

   2.1 E le R Bradley

   2.2 VN Fakude

   2.3 A Jain

   2.4 IN Mkhize

   2.5 S Montsi

   The board of directors of the company has reviewed the composition of the board against corporate governance and transformation requirements and has recommended the re-election of the directors listed above. It is the view of the board that re-election of the candidates referred to above and in item 3 below would enable the company to:

   - *responsibly maintain a mixture of business skills and experience relevant to the company and balance the requirements of transformation, continuity and succession planning; and*
   - *comply with corporate governance requirements in respect of matters such as the balance of executive, non-executive and independent directors on the board.*
3. *to elect the following director appointed by the board during the course of the year and who is required in terms of article 75(h) of the company's articles of association to retire as director, and who is eligible and has offered himself for re-election [2]:*

   TA Wixley

   The board of directors of the company has reviewed the composition of the board against corporate governance and transformation requirements and has recommended the re-election of the director listed above. It is the board's view that re-election of the candidate referred to above, would enable the company to:

   - *responsibly maintain a mixture of business skills and experience relevant to the company and balance the requirements of transformation, continuity and succession planning; and*
   - *comply with corporate governance requirements in respect of matters such as the balance of executive, non-executive and independent directors on the board.*
4. *to reappoint the auditors, KPMG Inc. and to note that the individual registered auditor who will undertake the audit during the financial year ending 30 June 2008 is Mr LP Fourie;*
5. *to consider and, if approved, to pass with or without modification the following special resolutions, subject to the approval of the JSE Limited (JSE):*

   "Special resolution number 1: *'That the English version of the company's memorandum and articles of association, initialled by the chairman, be and they are hereby adopted to replace the Afrikaans version as the official version of the memorandum and articles of association of the company with effect from the date of the adoption of this resolution.'*

   A copy of the translated memorandum and articles of association may be viewed by shareholders on the website of the company (www.sasol.com) or a hard copy can be requested from the office of the Company Secretary at the registered office of the company at any time during business hours prior to the date of the annual general meeting.'

   Reason and effect of special resolution number 1
   The reason and effect of special resolution number 1 is to replace the Afrikaans version of the company's memorandum and articles of association with the English translation to allow the company to communicate more effectively with shareholders."

   *"**Special resolution number 2:** 'That the articles of association be and they are hereby amended by the insertion of a new article 143A:*

   143A Use of electronic media

   143A.1 Interpretation
   143A.1.1 This article 143A shall prevail notwithstanding any contrary provisions in the memorandum and articles, subject to the provisions of the Act and the Listing Requirements of the JSE Limited (hereinafter referred to as the "JSE").

   143A.1.2.1 In this article, the following terms shall have the following meanings:

   143A.1.2.1.1 "Electronic medium" means a method of electronic communication which includes, but is not limited to, facsimile, electronic data message (including but not limited to e-mail), bulletin board communications, internet websites, hypertext mark-up language (html) or similar text displayed via a web browser, electronic data interchange (EDI), CD ROM and computer network communications;

   143A.1.2.1.2 "Proxy system" means an electronic medium based system, approved by the board, providing for members to appoint a proxy and/or deliver the electronic proxy to the company via an electronic medium;

1. *In terms of articles 75(d) and 75(e) of the company's articles of association, at least one third of the directors will retire by rotation each year and are eligible for re-election. Brief biographies of the directors seeking re-election are enclosed.*
2. *In terms of article 75(h) of the company's articles of association, directors appointed to fill vacancies through the year will retire at the annual general meeting and are eligible for re-election. A brief biography of the director seeking re-election is enclosed.*

143A.1.2.3. "Shareholder information" includes, but is not limited to, notices (including but not limited to notices required in terms of the articles of association or the JSE Listings Requirements), forms of proxy, circulars required in terms of the JSE Listings Requirements, annual financial statements, group reports, annual reports and interim reports, and any other document which is determined by the board to be shareholder information.

143A.2 Electronic medium

143A.2.1 The company may send shareholder information by electronic medium. Whenever the memorandum and articles require notification by the company, it shall be sufficient for the company, subject to the provisions of article143A.2.2, to effect service by electronic medium without the need to effect service by any other means.

143A.2.2 The provisions of this article 143A.2 shall only apply to such members who have consented in writing to communication by electronic medium in such format as approved by the JSE. Notwithstanding the aforegoing, a member may, on notification to the company by registered mail:

143A.2.2.1 Withdraw its consent to electronic medium notification and require paper-based notification in accordance with the balance of the provisions of the memorandum and articles; or

143A.2.2.2 Request paper-based notification over and above electronic medium notification, provided that in such instance electronic medium notification shall nevertheless be deemed to be the only notification for purposes of compliance with the memorandum and articles.

143A.2.3 Unless clearly inconsistent with the provisions of this article 143A, reference elsewhere in the memorandum and articles to notification by "mail" or "post" or similar words shall; subject at all times to the provisions of article 143A, also include notification by way of electronic medium notification.

143A.2.4 Shareholder information sent by electronic medium shall be deemed to have been received by the member on the day of having been sent to the appropriate address provided by the member, as evidenced by the relevant message logs of the company or its agent.

143A.3 Electronic proxies

143A.3.1 Electronic proxies by members shall only be allowed if approved by the board on such terms and conditions and via a proxy system approved by the Board.

143A.3.2 A proxy issued or submitted via a proxy system shall for all intents and purposes be treated similar to a paper-based proxy issued or submitted otherwise than in electronic format.

143A.3.3 Insofar as the memorandum and articles or applicable laws require proxies to be signed, such requirement shall be met in all respects in accordance with the provisions of article 143A.4.

143A.3.4 Insofar as the memorandum and articles or applicable laws require proxies to be submitted to or otherwise filed with the company, such requirements shall be met if, in the sole opinion of the board, the proxy system is capable of satisfying the requirements of article 143A.7.

143A.4 Signature

Whenever the memorandum and articles, the JSE Listings Requirements or applicable law require a signature of a member or other person, that requirement shall be met if a method is used to identify that person and to indicate that person's approval of the information contained in the electronic communication.

143A.5 Writing

Whenever the memorandum and articles, the JSE Listings Requirements or applicable law require information to be in writing, that requirement shall be met if the information contained therein is accessible for future use.

143A.6 Original

143A.6.1 Whenever the memorandum and articles, the JSE Listings Requirements or applicable law require information to be presented or retained in its original format, that requirement shall be met by electronic communication if:

143A.6.1.1 There exists reasonable comfort as to the integrity of the information from the time when it was first generated in its final format, as an electronic communication or otherwise; and

143A.6.1.2 Where it is required that information be presented, that information is capable of being displayed to the person to whom it is to be presented.

143.7 Record retention

Whenever the memorandum and articles, the JSE Listings Requirements or applicable law require that certain documents, records or information be retained, that requirement shall be met by retaining the original electronic communication.

Reason and effect of special resolution number 2

The reason for and effect of special resolution number 2 is to amend the articles of association in order to enable the company to deliver notices and company communications to shareholders electronically, to allow for electronic proxies and to allow for retention of documents by way of electronic means."

"Special resolution number 3: *'That, in terms of the authority granted in article 36(a) of the articles of association of the company, the directors of the company be and are hereby authorised to approve the purchase by the company, or by any of its subsidiaries, of the company's shares, subject to the provisions of the Companies Act of 1973, as amended, and subject to the rules and requirements of the JSE Listings Requirements (Listings Requirements), as amended, provided that:*

a) the general authority granted to the directors shall be valid only until the company's next annual general meeting and shall not extend beyond 15 (fifteen) months from the date of this resolution;

b) any repurchases of shares in terms of this authority be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter-party, such repurchases being effected by only one appointed agent of the company at any point in time and may only be effected if after the repurchase the company still complies with the minimum spread requirements of the JSE;

c) the general authority shall be limited to a maximum of 10% of the company's issued share capital of the shares in the applicable class at the time that the authority is granted;

d) any acquisition must not be made at a price more than 10% above the weighted average of the market value of the share for the five business days immediately preceding the date of such acquisition;

e) the repurchase of shares may only be effected during a prohibited period, as defined in the Listings Requirements, if the JSE amends the Listings Requirements to allow repurchases of shares during a prohibited period, or if authorised to do so by the JSE;

f) such details as may be required in terms of the Listings Requirements of the JSE be announced when the company or its subsidiaries have cumulatively repurchased 3% of the shares in issue at the time the authority was given; and

g) the general authority may be varied or revoked, by special resolution, prior to the next annual general meeting of the company.'

Reason for and effect of the special resolution number 3:
The reason for the special resolution is to enable the directors of the company, up to and including the date of the next annual general meeting of the company, to approve the acquisition by the company, or by any of its subsidiaries of the company's shares.

The effect of the special resolution is that the directors of the company will be able to approve the purchase of up to a maximum of 10% of the company's issued ordinary shares on the open market in accordance with the Companies Act of 1973, as amended, and the Listings Requirements as and when they deem appropriate, until the next annual general meeting of the company, or until this authority is revoked by the shareholders. This general authority to acquire the company's shares replaces the lapsed authority to repurchase up to 10% of the company's shares granted at the annual general meeting held on 30 November 2006. Shares repurchased in terms of the authority granted at the annual general meeting held on 30 November 2006 will not be taken into account for purposes of calculating the 10% maximum of the new authority to repurchase the company's shares."

It is further recorded that the directors have resolved that no such repurchase in the period of this authority will be undertaken or implemented unless the following conditions have been met:

a) the company and the Sasol group will be able, in the ordinary course of business, to pay its debts;

b) the assets of the company and the Sasol group will exceed the liabilities of the company and the Sasol group, respectively, both assets being fairly valued in accordance with the accounting policies used in the latest annual financial statements and with International Financial Reporting Standards;

c) the company and the Sasol group will have adequate share capital and reserves;

d) the company and the Sasol group will have sufficient working capital for their requirements; and

e) the sponsor of the company provides a letter to the JSE on the adequacy of working capital in terms of section 2.12 of the Listings Requirements of the JSE.

For the purposes of considering special resolution number 3 and in compliance with 11.26 of the Listing Requirements, the information listed below is provided or has been included in the annual report in which this notice of annual general meeting is included, at the places indicated:

- Directors and management (pages 6 and 7 of the annual review);
- Major shareholders (pages 32 and 33 of the annual financial statements);
- There have been no material changes in the financial or trading position of the Sasol group since the results of the financial year ended 30 June 2007 were published;
- Directors' interests in securities (page 49 of the annual financial statements);
- Share capital of the company (page 149 (note 44) of the annual financial statements and pages 38 and 39 of the directors' report contained in the annual financial statements);
- The directors, whose names are set out on pages 6 and 7 of the annual review collectively and individually accept full responsibility for the accuracy of the information contained in this special resolution number 3 and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this special resolution contains all information required by law and the Listings Requirements;
- There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the company is aware – refer pages 163 to 165 of the annual financial statements) which may have or have had a determinable material effect on the Sasol group's financial position over the last 12 months.

6. to consider and, if approved, to pass with or without modification the following ordinary resolution, subject to approval of the JSE:

"**Ordinary resolution number 1:** 'To approve the revised annual emoluments payable by the company or subsidiaries of the company (as reflected in the right hand column below) to non-executive directors of the company with effect from 1 July 2007:

Emoluments payable for attendance of and memberships of board committees and directorships of the company and of subsidiary and divisional boards	2007 financial year	2008 financial year
Chairman of the board, inclusive of fees payable for attendance or membership of board committees and directorships of the company and of subsidiary and divisional boards	R3 658 351	R3 750 000
Non-executive directors	R260 000	R286 000
Non-executive directors (non-resident)	US$90 000	US$99 000
Chairman of the audit committee	R260 000	R286 000
Audit committee members	R130 000	R143 000
Chairmen of other committees of the board	R160 000	R176 000
Other board committee members	R80 000	R88 000
Non-employee chairmen of subsidiary and divisional boards	R260 000	R286 000
Non-employee directors of subsidiary and divisional boards	R130 000	R143 000
Fees payable to non-members of standing committees for attendance of board committee meetings at the request of the board or board committee		
● Audit committee	R130 000	R143 000
● Other standing committees	R80 000	R88 000
Share Incentive Scheme trustees	R52 000	R57 200
Members/attendance of ad hoc committees of the board	R11 000 (per meeting)	R12 100 (per meeting)"

Motivation for ordinary resolution number 1:

This ordinary resolution is required to obtain the approval of the company, in general meeting, of the revised fees payable to the non-executive directors of the company and any of its subsidiaries or divisions with effect from 1 July 2007.

This resolution is recommended by the board of Sasol Limited.

7. to transact such other business as may be transacted at an annual general meeting of members.

Members who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the meeting and may, in terms of section 189 of the Companies Act of 1973, as amended, appoint a proxy or proxies, to attend the meeting, speak, and on a poll, vote in their stead.

A proxy need not be a member of the company. A proxy form is enclosed, but is also obtainable from the company secretarial services department, Sasol Limited or Computershare Investor Services 2004 (Pty) Limited at the address set out on the following page.

Proxies must be received by Computershare Investor Services 2004 (Pty) Limited on or before 08:00, South African time, on Thursday, 29 November 2007.

Members who have dematerialised their shares, other than those members who have dematerialised their shares with "own name" registration, should contact their Central Securities Depositary Participants (CSDP) or broker in the manner and time stipulated in the relevant agreement:

- *to furnish them with voting instructions; and*
- *in the event that they wish to attend the meeting, to obtain the necessary authority to do so.*

In terms of the Listings Requirements, Sasol ordinary shares held by the Sasol Share Incentive Scheme and Sasol Share Savings Trust will not have their votes at the annual general meeting taken account of for purposes of approval of special resolutions.

The following inbound telephone help lines have been reserved to assist shareholders in obtaining information regarding the resolutions and to provide assistance in the completion of proxy forms:

- *0861 100 926 as the South African telephone number; and*
- *+27 (0) 11 373 0048 the shareholders calling from outside South Africa.*

Registered holders who hold their American Depositary Receipts in physical form will receive a proxy card and voting instructions from the Bank of New York. Beneficial holders who hold their American Depositary Receipts in book entry form will receive their proxy card and voting instructions from their broker.

By order of the board

NL Joubert
Company secretary

7 September 2007

Shareholder information helpline

We have reserved 0861 100 926 as the South African number and +27 (0) 11 373-0048 for shareholders calling from outside South Africa.

The inbound telephone helpline will enable shareholders to obtain information regarding the resolutions and to provide assistance for completing proxy forms.

E-mail: solutions@computershare.co.za

Depositary Bank

The Bank of New York
Depository Receipts Division
101 Barclay Street
New York 10286, New York

The Bank of New York maintains a Global BuyDIRECT[SM] plan for Sasol. For additional information, please visit The Bank of New York's website at: www.globalbuydirect.com.

or call Shareholder Relations at
1-888-BNY-ADRS (for calls from within the USA)
or (212) 815-3700 (for calls from outside the USA)

or write to:
The Bank of New York
Shareholder Relations Department
Global BuyDIRECT[SM]
Church Street Station
PO Box 11258
New York, NY 10286-1258
USA

E-mail: shareowners@bankofny.com

Company registration number

1979/003231/06

Addresses

Business address and registered office

1 Sturdee Avenue, Rosebank, 2196
Republic of South Africa

Postal and electronic addresses and telecommunication numbers

PO Box 5486, Johannesburg, 2000
Republic of South Africa
Telephone +27 (0) 11 441-3111
Telefax +27 (0) 11 788-5092

Website: http://www.sasol.com

Share Registrars

Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street, Johannesburg, 2001
Republic of South Africa
PO Box 61051, Marshalltown, 2107
Republic of South Africa
Telephone +27 (0) 11 370-5000

directors recommended for re-election

1 E le R Bradley (68) BSc, MSc
Independent non-executive director

Member of the audit committee, nomination and governance committee and the compensation committee.

Chairman of Toyota SA (Pty) Limited and Wesco Investments Limited. She is also a director of several other companies, including Standard Bank Group Limited, the Tongaat-Hulett Group Limited and Anglogold Ashanti Limited. She is deputy chairman of the South African Institute of International Affairs and chairman of the Centre for Development and Enterprise.

Appointed to the Sasol board in 1998.

2 VN Fakude (42) BA (Hons)
Executive director

Member of the risk and safety, health and environment committee.

Responsible for world-wide group human resources, corporate affairs, stakeholder relations and transformation. Before joining Sasol she was a member of the group executive committee at Nedbank Group Limited. She is a director of several other companies in the Sasol group.

Appointed to the Sasol board in 2005.

3 A Jain (44) BA (Hons), MBA
Non-executive director

A managing director and head of global markets of Deutsche Bank AG and member of the group executive committee. Previously a managing director of Merrill Lynch in New York.

Appointed to the Sasol board in 2003.

4 IN Mkhize (44) BSc, MBA
Independent non-executive director

Member of the risk and safety, health and environment committee.

Director of Murray and Roberts Holdings Limited, Illovo Sugar Limited, Mondi Limited, Datacentrix Holdings Limited, Allan Gray Limited and Mobile Telephone Networks (Pty) Limited. She is a member of the Financial Markets Advisory Board and the Harvard Business School Alumni Board.

Appointed to the Sasol board in 2005.

5 S Montsi (62) BA Econ, MA Dev Econ
Independent non-executive director

Chairman of the risk and safety, health and environment committee and member of the nomination and governance committee and compensation committee.

Chairman of Montsi Investments (Pty) Limited. He is a director of Independent News and Media (SA) (Pty) Limited, Business Arts South Africa and companies in which Montsi Investments has invested.

Appointed to the Sasol board in 1997.

6 TA Wixley (67) CA(SA)
Independent non-executive director

Member of the audit committee.

Former chairman of Ernst & Young (South Africa) where he was a partner for 31 years. Deputy chairman of Anglo Platinum Limited, chairman of New Corpcapital Limited and a director of African Life Assurance Company Limited, Clover Industries Limited and Johnnic Communications Limited. Member of the Actuarial Governance Board of the Actuarial Society of SA and chairman of the ad hoc committee on corporate law reform of the South African Institute of Chartered Accountants.

Appointed to the Sasol board on 8 March 2007.

sasol limited group

form of proxy for annual general meeting

Sasol Limited
(Company registration number 1979/003231/06)
('the company')

I/We

(Please print)

of

appoint (see note 1)

1. or failing him/her

2. or failing him/her

3. the chairman of the meeting as my/our proxy to attend and speak and, on a poll, to vote for me/us and on my/our behalf at the annual general meeting of the company which will be held on Friday, 30 November at 09:00, South African time (see note 2).

	Number of votes (insert):		
	For	Against	Abstain
1. to receive and consider the annual financial statements of the company and of the group for the year ended 30 June 2007, together with the reports of the directors and auditors			
2. to elect directors, retiring, in terms of article 75(d) and 75(e) of the company's articles of association, and who are eligible and offer themselves for re-election:			
2.1. E le R Bradley			
2.2. VN Fakude			
2.3. A Jain			
2.4. IN Mkhize			
2.5. S Montsi			
3. to elect a director, retiring in terms of article 75(h) of the company's articles of association, who is eligible and offers himself for re-election:			
3.1. TA Wixley			
4. to re-appoint the auditors, KPMG Inc.			
5. Special resolution number 1 – to replace the memorandum and articles of association of the company with the English language translation thereof in order to enable the company to communicate more effectively with shareholders			
6. Special resolution number 2 – to insert a new article to allow the company to communicate with shareholders by way of electronic media, to allow electronic proxies and to retain documents by way of electronic means			
7. Special resolution number 3 – to authorise the directors to approve the purchase by the company, or by any of its subsidiaries, of up to 10% of the company's shares, subject to the provisions of the Companies Act and the rules and requirements of the JSE Limited			
8. Ordinary resolution number 1 – to approve the revised annual emoluments payable by the company to non-executive directors of the company and any of its subsidiaries with effect from 1 July 2007			

Signed at on 2007

Signature

Assisted by me (where applicable)

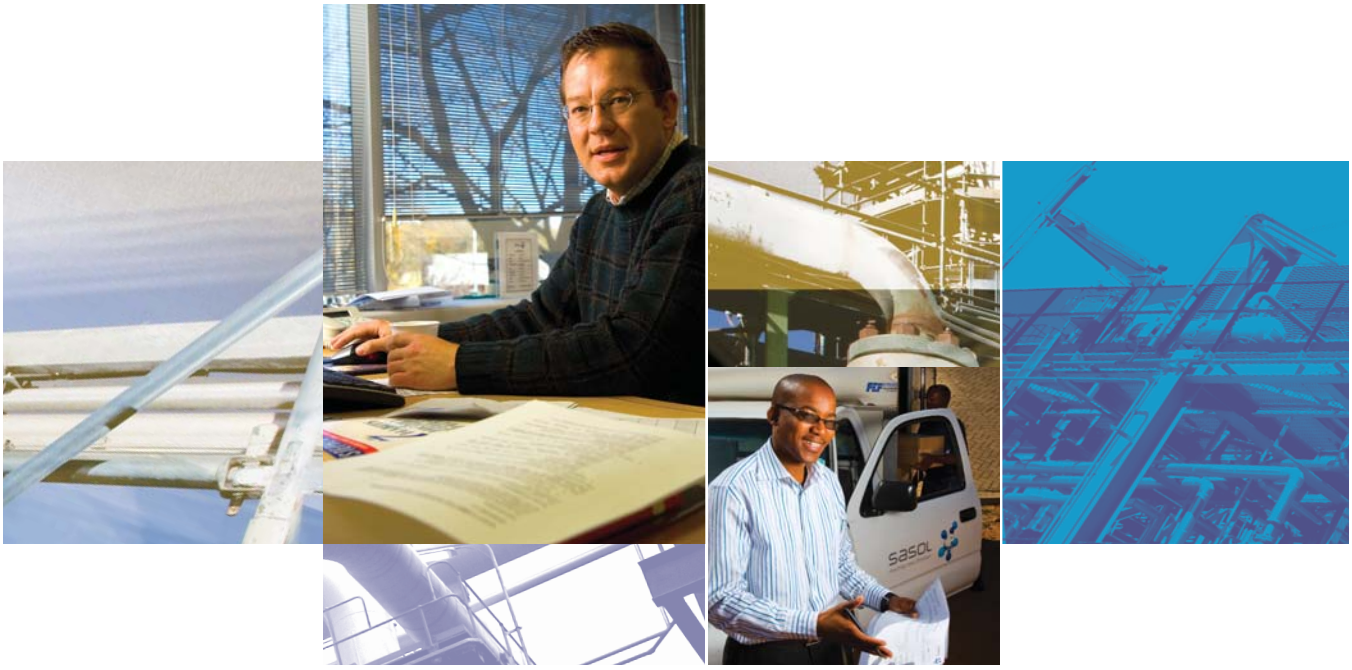
Each member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in his stead. A proxy need not be a member of the company.

Produced by Sasol group corporate affairs and financial reporting departments
1 Sturdee Avenue, Rosebank 2196, Johannesburg
Telephone: +27 (0) 11 441-3249
Telefax: +27 (0) 11 441-3236
www.sasol.com

Please note: *A billion is defined as one thousand million.*

STUDIO 5

sasol
reaching new frontiers



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