



SASOL LIMITED
Additional information for Analysts

31 December 2019

Contents

1

Financial overview

| | |
|---|----|
| Salient features | 3 |
| Financial results, ratios and statistics | 4 |
| Key sensitivities | 6 |
| Latest hedging overview | 7 |
| Income statement overview | 8 |
| Mining – earnings performance | 11 |
| Exploration and Production International – earnings performance | 12 |
| Performance Chemicals – earnings performance | 13 |
| Base Chemicals – earnings performance | 14 |
| Energy – earnings performance | 15 |
| Financial position overview – assets | 16 |
| Key projects approved (FID) | 18 |
| Financial position overview – equity and liabilities | 20 |
| Abbreviated cash flow overview | 22 |

2

Segment information

| | |
|--------------------|----|
| Segmental analysis | 23 |
|--------------------|----|

3

Reviewed interim financial results

| | |
|-----------------------------------|----|
| Income statement | 26 |
| Statement of comprehensive income | 27 |
| Statement of financial position | 28 |
| Statement of changes in equity | 29 |
| Statement of cash flows | 30 |

4

Other disclosures

| | |
|--|----|
| Employee-related expenditure | 31 |
| Translation (gains)/losses | 31 |
| Equity accounted investments | 32 |
| Interest in joint operations | 34 |
| Long-term provisions | 35 |
| Financial instruments – Summary of derivatives | 35 |
| Group key volume balance summary | 36 |
| Lake Charles Chemicals Project (LCCP) | 38 |
| Sustainability | 40 |
| Sasol South Africa | 40 |
| Income statement | 41 |
| Statement of financial position | 42 |
| Statement of cash flows | 43 |

5

Business performance metrics

| | |
|--|----|
| Sasol Group | 44 |
| Mining | 45 |
| Exploration and Production International | 46 |
| Performance Chemicals | 47 |
| Base Chemicals | 48 |
| Energy | 49 |

6

Additional information

| | |
|---------------------------------|----|
| Financial ratios – calculations | 50 |
|---------------------------------|----|

SALIENT FEATURES

for the six months ended 31 December 2019



Operational Performance

Production

- Synfuels production volumes **4%** up; full year production guidance 7,7mt to 7,8mt
- Eurasian based assets production volumes up **2%**
- ORYX GTL utilisation of **98%**; extended planned shutdown will impact full year
- Natref production volumes **8%** down due to planned shutdown
- HDPE continues to produce **above** expectation

Sales

- Base Chemicals sales volumes up **21%**
- Performance Chemicals sales volumes up **6%**
- Liquid fuels sales volumes up marginally



LCCP update

- **99%** overall project completion
- Project safety recordable case rate (RCR) of **0,10**
- Cost tracking **US\$12,8 billion**; ~80% production capacity in use
- US ethane cracker **producing to plan** within pipeline specifications
- ETO unit **achieved beneficial operation** on 30 January 2020
- LLDPE and EO/EG units **producing** at targeted levels
- LDPE unit beneficial operation expected in second half of calendar year 2020



Financial Performance and Position

- Working capital ratio of **15%**; through focused management actions
- Normalised cash fixed cost increased by **5,4%** within inflation guidance
- Net debt: EBITDA* of **2,9** times; below updated bank covenant of **3,5** times
- Gearing of **64,5%** at upper end of guidance
- EPS down **73%** to R6,56 and HEPS down **74%** to R5,94
- Cash generated by operating activities down **21%** to R19,6 billion
- FY20 interim dividend passed to protect and strengthen balance sheet

*Per the Revolving Credit facility and US dollar Term Loan covenant definition.



Positioning for a sustainable future

- Safety RCR of **0,27**, excluding illnesses; regrettably two fatalities
- Achieved **Level 3** B-BBEE** status
- **R784 million** invested globally in skills and socioeconomic development
- **R14,4 billion** in procurement spend with SA black-owned businesses
- GHG emission reduction road map on track for sharing at **2020 Capital Markets Day**

** Broad-based Black Economic Empowerment.

Financial results, ratios and statistics for the period ended

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|--|-------|--------------------------|-------------------|-------------------|-------------------|
| Sasol Group | | | | | |
| Financial results | | | | | |
| Turnover | Rm | (4) | 99 170 | 102 944 | 203 576 |
| Adjusted EBITDA (refer to analysis on page 8) | Rm | (27) | 19 595 | 26 791 | 47 051 |
| Earnings before interest and tax (EBIT) | Rm | (53) | 9 853 | 20 791 | 9 697 |
| Attributable earnings | Rm | (73) | 4 053 | 14 740 | 4 298 |
| Enterprise value (refer to calculation on page 50) | Rm | (12) | 342 803 | 388 462 | 351 074 |
| Total assets | Rm | 3 | 486 345 | 472 461 | 469 968 |
| Net debt ¹ | Rm | (24) | 143 542 | 115 472 | 123 812 |
| Cash generated by operating activities | Rm | (21) | 19 633 | 24 768 | 51 398 |
| Free cash flow before growth capital (refer to calculation on page 51) | Rm | (73) | 2 612 | 9 605 | 20 347 |
| Free cash flow inflection point (refer to calculation on page 51) | Rm | 25 | (11 929) | (15 861) | (24 791) |
| Capital expenditure (cash flow) | Rm | 30 | 21 442 | 30 433 | 55 800 |
| Profitability | | | | | |
| Gross profit margin ² | % | (2) | 50,8 | 52,6 | 52,7 |
| EBIT margin | % | (10) | 9,9 | 20,2 | 4,8 |
| EBIT margin before remeasurements | % | (10) | 9,8 | 19,6 | 13,9 |
| Effective tax rate ³ (Refer to analysis on page 10) | % | (17) | 40,7 | 24,1 | 34,2 |
| Adjusted effective tax rate ⁴ | % | (18) | 46,7 | 29,0 | 29,6 |
| Shareholders' returns | | | | | |
| Core headline earnings per share ⁵ | Rand | (57) | 9,20 | 21,45 | 38,13 |
| Headline earnings per share | Rand | (74) | 5,94 | 23,25 | 30,72 |
| Attributable earnings per share | Rand | (73) | 6,56 | 23,92 | 6,97 |
| Dividend per share ⁶ | Rand | (100) | – | 5,90 | 5,90 |
| Dividend cover ⁶ | times | | – | 3,6 | 6,5 |
| Dividend pay out ratio | % | (28) | – | 27,5 | 15,5 |
| Net asset value per share | Rand | (6) | 357,47 | 379,70 | 353,80 |
| Debt leverage | | | | | |
| Net debt to shareholders' equity (gearing) | % | (16) | 64,5 | 48,9 | 56,3 |
| Net debt to EBITDA ⁷ | times | | 2,9 | 2,2 | 2,3 |
| Total borrowings to shareholders' equity | % | (14) | 69,9 | 55,8 | 63,0 |
| Total liabilities to shareholders' equity | % | (18) | 115,7 | 97,6 | 111,0 |
| Finance costs cover | times | | 3,4 | 8,5 | 1,7 |
| Liquidity | | | | | |
| Current ratio | :1 | | 1,2 | 1,6 | 1,6 |
| Quick ratio | :1 | | 0,7 | 1,0 | 1,0 |
| Cash ratio | :1 | | 0,2 | 0,3 | 0,3 |
| Net trading working capital to turnover | % | | 14,6 | 17,7 | 14,8 |

1 Included in net debt is US dollar denominated amounts of US\$9,3 billion.

2 Gross margin percentage lower due to softer chemical prices, lower refining margin and higher cost of producing coal feedstock.

3 The increase in the effective tax rate results mainly from North American Operations losses and non-deductible expenses incurred not deemed to be in the production of taxable income mainly relating to exploration activities and non-productive interest in our treasury function.

4 Effective tax rate adjusted for equity accounted earnings, remeasurement and once-off items.

5 Core headline earnings are calculated by adjusting headline earnings with once-off items, period close adjustments, depreciation and amortisation of significant capital projects (exceeding R4 billion) which have reached beneficial operation and are still ramping up, and share-based payments on implementation of B-BBEE transactions. The first half of 2020 includes –R2,8 billion (2019 – –R3,8 billion) operating losses from the ramp up of LCCP post beneficial operation. The operating losses from LCCP amounts to R3,55 per share (2019 – R4,73 per share).

6 Dividends comprise the interim and final dividends paid in that calendar year.

7 Per the Revolving Credit and US dollar Term Loan facility covenant definition.

| Sasol Group | | Half year 2020 | Half year 2019 | Full year 2019 |
|---|---------------------|-------------------|-------------------|-------------------|
| Stock exchange performance | | | | |
| Market capitalisation | | | | |
| Sasol ordinary shares | Rm | 189 978 | 265 455 | 218 776 |
| Sasol BEE ordinary shares ¹ | Rm | 1 575 | 1 294 | 1 758 |
| (Discount to)/premium over shareholders' funds | Rm | (31 092) | 30 752 | 624 |
| Price to book | :1 | 0,86 | 1,13 | 1,00 |
| Share performance | | | | |
| Total shares in issue | million | 632,3 | 630,9 | 631,0 |
| Sasol ordinary shares in issue | million | 626,0 | 624,6 | 624,7 |
| Sasol BEE ordinary shares in issue ¹ | million | 6,3 | 6,3 | 6,3 |
| Sasol Foundation | million | 9,5 | 9,5 | 9,5 |
| Weighted average shares in issue | million | 617,4 | 616,2 | 616,6 |
| Total shares in issue | million | 632,3 | 630,9 | 631,0 |
| Sasol Foundation | million | (9,5) | (9,5) | (9,5) |
| Weighting of shares issued with Sasol Khanyisa transaction | million | (4,5) | (4,5) | (4,5) |
| Weighting of long-term incentive scheme shares vested during the year | million | (0,9) | (0,7) | (0,4) |
| Weighted average number of shares for DEPS | million | 621,0 | 620,5 | 620,3 |
| Weighted average shares in issue | million | 617,4 | 616,2 | 616,6 |
| Potential dilutive effect of long-term incentive scheme | million | 2,4 | 4,3 | 2,9 |
| Potential dilutive effect of Sasol Khanyisa Tier 1 | million | 1,2 | - | 0,8 |
| Economic indicators² | | | | |
| Average crude oil price (Brent) | US\$/bbl | 62,62 | 71,33 | 68,63 |
| Average Rand per barrel | R/bbl | 920,51 | 1 012,89 | 974,55 |
| Average ethane price (US - Mont Belvieu) | US\$/gal | 17,96 | 38,56 | 31,92 |
| Rand/US dollar exchange rate | - closing US\$1 = R | 14,00 | 14,36 | 14,08 |
| Rand/US dollar exchange rate | - average US\$1 = R | 14,70 | 14,20 | 14,20 |
| Rand/Euro exchange rate | - closing €1 = R | 15,70 | 16,47 | 16,01 |
| Rand/Euro exchange rate | - average €1 = R | 16,31 | 16,35 | 16,19 |

¹ Sasol BEE ordinary shares have been listed on the JSE Limited's BEE segment of the main board since 7 February 2011.

² Exchange rates are determined as the mid-closing interbank rate of South African banks daily as published by Thomson Reuters. The average rate for the period is determined as an arithmetic average of the mid-closing interbank rates for each of the South African business days for the financial period under review. Brent crude oil prices are determined from the quoted market prices of Brent North Sea crude oil as published by Platts-Global Alert. The average price is calculated as an arithmetic average of the daily published prices.

Key sensitivities

Exchange rates

- The majority of our turnover is denominated in US dollars or significantly influenced by the rand/US dollar exchange rate. This turnover is derived either from exports from South Africa, businesses outside of South Africa or South African sales, which comprise mainly petroleum and chemical products that are based on global commodity and benchmark prices quoted in US dollars. Therefore, the average exchange rate for the year has a significant impact on our turnover and earnings before interest and tax (EBIT).
- For forecasting purposes, we estimate that a 10c change in the annual average rand/US dollar exchange rate will impact EBIT by approximately R870 million (US\$59 million) in 2020. This excludes the effect of our hedging programme and is based on an average Brent crude oil price assumption of US\$62/barrel.
- For the current financial year, we expect the average rand/US dollar exchange rate to range between R 13,80 and R 15,50. However, uncertainties and risks related to the coronavirus, global trade developments, geo-political tensions, interest rate uncertainties, potential sovereign credit rating downgrade and domestic policy uncertainty are expected to see ongoing currency and financial market volatility.
- Sasol has entered into hedges against the rand strengthening against major currencies to increase the stability and predictability of our cash flows. In respect of 2020, we have hedged ~55%, as at 31 December 2019, of our net US dollar exposure which equates to ~US\$4,7 billion. We are currently executing on our hedging programme for 2021 with US\$2 billion of our exposure hedged as at 31 December 2019. We are targeting to increase our hedge cover ratio to 70% in 2021.

Crude oil and fuel product prices

- Market prices for Brent crude oil fluctuate because they are subject to international supply, demand and political factors. Our exposure to the crude oil price relates mainly to crude oil related raw materials used in our Natref refinery and certain of our offshore operations, as well as on the selling price of fuel marketed by our Energy Business which is governed by the Basic Fuel Price (BFP) formula.
- For forecasting purposes, a US\$1/barrel change in the average annual crude oil price will impact EBIT by approximately R840 million (US\$57 million) in 2020. This is based on an average rand/US dollar exchange rate assumption of R14,65.
- We have no open positions on crude oil hedges but will continue to assess potential hedging instruments going forward.
- For the current financial year, we expect the average Brent crude oil price to range between US\$50/bbl and US\$70/bbl. Crude oil price volatility is expected to continue as market attention shifts between weak global GDP growth in calendar year 2019 and a tepid upturn in 2020, increased geo-political supply risks in the Middle East, Non-OPEC oil supply growth and the Vienna Alliance supply management as well as concerns and sentiment shifts around the impact of the coronavirus.

Fuel margins

- Key factors in the BFP are the Mediterranean and Singapore or Mediterranean and Arab Gulf product prices for petrol and diesel (fuel price differentials), respectively.
- For forecasting purposes, a US\$1/barrel change in the average annual fuel price differential of the Sasol group will impact EBIT by approximately R611 million (US\$42 million) in 2020. This is based on an average rand/US dollar exchange rate assumption of R14,65.
- The new International Maritime Organisation bunker fuel specification (IMO 2020) is in force now and there have not been any major incidents or non-compliance reported. Very low sulphur fuel oil (VLSFO) crack spreads have come down since the start of the year with a steady stream of newly confirmed sources of supply and a gradual easing of logistical challenges at major ports. Although refineries have responded to the challenge with speed and flexibility, IMO is still impacting product prices. Diesel cracks are currently underperforming due to weaker demand onshore and slower uptake of marine gasoil (MGO) for shipping.
- For 2020 we expect refined product crack spreads to be volatile as refiners adjust to supplying new IMO low sulphur bunker fuels and deal with lower Asian demand due to the coronavirus. Crack spreads are expected to fluctuate within the following ranges:
 Petrol: \$5/bbl to \$10/bbl
 Diesel: \$10/bbl to \$20/bbl
 Fuel Oil: (\$10/bbl) to (\$30/bbl)

Ethane gas

- US Ethane gas prices are impacted by supply and demand. Delays in cracker demand, as well as an oversupply of ethane and other natural gas liquids (NGL) such as propane and butane due to export facility constraints, has led to additional ethane feedstock substitution. This has resulted in downward pressure on US ethane prices.
- For forecasting purposes, it is estimated that a 5c/gal change in the ethane price will have an impact of approximately US\$75 million on the LCCP EBITDA at steady state, and US\$25 million on the existing cracker.
- Sasol has entered into hedging transactions related to the ethane price, of which between 50% and 55% of our ethane exposure for 2020 is hedged. We are currently executing the hedging programme for 2021 with 14 million barrels of our exposure hedged as at 31 December 2019. We are aiming for a 65% hedge cover ratio in 2021.
- For the financial year, we expect the average ethane gas prices to range between US\$15c/gal and US\$25c/gal.

Chemical price outlook

- Commodity chemical price volatility is expected to continue, linked to movements in the cost petrochemical feedstocks (crude oil/Naphtha, natural gas and natural gas liquids) and the ongoing US-China trade dispute. The chemicals industry is in a down cycle due to two main structural shifts in the chemicals industry. Firstly, increased supply of commodity chemicals due to the startup of new Chinese chemical complexes. This is expected to last for at least eighteen to twenty four months. Secondly, reduced demand for commodity chemicals due to the ongoing US-China trade dispute. Negotiations between the US and China have commenced but the trade dispute is still impacting demand for commodity chemicals. Although Sasol is not a price-setter for most of its chemicals product portfolio, our continued focus to ensure sustainable placement of product in the most favourable global markets will ensure a robust response to the current changes in the market. A quick resolution of the trade dispute will assist to support demand. In times of low margins and over supply we are of the view that our assets, being at the lower end of the cost curve, does position us well to weather the storm and generate healthy cash flows.

The sensitivity calculations are done at a point in time and are based on a 12-month average exchange rates/prices. It may be used as a general rule but the sensitivity is not linear over large absolute changes in the exchange rate and hence applying it to these scenarios may lead to an incorrect reflection of the change in earnings before interest and tax.

Latest hedging overview

as at 20 February 2020

| | | Half year 2019 | Open Positions | | | | | |
|--|--------|-------------------|---|------------|------------|------------|------------|------------|
| | | | Half year 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 |
| | | | Rand/US dollar currency - Zero-cost collar instruments¹ | | | | | |
| US\$ exposure | US\$bn | 4,6 | 6,7 | 1,1 | 1,5 | 1,5 | 1,4 | 1,0 |
| Open positions ² | US\$bn | 2,6 | 4,6 | 1,1 | 1,5 | 1,5 | 1,4 | 1,0 |
| Settled | US\$bn | 2,0 | 2,1 | - | - | - | - | - |
| Annual average floor (open positions) | R/US\$ | 13,26 | 14,28 | 13,71 | 14,26 | 14,51 | 14,62 | 14,53 |
| Annual average cap (open positions) | R/US\$ | 15,46 | 17,16 | 16,52 | 17,12 | 17,42 | 17,56 | 17,46 |
| Realised (losses) recognised in the income statement | Rm | (273) | - | | | | | |
| Unrealised (losses)/gains recognised in the income statement | Rm | (326) | 1 486 | | | | | |
| Amount included in the statement of financial position | Rm | (684) | 1 990 | | | | | |

Ethane - Swap options¹

| | | | | | | | | |
|--|------------|-----|--------------|-----|-----|-----|-----|-----|
| Number of barrels | mm bbl | 8,2 | 31,4 | 5,4 | 7,0 | 7,0 | 7,0 | 5,0 |
| Open positions ² | mm bbl | 7,5 | 26,4 | 5,4 | 7,0 | 7,0 | 7,0 | 5,0 |
| Settled | mm bbl | 0,7 | 5,0 | - | - | - | - | - |
| Average ethane swap price (open positions) | US\$ c/gal | 30 | 23 | 27 | 24 | 23 | 19 | 18 |
| Realised gains/(losses) recognised in the income statement | Rm | 59 | (434) | | | | | |
| Unrealised (losses) recognised in the income statement | Rm | (9) | (436) | | | | | |
| Amount included in the statement of financial position | Rm | 25 | (866) | | | | | |

Brent crude oil - Put options

| | | | | | | | | |
|--|----------|-------|---|---|---|---|---|---|
| Premium paid | US\$m | 131 | - | - | - | - | - | - |
| Number of barrels | mm bbl | 48 | - | - | - | - | - | - |
| Open positions | mm bbl | 24 | - | - | - | - | - | - |
| Settled | mm bbl | 24 | - | - | - | - | - | - |
| Average Brent crude oil price floor, net of costs | US\$/bbl | 55,20 | - | - | - | - | - | - |
| Realised (losses) recognised in the income statement | Rm | (890) | - | | | | | |
| Unrealised gains recognised in the income statement | Rm | 2 415 | - | | | | | |
| Amount included in the statement of financial position | Rm | 2 048 | - | | | | | |

Export coal - Swap options

| | | | | | | | | |
|--|----------|-------|---|---|---|---|---|---|
| Number of tons | mm tons | 1,4 | - | - | - | - | - | - |
| Open positions | mm tons | - | - | - | - | - | - | - |
| Settled | mm tons | 1,4 | - | - | - | - | - | - |
| Average coal swap price | US\$/ton | - | - | - | - | - | - | - |
| Realised (losses) recognised in the income statement | Rm | (337) | - | | | | | |
| Unrealised gains recognised in the income statement ¹ | Rm | 428 | - | | | | | |
| Amount included in the statement of financial position | Rm | - | - | | | | | |

¹ We target a hedge cover ratio of 50 - 70% for 2020 and 2021.

² The open positions for Half year 2020 reflects the trades executed as at 31 December 2019. Additional trades have been executed subsequent to 31 December 2019.

Income statement overview

for the period ended

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|---|------|--------------------------|-------------------|-------------------|-------------------|
| Gross profit | Rm | (7) | 50 423 | 54 166 | 107 233 |
| Gross profit margin (refer to analysis on page 9) | % | (2) | 50,8 | 52,6 | 52,7 |
| Cash fixed costs ¹ (refer to analysis on page 9) | Rm | (10) | 30 475 | 27 629 | 57 678 |
| Adjusted EBITDA² | Rm | (27) | 19 595 | 26 791 | 47 051 |
| Non cash costs (including depreciation and amortisation) ³ | Rm | (33) | 11 733 | 8 801 | 21 387 |
| Remeasurement items | Rm | (72) | (169) | (599) | 18 645 |
| Earnings before interest and tax (EBIT) | Rm | (53) | 9 853 | 20 791 | 9 697 |
| EBIT margin | % | (10) | 9,9 | 20,2 | 4,8 |
| Effective tax rate (refer to analysis on page 10) | % | (17) | 40,7 | 24,1 | 34,2 |
| Adjusted effective tax rate | % | (18) | 46,7 | 29,0 | 29,6 |
| Earnings per share | Rand | (73) | 6,56 | 23,92 | 6,97 |
| Headline earnings per share | Rand | (74) | 5,94 | 23,25 | 30,72 |
| Core HEPS | Rand | (57) | 9,20 | 21,45 | 38,13 |

¹ Normalised cash fixed cost increased by 5,4%. Refer to analysis contained in the group business performance metrics page (page 44).

² Adjusted EBITDA is calculated by adjusting operating profit for depreciation, amortisation, share-based payments, remeasurement items, change in discount rates of our rehabilitation provisions, unrealised translation gains and losses, and unrealised gains and losses on our hedging activities.

³ Non cash costs includes an increase in depreciation from the capitalisation of LCCP units reaching beneficial operation (R1,7 billion) and from the adoption of IFRS 16 (R0,7 billion).

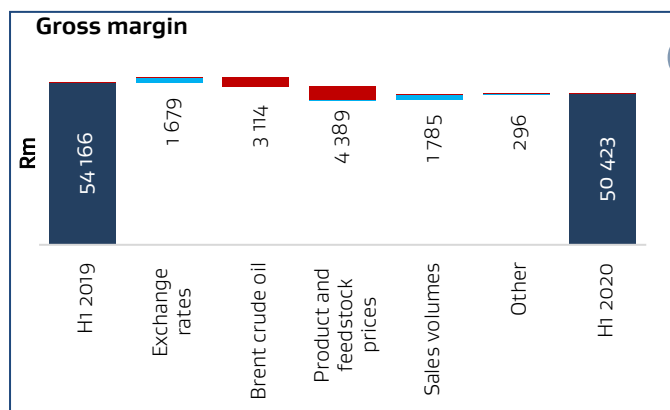
Adjusted EBITDA reconciliation

| | Rm | % |
|---|----------------|---------------|
| Half year 2019 adjusted EBITDA | 26 791 | |
| Impact of lower rand-oil | (2 433) | (9,1) |
| Weaker exchange rates | 681 | 2,5 |
| Lower Brent crude oil prices | (3 114) | (11,6) |
| Other product and feedstock prices | (3 391) | (12,7) |
| Weaker exchange rates | 998 | 3,7 |
| Lower product and higher feedstock prices | (4 389) | (16,4) |
| Sales volumes | 1 785 | 6,7 |
| Lower realised group hedging losses | 1 006 | 3,8 |
| Growth in cash fixed costs | (2 846) | (10,6) |
| Impact of inflation, exchange rates and other | (1 720) | (6,4) |
| US growth costs | (1 126) | (4,2) |
| Translation losses and other net costs | (1 317) | (5,0) |
| Half year 2020 adjusted EBITDA | 19 595 | (26,9) |

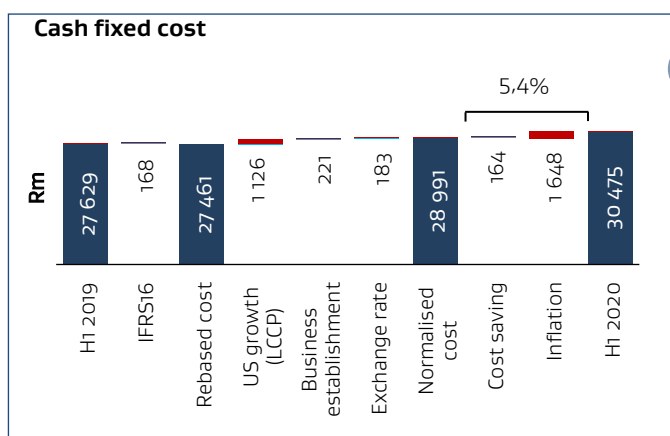
| | Half year 2020 Rand per share | Half year 2019 Rand per share | Full year 2019 Rand per share |
|--|--|--|--|
| Earnings per share | 6,56 | 23,92 | 6,97 |
| Net remeasurement items | (0,62) | (0,67) | 23,75 |
| Headline earnings per share | 5,94 | 23,25 | 30,72 |
| Translation impact of closing exchange rate | 0,21 | (0,52) | (0,69) |
| Realised and unrealised (gains)/losses on Group hedging activities | (1,15) | (0,48) | 3,44 |
| Implementation of Khanyisa B-BBEE transaction | 0,65 | 0,63 | 1,26 |
| LCCP operating losses during ramp-up* | 3,55 | 0,17 | 4,73 |
| Provision for tax litigation matters | – | (1,60) | (1,33) |
| Core headline earnings per share | 9,20 | 21,45 | 38,13 |

* Includes gross margin contribution, offset by cash fixed cost and depreciation.

Analysis of key income statement metrics



- Gross margin decreased by 7% due to a softer macroeconomic environment negatively impacting supply-demand dynamics especially in our Base chemicals businesses.
- Brent crude oil price impacted by weaker demand coupled with supply growth from non-OPEC producers.
- In our Performance Chemicals business our Organics portfolio sales price was negatively impacted by the higher share of Mono-ethylene glycol (MEG) and lower oleochemicals pricing. Sales volumes increased 6% as the LCCP EO/EG plant continues to produce as planned.
- Base Chemicals reported a 21% increase in sales volumes due to the contributions from HDPE and LLDPE in the US.
- Liquid fuels sales volumes increased marginally from higher volumes placed in wholesale channels driven by increased demand.

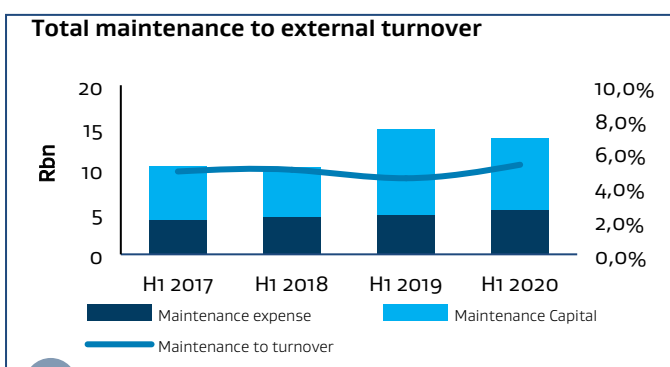


- Cash fixed cost increased by 10% from the prior year, mainly as a result of growth costs associated with the LCCP (R1,1 billion) and inflation (R1,6 billion).
- Growth costs relate to plants in the US that have reached beneficial operation during the year and are ramping up production.
- Business establishment mostly includes once-off costs of R141 million for the Board initiated review of LCCP.
- Cash fixed cost also impacted by the weaker Rand/US dollar exchange rate which benefitted gross margin as described above.
- Normalising for the above effects, cash fixed cost increased by 5.4%, which is in line with Sasol's global cost inflation target of 6%.

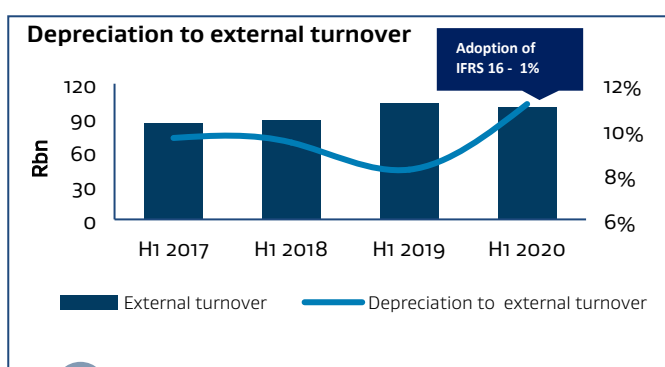
Headcount analysis

| | December 2020 Number | June 2019 Number |
|--|----------------------|------------------|
| Employees opening balance | 31 429 | 31 270 |
| Vacancies not filled | (228) | (119) |
| Business growth | 89 | 328 |
| Group Technology repositioning | (101) | (226) |
| Insourcing and hired labour conversion | 174 | 176 |
| Employees closing balance | 31 363 | 31 429 |
| Turnover per person | Rm 6,37 | 6,48 |
| Labour cost to turnover ratio | % 16,6 | 14,7 |

- Business growth relates mostly to staffing of the LCCP and related global marketing footprint, and expansion in our Eurasian business.
- Insourcing and hired labour conversion relates mainly to Mining, where long term hired labour, as per labour law, is being converted to permanent positions, with minimal impact on overall labour cost.



- The decrease in maintenance capital in H1 2020 is mainly due to a phase shutdown in H1 2020 (R4 billion) versus a total West factory shutdown at SSO in H1 2019 (R5 billion)
- The H1 2020 ratio will be higher as most shutdown activities occur during the first half of any particular financial year.



- The increase in turnover in H1 2019 compared to H1 2018 is mainly due to higher rand oil prices and higher sales volumes.
- The decrease in turnover in H1 2020 is as a result of a softer macroeconomic environment offset by an increase in contribution from the LCCP units starting up.
- The increase in depreciation in H1 2020 is mainly due to the capitalisation of LCCP units reaching beneficial operation.
- This ratio will significantly improve once full sales volumes for the LCCP are reflected in turnover. This is expected during 2021.

Income statement overview (continued)

| | Half year 2020 Rm | Half year 2019 Rm | Full year 2020 outlook Rm |
|--|-------------------------|-------------------------|------------------------------------|
| Finance cost reconciliation | | | |
| Total finance cost | 4 610 | 3 693 | 8 996 |
| Amounts capitalised to AUC | (1 974) | (3 441) | (2 345) |
| Per income statement | 2 636 | 252 | 6 651 |
| Total finance cost | 4 610 | 3 693 | 8 996 |
| Amortisation of loan cost | (67) | (190) | (121) |
| Notional interest | (469) | (435) | (906) |
| Interest accrued on long-term debt | (1 075) | (1 105) | (1 128) |
| Interest reversed on tax payable | - | 531 | - |
| Per the statement of cash flows | 2 999 | 2 494 | 6 841 |

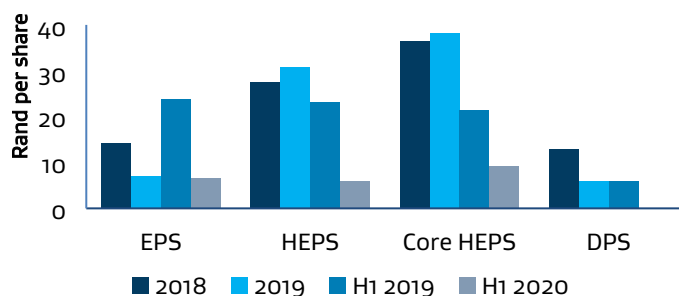
Increase in finance costs due to:

- First LCCP units reaching beneficial operation in 2019, which resulted in a decrease in the interest capitalisation of R1,5 billion.
- Higher interest paid on Revolving credit facility drawdowns as a result of increased LCCP spend.
- Increase in interest on leases as a result of the adoption of IFRS 16 (R0,2 billion).
- Increase in interest paid of R1,1 billion relating to the new US Bond and term loan.

| | Half year 2020 Rm | Half year 2020 % | Half year 2019 Rm | Half year 2019 % |
|--|-------------------------|------------------------|-------------------------|------------------------|
| Taxation rate reconciliation | | | | |
| South African tax rate | 2 128 | 28,0 | 5 869 | 28,0 |
| Disallowed expenses | 657 | 8,6 | 265 | 1,3 |
| Different tax rates | 525 | 6,9 | 285 | 1,4 |
| Tax losses not recognised | 110 | 1,4 | 118 | 0,6 |
| Disallowed share-based payments | 138 | 1,8 | 133 | 0,6 |
| Share of profits of equity accounted investments | (104) | (1,4) | (245) | (1,2) |
| Investment incentive allowances | (13) | (0,2) | (526) | (2,5) |
| Exempt income | (195) | (2,6) | (186) | (0,9) |
| Other | (154) | (1,8) | (653) | (3,2) |
| Effective tax rate | 3 092 | 40,7 | 5 060 | 24,1 |
| Adjusted effective tax rate | 3 547 | 46,7 | 5 519 | 29,0 |

Notes on half year 2020 items:

- Disallowed expenses includes non-deductible expenses incurred not deemed to be in the production of taxable income mainly relating to exploration activities and non-productive interest as a result of increased funding required for LCCP of R0,3 billion.
- Different tax rates relates mainly to the impact of a lower tax rate in the US with increased tax losses incurred during the year.
- Disallowed share-based payments relates to the Sasol Khanyisa transaction.
- Exempt income relates to the disposal of our investment in Sasol Huntsman.

Earnings performance

- Earnings per share was impacted by a weaker global macroeconomic environment impacting our pricing as well as the LCCP revenue/cost mismatch and an increase in finance costs partially offset by the gains on disposal of R1,0 billion (including the release of the foreign currency translation reserve (FCTR)) on the sale of Sasol Huntsman and Sasol Wilmar.
- Headline earnings per share (HEPS) decreased by 74% from the prior period.
- Core headline earnings per share (CHEPS) decreased by 57%.

Mining – earnings performance

for the period ended 31 December 2019

Striving towards zero harm, productivity a key focus

Mining productivity disappointingly decreased by 7% as a result of increasing geological complexities necessitating additional roof support requirements to ensure safe operations. In addition, unplanned infrastructure challenges coupled with two tragic fatalities at our Thubelisha Colliery led to further downtime. The external contracted coal supply from the Isibonelo Colliery was also severely disrupted due to flooding following above average rainfall in the Secunda area. As a result of the lower production, our inventory levels reduced below target levels necessitating external coal purchases in order to sustain our integrated Secunda value chain.

We remain focused on improving productivity to targeted levels. However, we expect further external coal purchases of approximately 1,3 to 1,6 million tons during the second half of 2020 in order to sustain liquid fuels production and enable recovery to targeted stock pile levels.

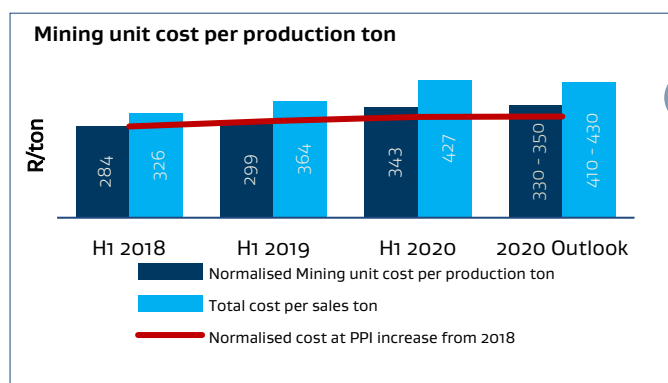
As a result, EBIT decreased by 48% to R1,4 billion compared to the prior period. This was partially negated by increased sales volumes in order to meet internal customer demand. External sales volumes were 19% lower compared to the prior period as we diverted export quality coal to the Secunda Synfuels Operations (SSO) value chain. Our normalised unit cost increased by 15% to R343/ton due to lower overall production levels and cash fixed cost increased above inflation mainly due to higher labour cost. We expect our normalised mining unit cost to be approximately R330 to R350/ton for the full year.

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|---|----|--------------------------|-------------------|-------------------|-------------------|
| Gross margin | Rm | (8) | 6 512 | 7 049 | 13 993 |
| Gross margin % | % | (8) | 63 | 71 | 67 |
| Cash fixed costs ¹ | Rm | (11) | 3 796 | 3 409 | 6 984 |
| Adjusted EBITDA ² | Rm | (28) | 2 659 | 3 682 | 6 866 |
| Earnings before interest and tax (EBIT) | Rm | (48) | 1 374 | 2 661 | 4 701 |
| Normalised EBIT ³ | Rm | (44) | 1 484 | 2 663 | 4 765 |
| Normalised EBIT margin % | % | (13) | 14,3 | 26,9 | 22,8 |

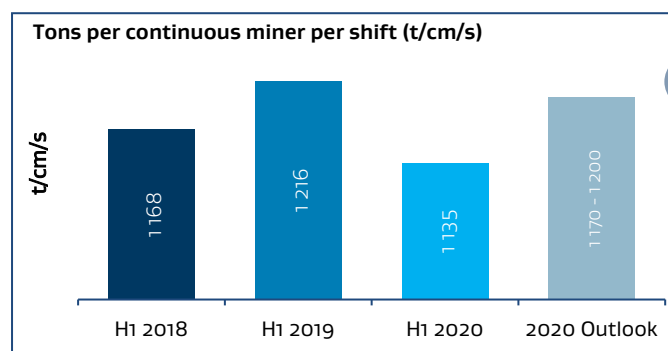
¹ Cash fixed cost increase above inflation by 5% as a result of above inflation labour related increases. Refer to analysis of total cost per sales ton contained in the business performance metrics page (page 45).

² Adjusted EBITDA is calculated by adjusting operating profit for depreciation, amortisation, share-based payments, remeasurement items and movement in rehabilitation provisions due to discount rate changes.

³ Normalised EBIT represent reported EBIT adjusted for remeasurement items and closing rate translation effects.



- The H1 2020 normalised mining cost per production ton increased by 15% to R343/ton compared to H1 2019.
- The increase in the normalised mining unit cost results from lower production due to operational challenges, above inflation labour increases per the previously negotiated multi-year wage agreement and higher depreciation.
- The full year normalised mining unit cost for 2020 is expected to range between R330 – R350/ton.
- The total cost per sales ton excluding external purchases for H1 2020 is R409/ton.



- Our operational performance for the half year 2020 declined by 7% to 1 135 t/cm/s compared to the prior period.
- Geological complexity, necessitating more stringent support requirements, negatively impacted productivity.
- The two fatalities at our Thubelisha mine and unplanned infrastructure downtime adversely impacted our planned productivity ramp up.
- We are targeting productivity, supported by our Business Improvement Programme, of between 1 170 – 1 200 t/cm/s for the full year 2020

Exploration and Production International – earnings performance

for the period ended 31 December 2019

Consistent operational performance in Mozambique, adversely impacted by lower sales prices

EBIT increased by 34% to R1,0 billion compared to the prior period due to consistent operational performance in Mozambique.

Our Mozambican producing operations recorded an EBIT of R1,4 billion, a 12% increase compared to the prior period mainly due to the impact of a favourable Rand/US dollar exchange rate offset by lower sales prices. We expect gas production volumes from the Petroleum Production Agreement in Mozambique to be 114 to 118 bscf, in line with previous market guidance.

Gabon achieved an EBIT of R113 million, a 66% decrease compared to the prior period mainly due to lower oil prices and lower volumes negated by lower operating costs.

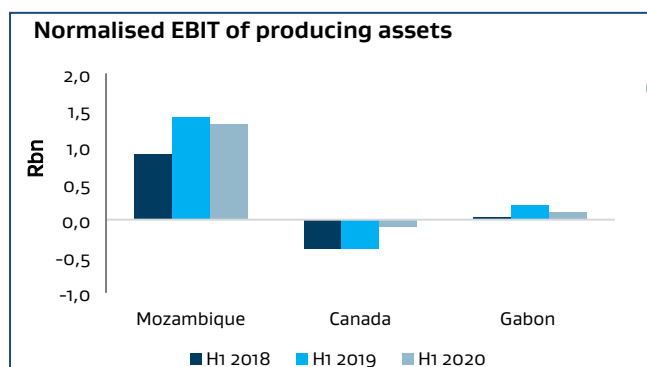
Our Canadian shale gas asset in Montney generated an operating loss of R142 million compared to a loss of R366 million in the prior period as we seek to optimise our drilling activities. We remain committed to divest from this asset as part of our strategic portfolio optimisation.

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|---|----|--------------------------|-------------------|-------------------|-------------------|
| Gross margin | Rm | (3) | 2 543 | 2 612 | 5 130 |
| Gross margin % | % | (1) | 97 | 98 | 99 |
| Cash fixed costs ¹ | Rm | 2 | 1 022 | 1 042 | 2 078 |
| Adjusted EBITDA ² | Rm | 9 | 1 698 | 1 554 | 2 705 |
| Remeasurement items | Rm | >100 | (18) | 7 | 1 976 |
| Earnings before interest and tax (EBIT) | Rm | 34 | 1 023 | 764 | (889) |
| Normalised EBIT ³ | Rm | 17 | 946 | 810 | 1 166 |
| Normalised EBIT margin % | % | 6 | 35,9 | 30,2 | 22,5 |

¹ Normalised cash fixed cost decreased by 2,3%. Refer to analysis contained in the business performance metrics page (page 46).

² Adjusted EBITDA is calculated by adjusting operating profit for depreciation, amortisation, share-based payments, remeasurement items and movement in rehabilitation provisions due to discount rate changes.

³ Normalised EBIT represent reported EBIT adjusted for remeasurement items and closing rate translation effects.



Mozambique

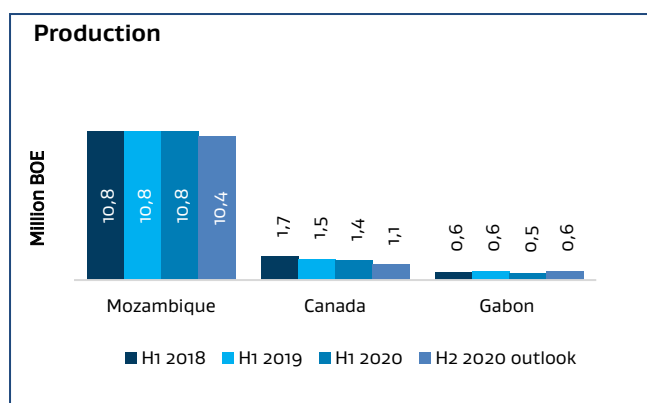
- Lower normalised EBIT mainly due to lower sales prices.

Canada

- Lower depreciation charge post the R1,9 billion (CAD 181 million) impairment at 30 June 2019

Gabon

- Lower normalised EBIT due to lower oil prices and volumes, offset by lower operating costs.



Mozambique

- Operations were stable and consistent for the six months to December 2019. We expect gas production volumes from the Petroleum Production Agreement in Mozambique to be 114 – 118 bscf.

Canada

- Despite the recently completed drilling activities in Canada, we expect production to be lower by approximately 0,3 million boe for the financial year 2020 compared to the previous year, due to the natural decline in the production wells.

Gabon

- Lower volumes in Gabon due to delayed drilling activities and a natural decline in the production wells are expected to negatively impact production for the financial year 2020, compared to the previous year.
- Two development wells were completed in Q2 2020 as part of the ongoing drilling campaign.

Performance Chemicals – earnings performance

for the period ended 31 December 2019

Challenging macroeconomic environment weighing on performance

Total sales volumes increased by 6% compared to the prior period as the LCCP EO/EG plant continues to produce as planned. Excluding LCCP volumes, total sales volumes decreased by 5%, with our organics business recording a 3% decrease in sales volumes. This volume performance was due to a generally softer macroeconomic environment in Europe and Asia, on the back of US/China trade disputes, specifically visible in the automotive market segment.

Despite these economic headwinds, our advanced materials portfolio margins remained robust during the period. Our organics portfolio sales price was negatively impacted by the higher share of MEG and lower oleochemicals pricing.

EBIT decreased by 64% to R1,3 billion compared to the prior period mainly as a result of the softer macroeconomic environment and R1,6 billion of losses attributable to the LCCP while in the ramp-up phase.

The LCCP EO/EG plant realised sales volumes of 144kt (70kt during the first quarter and 74kt during the second quarter of 2020) of MEG during the period compared to 37kt during the last quarter of 2019. The EO/EG plant together with the ETO unit, which reached beneficial operation on 30 January 2020 and the Guerbet and Ziegler units which are anticipated to reach beneficial operation during the last quarter of 2020, are expected to sustainably increase the EBIT from the Performance Chemicals business going forward.

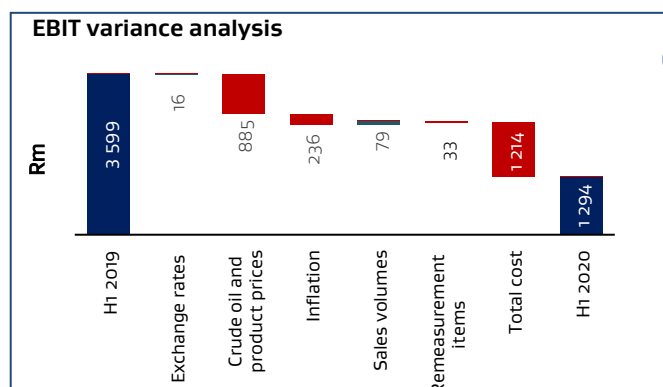
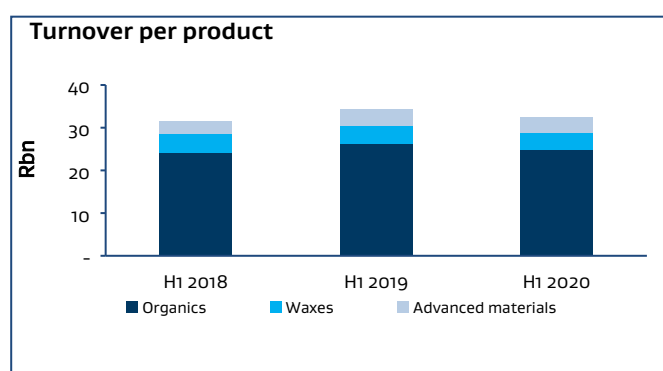
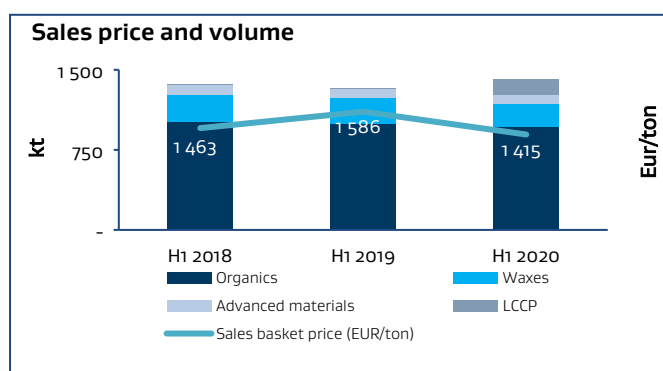
We expect overall sales volumes for the full financial year to be 7% to 9% higher than the prior year. Excluding LCCP produced products, sales volumes to be flat to slightly below prior year levels.

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|---|----|--------------------------|-------------------|-------------------|-------------------|
| Gross margin | Rm | - | 12 522 | 12 491 | 24 873 |
| Gross margin % | % | 2 | 38 | 36 | 36 |
| Cash fixed costs ¹ | Rm | (15) | 8 249 | 7 204 | 14 921 |
| Adjusted EBITDA ² | Rm | (21) | 4 333 | 5 478 | 10 153 |
| Remeasurement items | Rm | (39) | 118 | 85 | 13 182 |
| Earnings before interest and tax (EBIT) | Rm | (64) | 1 294 | 3 599 | (7 040) |
| Normalised EBIT ³ | Rm | (16) | 3 107 | 3 691 | 7 940 |
| Normalised EBIT margin % | % | (1) | 9,4 | 10,6 | 11,6 |

¹ Normalised cash fixed cost increased by 6,9%. Refer to analysis contained in the business performance metrics page (page 47).

² Adjusted EBITDA is calculated by adjusting operating profit for depreciation, amortisation, share-based payments, remeasurement items and movement in rehabilitation provisions due to discount rate changes.

³ Normalised EBIT represent reported EBIT adjusted for remeasurement items and closing rate translation effects. We have further adjusted for LCCP operating losses of R1,6 billion.



- The benefit in volumes from the LCCP plants coming on line was offset by adverse and volatile price movements and a softer macroeconomic environment affecting demand.
- Our Organics portfolio sales price was negatively impacted by the higher share of Mono-ethylene glycol (MEG) and lower oleochemicals pricing.
- Increase in total cost is mainly due to significantly higher costs from the US LCCP plants (R1,6 billion) with limited corresponding gross margin realised while in the ramp-up phase.

Base Chemicals – earnings performance

for the period ended 31 December 2019

Higher volumes offset by further softening of chemical prices

Softer commodity chemical prices were experienced across most of our sales regions and products, largely attributable to weaker global demand and increased global capacity. Our foundation business sales volumes (excluding Polymers US products) were 1% higher compared to the prior period as a result of a phase shutdown during the period versus a total West factory shutdown at SSO during the prior period. Total sales volumes increased by 21% compared to the prior period

Our Base Chemicals average sales basket price decreased by 15% compared to the prior period. As a result of this and losses of R1,2 billion attributable to the LCCP while in the ramp-up phase, EBIT decreased from R3,1 billion in the prior period to a loss of R1,5 billion. The softening of chemical sales prices also resulted in a R464 million further impairment of the Blends and Mining Chemicals and Methyl Isobutyl Ketone (MIBK) cash generating units. The decrease in EBIT was negated by a R936 million profit in relation to the disposal of our 50% equity interest in the Sasol-Huntsman maleic anhydride joint venture as we continue to execute on our asset optimisation programme.

Polymers US sales volumes increased to 469kt from 116kt during the prior period mainly due to the ethylene cracker start-up and the LLDPE plant achieving beneficial operation which is ramping up as planned. Our polymers US average sales basket price decreased by 40% compared to the prior period due to changes in product mix with us re-entering the merchant ethylene market following the new ethylene cracker start-up as well as lower global polymer prices. The High-density polyethylene plant continues to produce above expectation.

Heightened geopolitical risks, especially in the Middle East, the recent outbreak of COVID-19 and the ongoing trade discussions between China and US are likely to impact sales prices for the remainder of 2020.

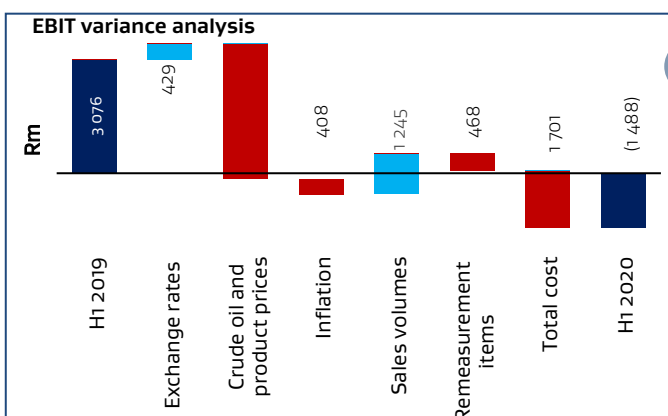
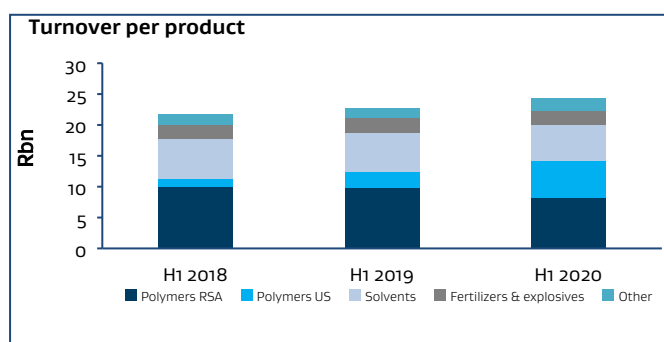
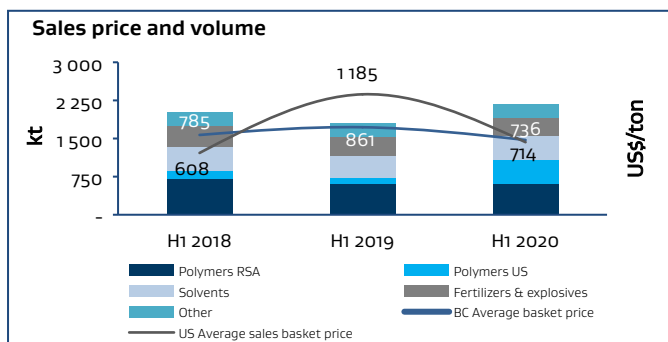
Base Chemicals overall sales volumes to be 15% to 20% higher than the prior year. Excluding US polymer products, sales volumes to be 1% to 2% higher than the prior year.

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|---|----|--------------------------|-------------------|-------------------|-------------------|
| Gross margin | Rm | (12) | 11 503 | 13 110 | 26 022 |
| Gross margin % | % | (11) | 47 | 57 | 53 |
| Cash fixed costs ¹ | Rm | (14) | 10 046 | 8 817 | 18 883 |
| Adjusted EBITDA ² | Rm | (68) | 1 430 | 4 514 | 7 111 |
| Remeasurement items | Rm | (57) | (352) | (820) | 3 190 |
| Earnings before interest and tax (EBIT) | Rm | (>100) | (1 488) | 3 076 | (1 431) |
| Normalised EBIT ³ | Rm | (>100) | (541) | 2 331 | 3 832 |
| Normalised EBIT margin % | % | (>100) | (2,2) | 10,1 | 7,9 |

¹ Normalised cash fixed cost increased by 6,1%. Refer to analysis contained in the business performance metrics page (page 48).

² Adjusted EBITDA is calculated by adjusting operating profit for depreciation, amortisation, share-based payments, remeasurement items and movement in rehabilitation provisions due to discount rate changes.

³ Normalised EBIT represent reported EBIT adjusted for remeasurement items and closing rate translation effects. We have further adjusted for LCCP operating losses of R1,2 billion.



- The benefit from a weaker average exchange rate and 21% higher sales volumes was offset by a 15% decrease in the US\$ basket price resulting from softer chemical prices.
- The Polymers US business achieved polyethylene sales volumes of 320 kt and ethylene and co-product sales volumes of 149 kt in H1 2020. The HDPE plant continues to produce at high rates.
- The movement in remeasurement items includes the impairment of the Blends and Mining Chemicals and Methyl Isobutyl Ketone (MIBK) cash generating units in the first half of 2020 (R0,5 billion), negated by the profit on disposal of our 50% equity interest in the Sasol-Huntsman maleic anhydride joint venture (including FCTR released) – R0,9 billion.
- H1 2019 includes the reversal of impairment in the prior period (R0,9 billion).
- Increase in total cost is mainly due to higher costs from the US LCCP plants (R1,2 billion).

Energy – earnings performance

for the period ended 31 December 2019

Strong liquid fuels volume performance, with lower refining margins

Total liquid fuels sales volumes increased marginally due to higher sales volumes in the wholesale channel, enabled by increased production at SSO and lower reliance on external white product purchases. SSO continues to run stably with refined production volumes up by 5% following the successful completion of a phase shutdown compared to a total West factory shutdown during 2019. Natref production was 8% lower compared to the prior period, mainly as a result of the impact of the planned shutdown during November 2019. External natural gas sales volumes decreased by 2% due to lower market demand in the South African economy.

The weaker macroeconomic environment, with lower international oil prices and lower refining margins negatively impacted EBIT which decreased by 30% to R6,7 billion compared to the prior period. This was offset by higher liquid fuels sales volumes and a weaker average Rand/US dollar exchange rate. Cash fixed cost increased by 9% mainly due to higher than expected inflationary increases in electricity costs and equipment service charges.

We continue with the execution of our retail expansion strategy and have opened three new retail convenience centres (RCCs) during the period. We are targeting ten new RCCs for the full year.

ORYX GTL achieved a utilisation rate of 98% during the period and contributed R701 million to EBIT, a decrease of R255 million compared to the prior period. The decrease was mainly due to lower international oil prices and a 1% decrease in production volumes. We expect to achieve a utilisation rate of 55% to 60% for the full year due to an extended planned shutdown during the second half of the year.

Escravos GTL production volumes were lower as both trains were in a planned shutdown from August 2019. Both trains returned to operation during December 2019.

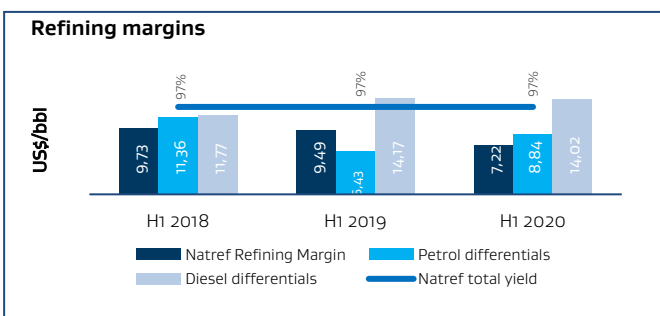
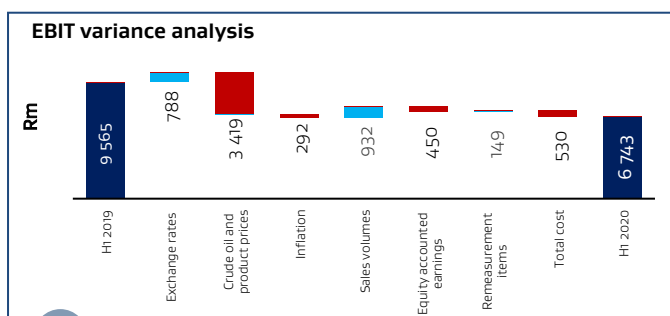
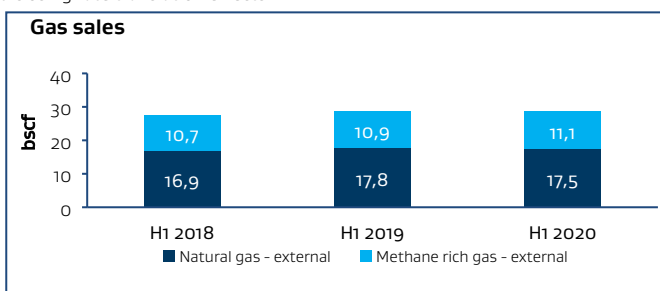
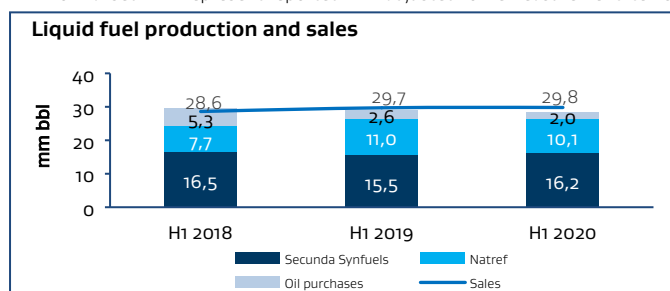
The SSO full year production is forecasted to be approximately 7,7 to 7,8 million tons and we are on track to achieve our previous market guidance liquid fuels sales volumes of approximately 57 to 58 million barrels for 2020. At Natref we are targeting production rates of above 600m³/h for the remainder of the year.

| | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 | |
|---|--------------------------|-------------------|-------------------|-------------------|--------|
| Gross margin | Rm | (8) | 17 113 | 18 505 | 36 351 |
| Gross margin % | % | - | 42 | 42 | 43 |
| Cash fixed costs ¹ | Rm | (9) | 7 765 | 7 146 | 14 490 |
| Adjusted EBITDA ² | Rm | (25) | 9 403 | 12 547 | 22 629 |
| Remeasurement items | Rm | >100 | (27) | 122 | 247 |
| Earnings before interest and tax (EBIT) | Rm | (30) | 6 743 | 9 565 | 16 566 |
| Normalised EBIT ³ | Rm | (31) | 6 850 | 9 912 | 17 116 |
| Normalised EBIT margin % | % | (6) | 16,6 | 22,7 | 20,4 |

¹ Normalised cash fixed cost increased by 6,6%. Refer to analysis contained in the business performance metrics page (page 49).

² Adjusted EBITDA is calculated by adjusting operating profit for depreciation, amortisation, share-based payments, remeasurement items and movement in rehabilitation provisions due to discount rate changes.

³ Normalised EBIT represent reported EBIT adjusted for remeasurement items and closing rate translation effects.



- EBIT decreased mainly as a result of lower Brent crude oil prices and lower refining margins partly negated by a weaker average exchange rate and higher liquid fuels sales volumes.
- Refining margins were under pressure as a result of the higher cost of crude driven by higher spot premiums and lower term crude discounts. This was partly offset by improved petrol differentials.
- Total cost increased mainly due to carbon cost provision (R0,3 billion), adoption of IFRS 16 (R0,2 billion), higher depreciation from capital additions (R0,1 billion) and above inflation electricity costs increases (R0,1 billion), offset by changes to the rehabilitation provisions (R0,3 billion).

Financial position overview - assets

at 31 December

| | Half year 2020 Rm | Half year 2019 Rm |
|---|-------------------------|-------------------------|
| Assets | | |
| Property, plant and equipment | 282 349 | 181 552 |
| Assets under construction | 83 474 | 184 007 |
| Right of use assets* | 16 475 | - |
| Goodwill and other intangible assets | 3 299 | 2 792 |
| Equity accounted investments | 10 276 | 10 961 |
| Post-retirement benefit assets | 1 151 | 1 292 |
| Deferred tax assets | 9 686 | 4 302 |
| Other long-term assets | 7 181 | 7 223 |
| Non-current assets | 413 891 | 392 129 |
| Assets in disposal groups held for sale | 1 302 | 136 |
| Inventories | 30 475 | 31 203 |
| Trade and other receivables | 25 724 | 30 515 |
| Short-term financial assets | 2 279 | 2 602 |
| Cash | 12 674 | 15 876 |
| Current assets | 72 454 | 80 332 |
| Total assets | 486 345 | 472 461 |

* The impact of the adoption of the new IFRS 16 standard



| | | | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm | Full year 2020 Rm | Full year 2021 Rm |
|--|-------------------------|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assets under construction | | | | | | | |
| Capital expenditure | | | | | | | |
| Projects to expand operations | Project location | Business segment | Actual | Actual | Actual | Forecast | Forecast |
| Lake Charles Chemicals Project* | United States | Base and Performance Chemicals | 9 511 | 16 024 | 30 289 | 13 859 | 44 |
| Mozambique exploration and development | Mozambique | Exploration and Production International | 95 | 114 | 221 | 305 | 1 169 |
| China Ethoxylation plant | China | Performance Chemicals | 9 | 298 | 489 | 24 | – |
| Canadian shale gas asset | Canada | Exploration and Production International | 120 | 32 | 141 | 151 | 366 |
| Other projects to expand operations (less than R500 million) | Various | Various | 482 | 848 | 1 445 | 1 661 | 1 421 |
| | | | 10 217 | 17 316 | 32 585 | 16 000 | 3 000 |

* Actual capital expenditure (accrual basis) - 31 December 2019 - US\$647 million; 31 December 2018 - US\$1,1 billion; 30 June 2019 - US\$2,1 billion. Forecast (accrual basis) - 2020 US\$946 million

| | | | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm | Full year 2020 Rm | Full year 2021 Rm |
|---|--|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assets under construction | | | | | | | |
| Capital expenditure | | | | | | | |
| Projects to sustain operations comprise of: | | | | | | | |
| | | | Actual | Actual | Actual | Forecast | Forecast |
| Secunda Synfuels Operations | | | 4 440 | 6 722 | 10 315 | 7 909 | 12 023 |
| Shutdown and major statutory maintenance ¹ | | | 2 534 | 3 525 | 4 825 | 3 490 | 4 553 |
| Renewals | | | 608 | 1 064 | 1 880 | 1 645 | 1 828 |
| Sixth fine ash dam (environmental) | | | 448 | 820 | 1 417 | 523 | 645 |
| Volatile organic compounds abatement programme (environmental) | | | 100 | 32 | 141 | 256 | 170 |
| Coal tar filtration east project (safety) | | | 95 | 260 | 329 | 232 | – |
| Other environmental related expenditure ² | | | 172 | 122 | 170 | 400 | 1 254 |
| Other safety related expenditure | | | 95 | 358 | 556 | 233 | 143 |
| Other sustain ³ | | | 388 | 541 | 997 | 1 130 | 3 430 |
| Mining (Secunda and Sasolburg) | | | 1 394 | 1 324 | 2 894 | 3 243 | 2 827 |
| Impumelelo Colliery to maintain Brandspruit Colliery operations | | | 36 | 106 | 157 | 372 | 491 |
| Refurbishment of equipment | | | 431 | 366 | 674 | 763 | 963 |
| Mine geographical expansion | | | 327 | 289 | 605 | 756 | 598 |
| Other safety related expenditure | | | 82 | 136 | 355 | 247 | 44 |
| Other sustain ⁴ | | | 518 | 427 | 1 103 | 1 105 | 731 |
| Other (in various locations) | | | 4 933 | 4 373 | 8 758 | 10 848 | 12 150 |
| Expenditure related to environmental obligations ⁵ | | | 713 | 346 | 590 | 1 590 | 1 688 |
| Expenditure incurred relating to safety regulations | | | 73 | 240 | 283 | 191 | 154 |
| Other sustain ⁶ | | | 4 147 | 3 787 | 7 885 | 9 067 | 10 308 |
| | | | 10 767 | 12 419 | 21 967 | 22 000 | 27 000 |

¹ The decrease results from a phased shutdown in H1 2020, as compared to a total West factory shutdown in H1 2019.

² The increase in 2021 is due to Biosludge Handling Improvement expenditure and other Environmental Compliance Programme projects.

³ SSO's other sustain expenditure increases in forecasted years, as Sasol progresses with the Clean Fuels 2 project.

⁴ The increase in capital expenditure results from increased stoneworks and major equipment replacements.

⁵ The increase in H1 2020 relates to the Environmental Compliance Programme (ECP), namely the Steam Station 1 Air Quality compliance to Minimum Emission Standards, Steam Station 2 NOX Abatement and other ECP projects.

⁶ Other sustain capital expenditure increases in forecasted years due to an increase in spending on Plateau Extension Programme (additional gas volumes) in Mozambique, ammonia storage tank in Sasolburg, US Operations maintenance spending and other smaller projects.

Key projects approved (FID) which were not completed at 31 December 2019

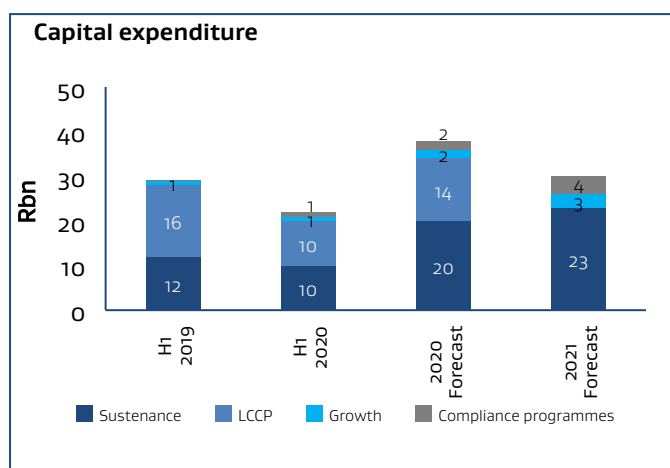
| Project related information and notes | Half year 2020 | | Budget and schedule at Final Investment Decision (FID) | |
|--|---------------------------|---|--|---|
| | Estimated end of job cost | Estimated beneficial operation (BO) (calendar year) | Estimated end of job cost | Estimated beneficial operation (BO) (calendar year) |
| Projects to sustain our business | | | | |
| Secunda Synfuels Operations: Sixth fine ash dam Construction of an additional environmentally sustainable fine ash slurry disposal site. | Rm | 6 000 | 2022 | 6 000 2019 |
| Secunda Synfuels Operations: Coal tar filtration east project Ensures adherence to environmental, health and emissions limits. The project will increase the tar processing capacity in order to avoid tar dumping. | Rm | 3 840 | 2020 | 1 739 2015 |
| Secunda Synfuels and Natref Operations: Clean Fuels 2 project¹ To meet the fuel specifications as per legislation published by the Department of Energy. The expected total capital expenditure for Secunda Synfuels Operation is approximately R5 billion. | Rm | 2 390 | 2024 | 2 390 2024 |
| Sasolburg Operations: Steam Station 1 Air Quality compliance project To meet the Minimum Emission Standards for a defined range of pollutants, (particulate matter (PM) and oxides of nitrogen (NOx)) in solid fuel combustion installations. | Rm | 1 384 | 2022 | 1 384 2022 |
| Sasolburg Operations: Steam Station 2 nitrogen oxide abatement To meet the Minimum Emission Standards (MES) for the criteria pollutant NOx. | Rm | 1 290 | 2023 | 1 302 2022 |
| Exploration and Production International: Mozambique Petroleum Production Agreement (PPA) The purpose of the PPA Infill Wells is to improve recovery of existing reserves to meet the PPA contractual obligations. | US\$m | 120 | 2020/2021 | 120 2020/2021 |
| Projects to grow our business | | | | |
| US Operations: Lake Charles Chemicals Project Ethane cracker and derivatives complex that will produce ethylene and ethylene derivatives (Linear Low Density Polyethylene (LLDPE), Low Density Polyethylene (LDPE), Ethylene Glycol, Ziegler alcohols and alcohol related derivatives) and infrastructure to enable the project. | US\$m | 12 600 - 12 900 | 2019/2020 | 8 900 2018/2019 |
| Exploration and Production International: Mozambique Production Sharing Agreement (PSA) - phase one Development of further hydrocarbon resources to support our Southern Africa growth strategy. | US\$m | 1 433 | 2023/2024 | 1 400 2020 |

¹ Amounts relate to Sasol's portion. Estimated end of job is limited to the amount approved to progress Clean Fuels.

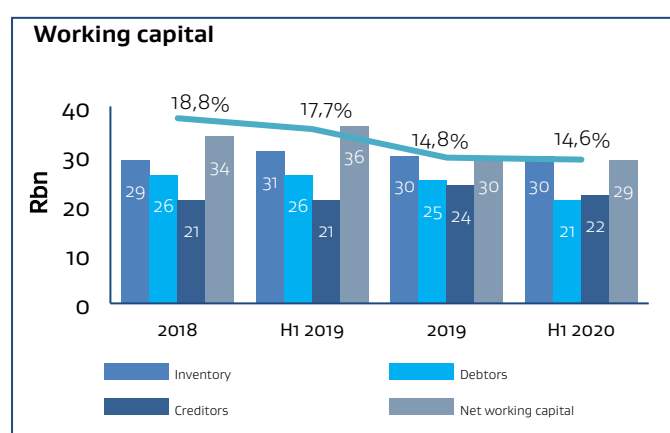
Framework for inclusion of projects in this report:

- (a) Only projects that have been approved by the Sasol Limited Board (wholly or largely in part) are included.
 (b) All projects with an estimated end of job cost exceeding R1 billion approved are included (or the equivalent thereof when in foreign currency).

Analysis of key statement of financial position metrics



- Significant reduction in growth capital spend post LCCP in support of our strategic objectives to deleverage the balance sheet, and to grow shareholder value through increased dividend returns.
- Prudent management of sustenance capital basket for the foundation business at ~R20 billion (US\$1,5 billion) per annum in real terms (2017 base).
- Safe and reliable operations remains sacrosanct.
- The environmental compliance programme is gaining momentum to reduce Sasol's carbon footprint. Compliance programmes relate to compliance and clean air projects. Solid progress has been made thus far.
- For forecasting purposes, we estimate that a 10c change in the annual average Rand/US dollar exchange rate will impact capital expenditure by approximately R125 million.



- Our net working capital to turnover ratio of 14,6% improved markedly period-on-period due to focused management intervention.
- LCCP will contribute to an improved net working capital position due to advantageous geographic locations, providing easy access to markets and infrastructure.

| | Half year 2020 Rm |
|---|-------------------|
| Right of use assets | |
| Finance leases reclassified as right of use assets | 7 488 |
| Qualifying operating leases classified as right of use assets | 8 557 |
| | 16 045 |
| Half year 2020 additions and other movements* | 1 452 |
| Depreciation | (1 022) |
| Closing balance | 16 475 |

*Other movements includes disposals and translations

- With the adoption of IFRS 16 - Leases on 1 July 2019, the qualifying existing finance lease and operating lease arrangements have been classified as 'Right of use assets' in non-current assets.
- Current period additions relate mainly to the commencement of the drilling lease contract in Mozambique and the LCCP railcar leases.

| Assets held for sale at 31 December 2019 | Assets Rm | Liabilities Rm | Net Rm |
|--|--------------|----------------|------------|
| Explosives business | 1 290 | 411 | 879 |
| Other | 12 | - | 12 |
| Total held for sale | 1 302 | 411 | 891 |

- Sasol is making good progress with the asset review programme, to ensure that all assets in our global portfolio deliver against our strategy.
- The sale of our 50% equity interest in Sasol-Huntsman maleic anhydride joint venture, and Sasol's share in Wilmar Alcohol Industries was successfully concluded in the first half of 2020.
- On 11 November 2019, Sasol and Enaex signed the Sales and Purchase agreement for the part sale of the Explosives business. The sale is expected to be concluded by the end of June 2020.
- We are planning to achieve >25% of the US\$2 billion target by 30 June 2020.

Financial position overview – Equity and liabilities

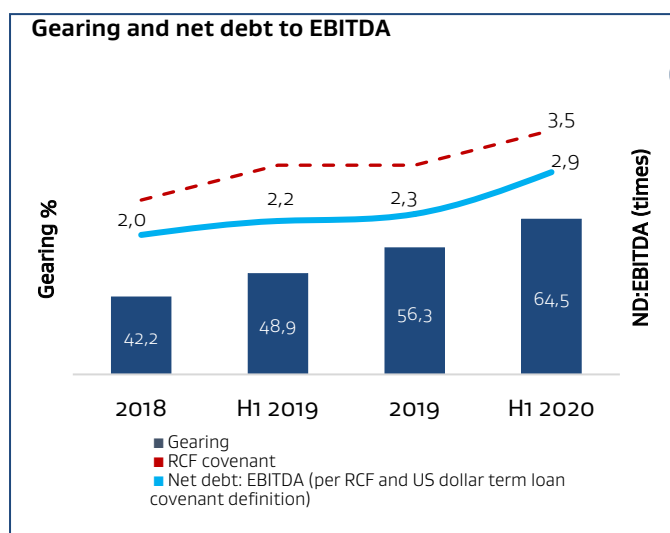
| | Half year 2020 Rm | Half year 2019 Rm |
|--|-------------------------|-------------------------|
| Equity and liabilities | | |
| Shareholders' equity | 222 645 | 235 997 |
| Non-controlling interests | 6 001 | 6 241 |
| Total equity | 228 646 | 242 238 |
| Long-term debt | 121 287 | 114 013 |
| Lease liabilities | 15 939 | 7 216 |
| Long-term provisions | 17 974 | 15 621 |
| Post-retirement benefit obligations | 12 850 | 12 141 |
| Long-term deferred income | 560 | 850 |
| Long-term financial liabilities | 2 142 | 433 |
| Deferred tax liabilities | 28 791 | 28 773 |
| Non-current liabilities | 199 543 | 179 047 |
| Liabilities in disposal groups held for sale | 411 | 44 |
| Short-term debt | 18 380 | 10 243 |
| Short-term financial liabilities | 1 348 | 1 264 |
| Other current liabilities | 38 013 | 39 519 |
| Bank overdraft | 4 | 106 |
| Current liabilities | 58 156 | 51 176 |
| Total equity and liabilities | 486 345 | 472 461 |

| 31 December 2019 | Expiry date | Currency | Contract amount million | Total Rand equivalent Rm | Utilised facilities* Rm | Available facilities Rm |
|--|----------------|-----------|----------------------------|-----------------------------|----------------------------|----------------------------|
| Banking facilities and debt arrangements | | | | | | |
| Group treasury facilities | | | | | | |
| Commercial paper (uncommitted) | None | Rand | 8 000 | 8 000 | 2 176 | 5 824 |
| Commercial banking facilities | None | Rand | 12 300 | 12 300 | – | 12 300 |
| Revolving credit facility | November 2024 | US dollar | 3 900 | 54 600 | 39 599 | 15 001 |
| Revolving credit facility | June 2024 | US dollar | 150 | 2 100 | 2 100 | – |
| Group Treasury Debt arrangements | | | | | | |
| US Dollar Bond | November 2022 | US dollar | 1 000 | 14 000 | 14 000 | – |
| US Dollar Bond | March 2024 | US dollar | 1 500 | 21 000 | 21 000 | – |
| US Dollar Bond | September 2028 | US dollar | 750 | 10 500 | 10 500 | – |
| US Dollar term loan | November 2021 | US dollar | 100 | 1 400 | 1 400 | – |
| US Dollar term loan | November 2021 | US dollar | 150 | 2 100 | 2 100 | – |
| US Dollar term loan | June 2024 | US dollar | 1 650 | 23 100 | 23 100 | – |
| US Dollar Syndicated loan facility** | May 2020 | US dollar | 1 000 | 14 000 | 14 000 | – |
| Other Sasol businesses | | | | | | |
| Specific project asset finance | | | | | | |
| Energy – Republic of Mozambique Pipeline Investments Company (Rompc) | June 2022 | Rand | 2 081 | 2 081 | 2 081 | – |
| Energy – Clean Fuels 2 (Natref) | Various | Rand | 1 973 | 1 973 | 1 973 | – |
| Other debt arrangements | | Various | – | – | 21 075 | – |
| | | | | | 155 104 | 33 125 |
| Available cash | | | | | | 10 357 |
| Total funds available for use | | | | | | 43 482 |

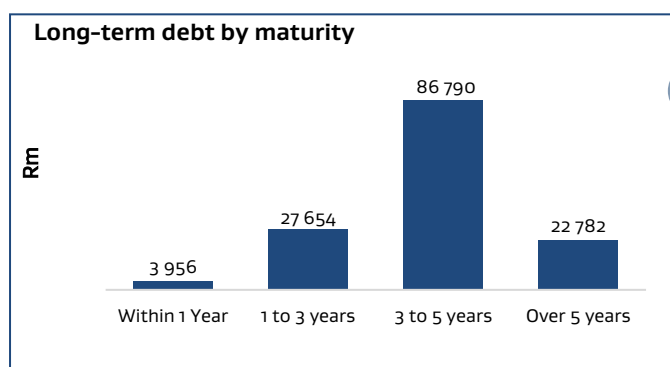
* Excludes accrued interest (R1,0 billion) and unamortised loan cost (R0,5 billion).

** The facility has two six month extensions that brings the final maturity to eighteen months after closing.

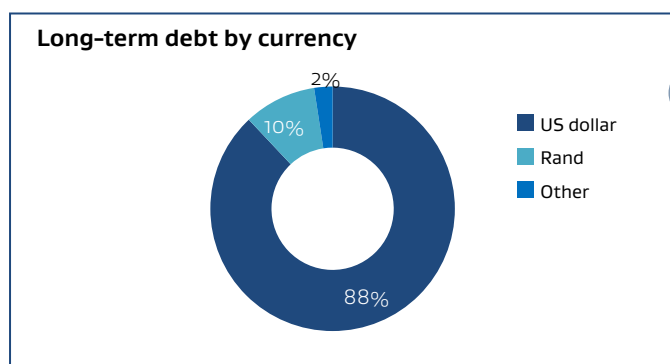
Analysis of key statement of financial position metrics



- H1 2020 gearing at 64,5% due to capital expenditure to complete LCCP (6%) and the adoption of IFRS 16 (4%).
- Net debt: EBITDA of 2,9 times (per RCF and US dollar term loan covenant definition) is below our renegotiated debt covenants of 3,5 times for 2020.
- As part of our refinancing we agreed with our lenders to amend the net debt: EBITDA covenant from 3,0 times to 3,5 times under the Revolving credit facility and term loan entered into in 2017. This covenant amendment is applicable for measurement periods ending on each of 31 December 2019 and 30 June 2020. This provides us with greater financial flexibility during the peak gearing period.
- Our balance sheet gearing is expected to range between 55%-65% which includes the impact of adopting IFRS 16 and net debt:EBITDA between 2,6 and 3,0 times for 2020. We expect gearing to peak in 2020.



- US dollar bonds issued in the prior year to the value of US\$2,25 billion, US dollar term loan of US\$1,65 billion and the RCF of US\$150 million with maturity of 2024+
- Proceeds from above was used to settle US\$4 billion LCCP project financing for which repayment was due in 2021.
- The final repayment (US\$2,8 billion) of the US\$3,9 billion revolving credit facility is due in November 2024.
- During November 2019 a US\$1 billion syndicated loan facility and US\$250 million bilateral facility were concluded.



- The currency in which funding is raised is aligned to the expected capital requirements to ensure limited exposure to translation risk.
- The US funding market is highly liquid with competitive interest rates, reducing Sasol's weighted average cost of capital (WACC).
- Exposure to US dollar funding places pressure on gearing as a result of current currency volatility.
- LCCP cash flows will be used to service US\$ debt.

| Sasol's Corporate rating | Current rating | Date | Previous rating | Date |
|---|----------------|-----------|-----------------|----------|
| Moody's South Africa Sasol | Baa3 | June 2017 | Baa2 | Nov2014 |
| | Baa3 | June 2017 | Baa2 | Dec 2015 |
| S&P South Africa Sasol | BB | Nov 2017 | BB+ | Apr 2017 |
| | BBB- | Apr 2017 | BBB | Oct 2012 |

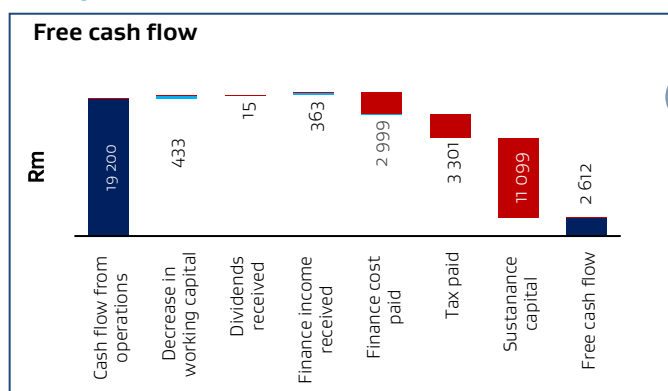
- To achieve and keep an optimal capital structure, the group aims to maintain a stable long-term investment grade credit rating, recognising that Sasol, like all South African domiciled entities, is constrained (but not necessarily capped) by the South African sovereign rating. In November 2019 S&P affirmed both Sasol and South Africa's credit rating, however changed the outlook from stable to negative.
- In May 2019 Moody's Investors Service ("Moody's") affirmed Sasol Limited's long-term issuer rating at Baa3, however changed the outlook from stable to negative. The national issuer scale rating changed from Aaa.za to Aa1.za. In November 2019 Moody's affirmed South Africa's sovereign credit rating at Baa3, however changed the outlook from stable to negative.

Abbreviated cash flow overview

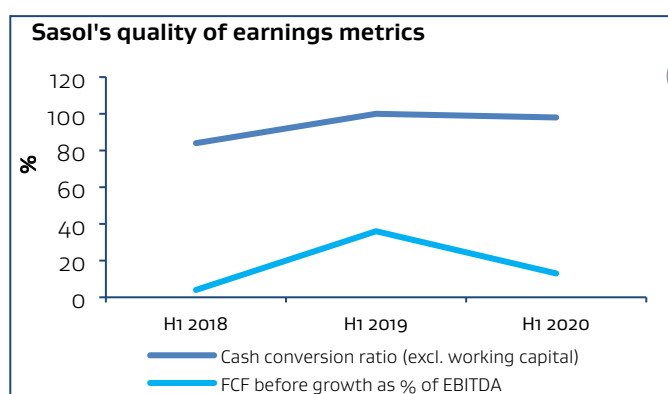
for the period ended

| | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm |
|--|-------------------------|-------------------------|-------------------------|
| Cash generated by operating activities | 19 633 | 24 768 | 51 398 |
| Dividends received from equity accounted investments | 15 | 1 423 | 1 506 |
| Finance income received | 363 | 343 | 682 |
| Finance costs paid | (2 999) | (2 494) | (6 222) |
| Tax paid | (3 301) | (1 339) | (3 946) |
| Cash available from operating activities | 13 711 | 22 701 | 43 418 |
| Dividends paid | (11) | (4 897) | (9 952) |
| Dividends paid to non-controlling shareholders in subsidiaries | (334) | (557) | (1 523) |
| Cash retained from operating activities | 13 366 | 17 247 | 31 943 |
| Cash used in investing activities | (23 931) | (31 682) | (56 412) |
| Cash generated by financing activities | 7 273 | 12 818 | 23 131 |
| Translation effects on cash and cash equivalents | 132 | 348 | 162 |
| Reclassification to held for sale | 11 | – | (44) |
| Cash and cash equivalents at the end of the year | 12 670 | 15 770 | 15 819 |

Analysis of cash flow statement metric



- Free cash flow before growth of R2,6 billion decreased by 73% from prior period's R9,6 billion mainly as a result of cash flow generated from operations and lower sustenance capital.
- The lower sustenance capital of R2 billion mainly resulted from the phase shutdown at S50 during 2020 compared to the total West factory shutdown during 2019.
- Finance cost paid increased by R0,5 billion as a result of higher LCCP capital requirements.
- In 2019 tax paid included a refund of previous over-payments to SARS to the value of R2,8 billion.
- We are in a transitory phase in reaching the free cash flow inflection point.



- Sasol's cash conversion ratio deteriorated from prior period mainly as a result of lower unrealised hedging gains (R1,5 billion).
- Free cash flow as % of adjusted EBITDA weakened due to lower dividend received from JV's (R1,4 billion), higher finance costs (R0,5 billion) and higher taxes paid (R4,6 billion).
- Sasol's adjusted EBITDA to turnover was impacted by higher US growth cost (R1,1 billion).

| Cash conversion performance | Half year 2020 % | Half year 2019 % | Half year 2018 % |
|--|------------------------|------------------------|------------------------|
| As a % of external turnover: | | | |
| Adjusted EBITDA | 19,8 | 26,0 | 28,1 |
| Cash generated by operating activities | 19,8 | 24,1 | 15,9 |
| Free Cash Flow (before growth capital) | 2,6 | 9,3 | 1,1 |

- Adjusted EBITDA was impacted by US growth cash fixed cost (R1,1 billion) and higher translation losses (R0,8 billion).
- Free cash flow to turnover decreased mainly due to lower dividend received from JV's and taxes paid.

Segmental analysis

for the period ended 31 December 2019

| | Mining | Exploration and Production International | Performance Chemicals | Base Chemicals | Energy | Group Functions | Total operations |
|--|---------------|--|-----------------------|----------------|---------------|-----------------|------------------|
| | Rm | Rm | Rm | Rm | Rm | Rm | Rm |
| Turnover | | | | | | | |
| External | 906 | 903 | 32 482 | 24 184 | 40 695 | – | 99 170 |
| Intersegment | 9 442 | 1 732 | 451 | 458 | 511 | – | 12 594 |
| Total turnover | 10 348 | 2 635 | 32 933 | 24 642 | 41 206 | – | 111 764 |
| Adjusted EBITDA | 2 659 | 1 698 | 4 333 | 1 430 | 9 403 | 72 | 19 595 |
| Depreciation of PPE | (1 015) | (663) | (2 793) | (3 218) | (2 765) | (323) | (10 777) |
| Amortisation of intangible assets | (5) | (6) | (44) | (28) | (16) | (101) | (200) |
| Share-based payments | (156) | (21) | (99) | (176) | (128) | (215) | (795) |
| Unrealised hedging gains | – | – | – | – | – | 1 013 | 1 013 |
| Unrealised translation gains | – | – | – | – | – | 465 | 465 |
| Change in discount rate of rehabilitation provisions | (3) | (3) | 15 | 152 | 222 | – | 383 |
| Remeasurement items | (106) | 18 | (118) | 352 | 27 | (4) | 169 |
| Earnings before interest and tax (EBIT) | 1 374 | 1 023 | 1 294 | (1 488) | 6 743 | 907 | 9 853 |
| Remeasurement items | 106 | (18) | 118 | (352) | (27) | 4 | (169) |
| Translation losses/(gains) of closing exchange rate | 4 | (59) | 79 | 77 | 185 | (59) | 227 |
| Mark-to-market valuation of hedges | – | – | (7) | – | (51) | (933) | (991) |
| LCCP ramp-up | – | – | 1 623 | 1 222 | – | – | 2 845 |
| Normalised EBIT | 1 484 | 946 | 3 107 | (541) | 6 850 | (81) | 11 765 |
| Statement of financial position | | | | | | | |
| Property, plant and equipment | 23 510 | 6 837 | 84 729 | 117 116 | 46 773 | 3 384 | 282 349 |
| Right of use Assets | 7 | 813 | 6 159 | 5 065 | 1 937 | 2 494 | 16 475 |
| Assets under construction | 2 558 | 8 346 | 36 749 | 28 250 | 6 694 | 877 | 83 474 |
| Goodwill and other intangible assets | 98 | 20 | 1 297 | 1 109 | 105 | 670 | 3 299 |
| Other non-current assets ¹ | 590 | 18 | 2 035 | 1 665 | 10 957 | 2 192 | 17 457 |
| Current assets ^{1,2} | 1 743 | 2 195 | 22 634 | 17 370 | 17 864 | 9 591 | 71 397 |
| Total external assets¹ | 28 506 | 18 229 | 153 603 | 170 575 | 84 330 | 19 208 | 474 451 |
| Non-current liabilities ¹ | 2 000 | 7 716 | 14 907 | 13 492 | 9 312 | 123 325 | 170 752 |
| Current liabilities ¹ | 1 942 | 2 568 | 10 202 | 8 398 | 13 195 | 20 908 | 57 213 |
| Total external liabilities¹ | 3 942 | 10 284 | 25 109 | 21 890 | 22 507 | 144 233 | 227 965 |
| Cash flow information | | | | | | | |
| Cash flow from operations | 2 514 | 1 026 | 5 016 | 2 193 | 8 626 | (175) | 19 200 |
| Additions to non-current assets ³ | 1 416 | 759 | 8 240 | 7 298 | 3 142 | 587 | 21 442 |
| Capital commitments | | | | | | | |
| Subsidiaries and joint operations | 2 775 | 19 320 | 6 109 | 10 753 | 9 792 | 645 | 49 394 |
| Equity accounted investments | – | – | – | 7 | 1 950 | – | 1 957 |
| Total capital commitments | 2 775 | 19 320 | 6 109 | 10 760 | 11 742 | 645 | 51 351 |
| Number of employees⁴ | 7 482 | 433 | 5 818 | 8 034 | 5 126 | 4 470 | 31 363 |

¹ Excludes deferred tax assets, deferred tax liabilities, tax receivable, tax payable and post-retirement benefit assets.

² Included in current assets for Group Functions is R6,3 billion which relates to our central treasury function of which R4 billion relates to cash holdings and R2,3 billion to our derivative and hedging activities.

³ Includes project related capital payables.

⁴ Includes permanent and non-permanent employees.

Segmental analysis

for the period ended 31 December 2018

| | Mining | Exploration and Production International | Performance Chemicals | Base Chemicals | Energy | Group Functions | Total operations |
|--|---------------|--|-----------------------|----------------|---------------|-----------------|------------------|
| | Rm | Rm | Rm | Rm | Rm | Rm | Rm |
| Turnover | | | | | | | |
| External | 1 826 | 887 | 34 349 | 22 668 | 43 188 | 26 | 102 944 |
| Intersegment | 8 080 | 1 791 | 420 | 343 | 435 | – | 11 069 |
| Total turnover | 9 906 | 2 678 | 34 769 | 23 011 | 43 623 | 26 | 114 013 |
| Adjusted EBITDA⁶ | 3 682 | 1 554 | 5 478 | 4 514 | 12 547 | (984) | 26 791 |
| Depreciation of PPE | (859) | (763) | (1 668) | (2 006) | (2 615) | (256) | (8 167) |
| Amortisation of intangible assets | (3) | (10) | (42) | (27) | (33) | (110) | (225) |
| Share-based payments | (145) | (8) | (44) | (141) | (115) | (126) | (579) |
| Unrealised hedging gains | – | – | – | – | – | 2 508 | 2 508 |
| Unrealised translation gains | – | – | – | – | – | 94 | 94 |
| Change in discount rate of rehabilitation provisions | (7) | (2) | (40) | (84) | (97) | – | (230) |
| Remeasurement items | (7) | (7) | (85) | 820 | (122) | – | 599 |
| Earnings before interest and tax (EBIT) | 2 661 | 764 | 3 599 | 3 076 | 9 565 | 1 126 | 20 791 |
| Remeasurement items | 7 | 7 | 85 | (820) | 122 | – | (599) |
| Translation losses/(gains) of closing exchange rate | (5) | 39 | (67) | 7 | 226 | (654) | (454) |
| Mark-to-market valuation of hedges | – | – | 6 | – | (1) | (413) | (408) |
| LCCP ramp-up | – | – | 68 | 68 | – | – | 136 |
| Normalised EBIT | 2 663 | 810 | 3 691 | 2 331 | 9 912 | 59 | 19 466 |
| Statement of financial position | | | | | | | |
| Property, plant and equipment | 22 640 | 7 950 | 44 729 | 53 547 | 49 390 | 3 296 | 181 552 |
| Assets under construction | 2 455 | 6 396 | 83 056 | 84 841 | 6 614 | 645 | 184 007 |
| Goodwill and other intangible assets | 104 | 27 | 1 174 | 596 | 121 | 770 | 2 792 |
| Other non-current assets ¹ | 571 | 28 | 2 545 | 2 519 | 10 757 | 1 764 | 18 184 |
| Current assets ^{1,2} | 2 714 | 2 203 | 25 019 | 16 310 | 21 298 | 11 368 | 78 912 |
| Total external assets¹ | 28 484 | 16 604 | 156 523 | 157 813 | 88 180 | 17 843 | 465 447 |
| Non-current liabilities ^{1,4} | 1 652 | 6 106 | 22 731 | 23 246 | 11 567 | 84 972 | 150 274 |
| Current liabilities ¹ | 1 539 | 1 012 | 11 946 | 9 088 | 12 924 | 13 728 | 50 237 |
| Total external liabilities¹ | 3 191 | 7 118 | 34 677 | 32 334 | 24 491 | 98 700 | 200 511 |
| Cash flow information | | | | | | | |
| Cash flow from operations | 3 679 | 1 084 | 4 942 | 4 149 | 12 565 | 453 | 26 872 |
| Additions to non-current assets ³ | 1 324 | 618 | 10 713 | 13 008 | 4 400 | 370 | 30 433 |
| Capital commitments | | | | | | | |
| Subsidiaries and joint operations | 3 089 | 20 160 | 10 912 | 14 362 | 9 332 | 785 | 58 640 |
| Equity accounted investments | – | – | – | 20 | 998 | – | 1 018 |
| Total capital commitments | 3 089 | 20 160 | 10 912 | 14 382 | 10 330 | 785 | 59 658 |
| Number of employees⁵ | 7 436 | 424 | 5 522 | 8 002 | 5 081 | 4 965 | 31 430 |

¹ Excludes deferred tax assets, deferred tax liabilities, tax receivable, tax payable and post-retirement benefit assets.

² Included in current assets for Group Functions is R6 billion which relates to our central treasury function of which R3,4 billion relates to cash holdings and R2,4 billion to our derivative and hedging activities.

³ Includes project related capital payables.

⁴ Includes bonds issued by Sasol Financing USA in September 2018 amounting to US \$2,25 billion.

⁵ Includes permanent and non-permanent employees.

⁶ Adjusted EBITDA has been restated to include unrealised translation losses and change in discount rate for the rehabilitation provisions.

Segmental analysis

for the year ended 30 June 2019

| | Mining | Exploration and Production International | Performance Chemicals | Base Chemicals | Energy | Group Functions | Total operations |
|--|---------------|--|-----------------------|----------------|---------------|-----------------|------------------|
| | Rm | Rm | Rm | Rm | Rm | Rm | Rm |
| Turnover | | | | | | | |
| External | 3 222 | 1 815 | 67 389 | 48 113 | 82 977 | 60 | 203 576 |
| Intersegment | 17 654 | 3 369 | 907 | 700 | 826 | 18 | 23 474 |
| Total turnover | 20 876 | 5 184 | 68 296 | 48 813 | 83 803 | 78 | 227 050 |
| Adjusted EBITDA | 6 866 | 2 705 | 10 153 | 7 111 | 22 629 | (2 413) | 47 051 |
| Depreciation of PPE | (1 797) | (1 565) | (3 655) | (4 732) | (5 279) | (507) | (17 535) |
| Amortisation of intangible assets | (8) | (17) | (84) | (56) | (52) | (216) | (433) |
| Share-based payments | (289) | (36) | (132) | (303) | (224) | (234) | (1 218) |
| Unrealised hedging gains | – | – | – | – | – | 728 | 728 |
| Unrealised translation gains | – | – | – | – | – | 437 | 437 |
| Change in discount rate of rehabilitation provisions | (26) | – | (140) | (261) | (261) | – | (688) |
| Remeasurement items | (45) | (1 976) | (13 182) | (3 190) | (247) | (5) | (18 645) |
| Earnings before interest and tax (EBIT) | 4 701 | (889) | (7 040) | (1 431) | 16 566 | (2 210) | 9 697 |
| Remeasurement items | 45 | 1 976 | 13 182 | 3 190 | 247 | 5 | 18 645 |
| Translation losses/(gains) of closing exchange rate | 19 | 79 | (51) | 124 | 337 | (1 112) | (604) |
| Mark-to-market valuation of hedges | – | – | 7 | – | (34) | 2 870 | 2 843 |
| LCCP ramp-up | – | – | 1 842 | 1 949 | – | – | 3 791 |
| Normalised EBIT | 4 765 | 1 166 | 7 940 | 3 832 | 17 116 | (447) | 34 372 |
| Statement of financial position | | | | | | | |
| Property, plant and equipment | 23 540 | 6 076 | 74 313 | 77 339 | 48 924 | 3 357 | 233 549 |
| Assets under construction | 2 268 | 7 426 | 48 764 | 60 927 | 7 698 | 681 | 127 764 |
| Goodwill and other intangible assets | 103 | 23 | 1 317 | 1 058 | 109 | 747 | 3 357 |
| Other non-current assets ¹ | 574 | 17 | 2 555 | 1 836 | 10 594 | 1 870 | 17 446 |
| Current assets ^{1,2} | 1 809 | 2 475 | 25 007 | 19 478 | 19 727 | 8 789 | 77 285 |
| Total external assets¹ | 28 294 | 16 017 | 151 956 | 160 638 | 87 052 | 15 444 | 459 401 |
| Non-current liabilities ¹ | 1 701 | 6 782 | 11 763 | 10 612 | 11 561 | 125 070 | 167 489 |
| Current liabilities ¹ | 2 601 | 1 685 | 12 462 | 10 234 | 13 160 | 7 917 | 48 059 |
| Total external liabilities¹ | 4 302 | 8 467 | 24 225 | 20 846 | 24 721 | 132 987 | 215 548 |
| Cash flow information | | | | | | | |
| Cash flow from operations | 7 025 | 2 528 | 9 743 | 6 343 | 23 247 | 102 | 48 988 |
| Additions to non-current assets ³ | 2 912 | 1 086 | 20 403 | 23 065 | 7 484 | 850 | 55 800 |
| Capital commitments | | | | | | | |
| Subsidiaries and joint operations | 2 372 | 19 795 | 10 434 | 16 504 | 10 390 | 600 | 60 095 |
| Equity accounted investments | – | – | – | 9 | 1 274 | – | 1 283 |
| Total capital commitments | 2 372 | 19 795 | 10 434 | 16 513 | 11 664 | 600 | 61 378 |
| Number of employees⁴ | 7 402 | 419 | 5 667 | 8 090 | 5 118 | 4 733 | 31 429 |

¹ Excludes deferred tax assets, deferred tax liabilities, tax receivable, tax payable and post-retirement benefit assets.

² Included in current assets for Group Functions is R4 billion which relates to our central treasury function of which R3,3 billion relates to cash holdings and R0,6 billion to our derivative and hedging activities.

³ Includes project related capital payables.

⁴ Includes permanent and non-permanent employees.

Reviewed interim financial results

for the period ended 31 December 2019

The interim financial statements are presented on a condensed consolidated basis.

Income statement

for the period ended

| | Half year 31 Dec 19 Reviewed Rm | Half year 31 Dec 18 Reviewed Rm | Full year 30 Jun 19 Audited Rm |
|--|--|--|---|
| Turnover | 99 170 | 102 944 | 203 576 |
| Materials, energy and consumables used | (46 373) | (45 960) | (90 589) |
| Selling and distribution costs | (3 831) | (3 794) | (7 836) |
| Maintenance expenditure | (5 265) | (4 676) | (10 227) |
| Employee-related expenditure | (16 445) | (14 789) | (29 928) |
| Exploration expenditure and feasibility costs | (381) | (167) | (663) |
| Depreciation and amortisation | (10 977) | (8 392) | (17 968) |
| Other expenses and income | (6 584) | (5 850) | (19 097) |
| Translation (losses)/gains | (227) | 454 | 604 |
| Other operating expenses and income | (6 357) | (6 304) | (19 701) |
| Equity accounted profits, net of tax | 370 | 876 | 1 074 |
| Operating profit before remeasurement items | 9 684 | 20 192 | 28 342 |
| Remeasurement items ¹ | 169 | 599 | (18 645) |
| Earnings before interest and tax (EBIT) | 9 853 | 20 791 | 9 697 |
| Finance income | 381 | 420 | 787 |
| Finance costs | (2 636) | (252) | (1 253) |
| Earnings before tax | 7 598 | 20 959 | 9 231 |
| Taxation | (3 092) | (5 057) | (3 157) |
| Earnings for the period² | 4 506 | 15 902 | 6 074 |
| Attributable to | | | |
| Owners of Sasol Limited | 4 053 | 14 740 | 4 298 |
| Non-controlling interests in subsidiaries | 453 | 1 162 | 1 776 |
| | 4 506 | 15 902 | 6 074 |
| | Rand | Rand | Rand |
| Per share information | | | |
| Basic earnings per share | 6,56 | 23,92 | 6,97 |
| Diluted earnings per share | 6,53 | 23,76 | 6,93 |

¹ In FY19, remeasurement items included the impairments of the Tetramerization and EO/EG value chains of R7,4 billion (US\$526 million) and R5,5 billion (US\$388 million), respectively, an impairment of the Ammonia value chain of R3,3 billion and a further impairment of the shale gas assets in Canada of R1,9 billion (CAD181 million).

² Earnings decreased by 72% to R4,5 billion compared to the prior period. This resulted from a 9% decrease in the rand per barrel price of Brent crude oil, softer global chemical prices and refining margins, lower productivity at our Mining operations and a negative contribution from the LCCP. As the LCCP units progress through the sequential beneficial operation schedule, our revenues do not yet match the costs expensed. We do expect that for the second half of FY20 revenue will match the costs expensed better and that the LCCP will generate positive earnings before interest, tax, depreciation and amortisation (EBITDA). The LCCP negatively impacted earnings by R2,8 billion (EBITDA of R1,1 billion and R1,7 billion in additional depreciation charges). Earnings were further impacted by approximately R2,0 billion in finance charges for the period as the LCCP units reach beneficial operation.

Statement of comprehensive income

for the period ended

| | Half year 31 Dec 19 Reviewed Rm | Half year 31 Dec 18 Reviewed Rm | Full year 30 Jun 19 Audited Rm |
|---|--|--|---|
| Earnings for the period | 4 506 | 15 902 | 6 074 |
| Other comprehensive income, net of tax | | | |
| Items that can be subsequently reclassified to the income statement | (1 866) | 3 817 | 1 353 |
| Effect of translation of foreign operations | (1 743) | 4 169 | 1 533 |
| Effect of cash flow hedges | (156) | (452) | (287) |
| Tax on items that can be subsequently reclassified to the income statement | 33 | 100 | 107 |
| Items that cannot be subsequently reclassified to the income statement | (35) | 56 | (265) |
| Remeasurements on post-retirement benefit obligations | (128) | 5 | (531) |
| Fair value of investments through other comprehensive income | 75 | 99 | 136 |
| Tax on items that cannot be subsequently reclassified to the income statement | 18 | (48) | 130 |
| Total comprehensive income for the period | 2 605 | 19 775 | 7 162 |
| Attributable to | | | |
| Owners of Sasol Limited | 2 155 | 18 601 | 5 377 |
| Non-controlling interests in subsidiaries | 450 | 1 174 | 1 785 |
| | 2 605 | 19 775 | 7 162 |

Statement of financial position

at

| | Half year 31 Dec 19 Reviewed Rm | Half year 31 Dec 18 Reviewed Rm | Full year 30 Jun 19 Audited Rm |
|--|--|--|---|
| Assets | | | |
| Property, plant and equipment ¹ | 282 349 | 181 552 | 233 549 |
| Assets under construction ² | 83 474 | 184 007 | 127 764 |
| Right of use assets ³ | 16 475 | - | - |
| Goodwill and other intangible assets | 3 299 | 2 792 | 3 357 |
| Equity accounted investments | 10 276 | 10 961 | 9 866 |
| Post-retirement benefit assets | 1 151 | 1 292 | 1 274 |
| Deferred tax assets | 9 686 | 4 302 | 8 563 |
| Other long-term assets | 7 181 | 7 223 | 7 580 |
| Non-current assets | 413 891 | 392 129 | 391 953 |
| Assets in disposal groups held for sale | 1 302 | 136 | 2 554 |
| Inventories | 30 475 | 31 203 | 29 646 |
| Trade and other receivables | 25 724 | 30 515 | 29 308 |
| Short-term financial assets ⁴ | 2 279 | 2 602 | 630 |
| Cash and cash equivalents | 12 674 | 15 876 | 15 877 |
| Current assets | 72 454 | 80 332 | 78 015 |
| Total assets | 486 345 | 472 461 | 469 968 |
| Equity and liabilities | | | |
| Shareholders' equity | 222 645 | 235 997 | 219 910 |
| Non-controlling interests | 6 001 | 6 241 | 5 885 |
| Total equity | 228 646 | 242 238 | 225 795 |
| Long-term debt | 121 287 | 114 013 | 127 350 |
| Lease liabilities | 15 939 | 7 216 | 7 445 |
| Long-term provisions | 17 974 | 15 621 | 17 622 |
| Post-retirement benefit obligations | 12 850 | 12 141 | 12 708 |
| Long-term deferred income | 560 | 850 | 924 |
| Long-term financial liabilities ⁵ | 2 142 | 433 | 1 440 |
| Deferred tax liabilities | 28 791 | 28 773 | 27 586 |
| Non-current liabilities | 199 543 | 179 047 | 195 075 |
| Liabilities in disposal groups held for sale | 411 | 44 | 488 |
| Short-term debt ⁶ | 18 380 | 10 243 | 3 783 |
| Short-term financial liabilities | 1 348 | 1 264 | 765 |
| Other current liabilities ⁷ | 38 013 | 39 519 | 44 004 |
| Bank overdraft | 4 | 106 | 58 |
| Current liabilities | 58 156 | 51 176 | 49 098 |
| Total equity and liabilities | 486 345 | 472 461 | 469 968 |

1 Includes assets under construction capitalised of R69 billion and depreciation for the period of R10 billion.

2 Actual capital expenditure, including accruals, amounted to R21 billion. This includes R10 billion (US\$0,6 billion) relating to the LCCP. R69 billion was capitalised to property, plant and equipment, including R55 billion relating to the LCCP.

3 Refer to page 19 of the Sasol Limited Interim Financial Results for the impact of the adoption of IFRS 16.

4 Fair value period end adjustments, mainly the zero-cost foreign exchange collars

5 Includes R674 million relating to an embedded derivative contained in the Oxygen Train 17 agreement with Air Liquide, which was recognised as a Finance Lease under IAS17. With the adoption of IFRS 16 the agreement is recognised as a service contract.

6 Short-term debt includes R14 billion relating to the US\$1 billion syndicated loan facility raised in November 2019.

7 The movement mainly relates to the R3,9 billion decrease in capital project related payables as the LCCP nears completion.

Statement of changes in equity

for the period ended

| | Half year 31 Dec 19 Reviewed Rm | Half year 31 Dec 18 Reviewed Rm | Full year 30 Jun 19 Audited Rm |
|---|--|--|---|
| Balance at beginning of period | 225 795 | 228 608 | 228 608 |
| Adjustment on initial application of IFRS 16, net of tax ¹ | (290) | – | – |
| Restated balance at beginning of period | 225 505 | 228 608 | 228 608 |
| Disposal of business | – | – | (52) |
| Movement in share-based payment reserve | 881 | 681 | 1 552 |
| Share-based payment expense | 396 | 327 | 707 |
| Deferred tax | (7) | (122) | (107) |
| Sasol Khanyisa transaction | 492 | 476 | 952 |
| Total comprehensive income for the period | 2 605 | 19 775 | 7 162 |
| Dividends paid to shareholders | (11) | (4 897) | (8 580) |
| Final distribution to Sasol Inzalo Public Shareholders | – | (1 372) | (1 372) |
| Dividends paid to non-controlling shareholders in subsidiaries | (334) | (557) | (1 523) |
| Balance at end of period | 228 646 | 242 238 | 225 795 |
| Comprising | | | |
| Share capital | 9 888 | 9 888 | 9 888 |
| Retained earnings | 186 036 | 195 789 | 181 706 |
| Share-based payment reserve | 713 | (424) | 410 |
| Foreign currency translation reserve | 28 240 | 32 653 | 29 978 |
| Remeasurements on post-retirement benefit obligations | (2 286) | (1 846) | (2 204) |
| Investment fair value reserve | 180 | 105 | 132 |
| Cash flow hedge accounting reserve | (126) | (168) | – |
| Shareholders' equity | 222 645 | 235 997 | 219 910 |
| Non-controlling interests in subsidiaries | 6 001 | 6 241 | 5 885 |
| Total equity | 228 646 | 242 238 | 225 795 |

¹ The adjustment on initial application of IFRS 16 'Leases' relates to the derecognition of the IAS 17 finance lease of Oxygen Train 17 and the recognition of the embedded derivative in the Oxygen Train 17 service contract with Air Liquide. Refer to page 19 of the Sasol Limited Interim Financial Results for the impact of the adoption of IFRS 16.

Statement of cash flows

for the period ended

| | Half year 31 Dec 19 Reviewed Rm | Half year 31 Dec 18 Reviewed Rm | Full year 30 Jun 19 Audited Rm |
|---|--|--|---|
| Cash receipts from customers | 102 955 | 103 145 | 203 613 |
| Cash paid to suppliers and employees | (83 322) | (78 377) | (152 215) |
| Cash generated by operating activities¹ | 19 633 | 24 768 | 51 398 |
| Dividends received from equity accounted investments | 15 | 1 423 | 1 506 |
| Finance income received | 363 | 343 | 682 |
| Finance costs paid ² | (2 999) | (2 494) | (6 222) |
| Tax paid | (3 301) | (1 339) | (3 946) |
| Cash available from operating activities | 13 711 | 22 701 | 43 418 |
| Dividends paid | (11) | (4 897) | (9 952) |
| Dividends paid to non-controlling shareholders in subsidiaries | (334) | (557) | (1 523) |
| Cash retained from operating activities | 13 366 | 17 247 | 31 943 |
| Total additions to non-current assets | (25 295) | (31 736) | (56 734) |
| Additions to non-current assets | (21 442) | (30 433) | (55 800) |
| Decrease in capital project related payables ³ | (3 853) | (1 303) | (934) |
| Additional cash contributions (to)/from equity accounted investments | (137) | 54 | 66 |
| Proceeds on disposals and scrapings ⁴ | 2 032 | 53 | 567 |
| Purchase of investments | (72) | (167) | (222) |
| Other net cash flow from investing activities | (459) | 114 | (89) |
| Cash used in investing activities | (23 931) | (31 682) | (56 412) |
| Final settlement to Sasol Inzalo Public Shareholders | – | (1 372) | – |
| Proceeds from long-term debt ⁵ | 18 504 | 20 470 | 93 884 |
| Repayment of long-term debt ⁵ | (23 987) | (12 056) | (69 656) |
| Repayment of lease liability | (1 110) | (422) | (344) |
| Proceeds from short-term debt ⁶ | 15 136 | 7 827 | 977 |
| Repayment of short-term debt | (1 270) | (1 629) | (1 730) |
| Cash generated by financing activities | 7 273 | 12 818 | 23 131 |
| Translation effects on cash and cash equivalents | 132 | 348 | 162 |
| Decrease in cash and cash equivalents | (3 160) | (1 269) | (1 176) |
| Cash and cash equivalents at the beginning of period | 15 819 | 17 039 | 17 039 |
| Reclassification to disposal groups held for sale | 11 | – | (44) |
| Cash and cash equivalents at the end of the period⁷ | 12 670 | 15 770 | 15 819 |

¹ Cash generated by operating activities decreased by 21% to R19,6 billion compared to R24,7 billion in the prior period. This was largely due to the softer macroeconomics and losses attributable to the LCCP. The decrease was partially negated by another strong working capital and cost performance from the foundation business. Working capital decreased by R433 million mainly as a result of focused management actions at period end.

² Included in finance costs paid is amounts capitalised to assets under construction of R1 974 million.

³ The movement is mainly as a result of the LCCP nearing completion

⁴ Includes proceeds from the disposal of our investment in Sasol Huntsman GmbH & co KG of EUR91 million (R1 506 million).

⁵ Includes additional bilateral facilities of US\$250 million and R2,2 billion in the local debt market issued under the Domestic Medium Term Note program offset by net repayment of RCF (US\$671 million).

⁶ Short-term debt includes the US\$1 billion syndicated loan facility raised in November 2019.

⁷ Includes bank overdraft.

Other disclosures

| | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm |
|--|-------------------------|-------------------------|-------------------------|
| 1 Employee-related expenditure | | | |
| Analysis of employee costs | | | |
| Labour | 16 371 | 15 483 | 30 706 |
| salaries, wages and other employee-related expenditure | 15 258 | 14 499 | 28 665 |
| post-employment benefits | 1 113 | 984 | 2 041 |
| Share-based payment expenses | 795 | 579 | 1 219 |
| equity-settled | 888 | 803 | 1 659 |
| cash-settled | (93) | (224) | (440) |
| Total employee-related expenditure | 17 166 | 16 062 | 31 925 |
| Less: costs capitalised to projects | (721) | (1 273) | (1 997) |
| Total employee cost | 16 445 | 14 789 | 29 928 |

| | Half year 2020 | | Half year 2019 | |
|-------------------------------------|---------------------------|--------------|---------------------------|--------------|
| | Income statement Rm | Equity Rm | Income statement Rm | Equity Rm |
| 2 Translation (gains)/losses | | | | |
| Assets | | | | |
| Property, plant and equipment | – | 3 290 | – | (1 319) |
| Assets under construction | – | (1 532) | – | (6 674) |
| Equity accounted investments | – | 76 | – | (570) |
| Inventories | – | 231 | (1) | (464) |
| Trade and other receivables | 16 | 126 | (199) | (417) |
| Cash and cash equivalents | (26) | (134) | (193) | (349) |
| Liabilities | | | | |
| Long-term debt | (92) | (498) | (445) | 4 379 |
| Long-term provisions | (85) | (39) | 237 | 97 |
| Retirement benefit obligations | – | (192) | – | 231 |
| Trade and other payables | 384 | 22 | 189 | 708 |
| Other | 30 | (138) | (42) | 209 |
| Total | 227 | 1 212 | (454) | (4 169) |

| | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm |
|---|-------------------------|-------------------------|-------------------------|
| 3 Equity accounted investments | | | |
| Amounts recognised in the statement of financial position: | | | |
| Investments in joint ventures and associates | 10 276 | 10 961 | 9 866 |
| | | | |
| | | | |
| Amounts recognised in the income statement: | | | |
| Share of profits of equity accounted investments, net of tax | 370 | 876 | 1 074 |
| share of profits | 370 | 891 | 1 089 |
| remeasurement items | – | (15) | (15) |
| Amounts recognised in the statement of cash flows: | | | |
| Dividends received from equity accounted investments | 15 | 1 423 | 1 506 |

At 31 December, the group's interest in equity accounted investments and the total carrying values were:

| Name | Country of incorporation | Nature of activities | Interest % | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm | |
|---|-----------------------------|--|---------------|-------------------------|-------------------------|-------------------------|------------|
| Joint ventures | | | | | | | |
| ORYX GTL Limited | Qatar | GTL plant | 49 | 8 858 | 8 227 | 8 239 | |
| Sasol Huntsman GmbH & Co KG | Germany | Manufacturing of chemical products | – | – | 864 | – | |
| Sasol Dyno Nobel (Pty) Ltd | South Africa | Manufacturing and distribution of explosives | 50 | 276 | 267 | 273 | |
| Sasol Chevron Holdings Limited | Bermuda | Marketing of Escravos GTL products | 50 | 269 | 308 | 274 | |
| Associates | | | | | | | |
| Escravos GTL (EGTL)* | Nigeria | GTL plant | 10 | 543 | 970 | 753 | |
| Other equity accounted investments | | | | | | | |
| | | | | Various | 330 | 325 | 327 |
| Carrying value of investments | | | | 10 276 | 10 961 | 9 866 | |

* Although the group holds less than 20% of the voting power of EGTL, the group has significant influence with regards to the management and technical support to the plant.

Equity accounted investments continued

Summarised financial information for the group's material equity accounted investments

In accordance with the group's accounting policy, the results of joint ventures and associates are equity accounted. The information provided below represents the group's material joint venture. The financial information presented includes the summarised financial position and results of the joint venture and includes intercompany transactions and balances.

| | Joint venture | | |
|--|-------------------------|-------------------------|-------------------------|
| | ORYX GTL Limited | | |
| | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm |
| Summarised statement of financial position | | | |
| Non-current assets | 12 323 | 12 350 | 11 964 |
| Current assets | 8 957 | 7 173 | 6 722 |
| Deferred tax asset | 88 | – | 22 |
| Total assets | 21 368 | 19 523 | 18 708 |
| Other non-current liabilities | 843 | 375 | 378 |
| Other current liabilities | 1 348 | 1 357 | 1 337 |
| Tax payable | 1 098 | 1 002 | 100 |
| Total liabilities | 3 289 | 2 734 | 1 815 |
| Net assets | 18 079 | 16 789 | 16 893 |
| Summarised income statement | | | |
| Turnover | 6 051 | 6 548 | 9 977 |
| Depreciation and amortisation | (723) | (734) | (1 420) |
| Other operating expenses | (2 962) | (2 799) | (5 039) |
| Operating profit before interest and tax | 2 366 | 3 015 | 3 518 |
| Finance income | 13 | 21 | 33 |
| Finance costs | (54) | (1) | (3) |
| Earnings before tax | 2 325 | 3 035 | 3 548 |
| Taxation | (897) | (531) | (607) |
| Earnings and total comprehensive income for the period | 1 428 | 2 504 | 2 941 |
| The group's share of profits of equity accounted investment | 701 | 956 | 1 131 |
| 49% share of earnings before tax | 1 140 | 1 487 | 1 738 |
| Taxation | (439) | (531) | (607) |
| Reconciliation of summarised financial information | | | |
| Net assets at the beginning of the period | 16 814 | 17 001 | 17 001 |
| Earnings before tax for the period | 2 325 | 3 035 | 3 548 |
| Taxation* | (897) | (531) | (607) |
| Foreign exchange differences | (163) | 823 | 490 |
| Dividends paid | – | (3 539) | (3 539) |
| Net assets at the end of the period | 18 079 | 16 789 | 16 893 |
| Adjustment for distribution to shareholder | – | – | (79) |
| Adjusted net assets at the end of the period | 18 079 | 16 789 | 16 814 |
| Carrying value of equity accounted investment | 8 858 | 8 227 | 8 239 |

The year-end for ORYX GTL Limited is 31 December.

The carrying value of the investment represents the group's interest in the adjusted net assets thereof.

4 Interest in joint operations

The information provided is Sasol's share of joint operations (excluding unincorporated joint operations) and includes intercompany transactions and balances.

| | Gemini HDPE LLC | Sasol Canada | Natref | Other* | Half year 2020 | Half year 2019 | Full year 2019 |
|--|--------------------|-----------------|--------------|--------------|-------------------|-------------------|-------------------|
| | Rm | Rm | Rm | Rm | Rm | Rm | Rm |
| Statement of financial position | | | | | | | |
| External non-current assets | 4 999 | 936 | 3 587 | 1 563 | 11 085 | 12 970 | 10 858 |
| External current assets | 102 | 219 | 285 | 929 | 1 535 | 1 832 | 1 651 |
| Intercompany current assets | 19 | 1 | 15 | 7 | 42 | 114 | 109 |
| Total assets | 5 120 | 1 156 | 3 887 | 2 499 | 12 662 | 14 916 | 12 618 |
| Shareholders' equity | 2 453 | 118 | 280 | 377 | 3 228 | 5 177 | 2 888 |
| Long-term liabilities | 2 438 | 949 | 3 037 | 1 432 | 7 856 | 7 842 | 8 001 |
| Interest-bearing current liabilities | 114 | 1 | 276 | 370 | 761 | 846 | 589 |
| Non-interest-bearing current liabilities | 115 | 85 | 188 | 93 | 481 | 558 | 737 |
| Intercompany current liabilities | – | 3 | 106 | 227 | 336 | 493 | 403 |
| Total equity and liabilities | 5 120 | 1 156 | 3 887 | 2 499 | 12 662 | 14 916 | 12 618 |
| Income statement | | | | | | | |
| Turnover | 248 | 167 | 1 147 | 719 | 2 281 | 2 107 | 4 135 |
| Operating profit/(loss) | (61) | (85) | 248 | 134 | 236 | (113) | (2 323) |
| Other expenses | (81) | (9) | (110) | (86) | (286) | (309) | (444) |
| Net (loss)/profit before tax | (142) | (94) | 138 | 48 | (50) | (422) | (2 767) |
| Taxation | – | – | (45) | 12 | (33) | (26) | (62) |
| Attributable (loss)/ earnings | (142) | (94) | 93 | 60 | (83) | (448) | (2 829) |

* Includes Central Termica de Ressano Garcia (CTRG) at 49%.

| | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm |
|--|-------------------------|-------------------------|-------------------------|
| 5 Long-term provisions | | | |
| Comprising | | | |
| Environmental | 19 437 | 15 856 | 18 742 |
| Share-based payments | 162 | 532 | 263 |
| Other | 1 024 | 1 020 | 955 |
| Total long-term provisions | 20 623 | 17 408 | 19 960 |
| Short-term portion | (2 649) | (1 787) | (2 338) |
| | 17 974 | 15 621 | 17 622 |
| Analysis of long-term provisions | | | |
| Balance at beginning of period | 19 960 | 17 727 | 17 727 |
| Capitalised in property, plant and equipment and assets under construction | 1 522 | 313 | 1 925 |
| Reduction in rehabilitation provision capitalised | (96) | (31) | (1) |
| Transfer to held for sale liabilities | (7) | – | (54) |
| Per the income statement | (794) | (449) | 430 |
| additional provisions and changes to existing provisions | (385) | (451) | 39 |
| reversal of unutilised amounts | (26) | (229) | (297) |
| effect of change in discount rate | (383) | 231 | 688 |
| Notional interest | 468 | 434 | 857 |
| Utilised during year (cash flow) | (306) | (920) | (1 099) |
| Translation of foreign operations and foreign exchange differences | (124) | 334 | 175 |
| | 20 623 | 17 408 | 19 960 |

6 Summary of derivatives

In the normal course of business, the group enters into various derivative transactions to mitigate our exposure to foreign exchange rates, interest rates, and commodity prices. Derivative instruments used by the group in hedging activities include swaps, options, forwards and other similar types of instruments.

| Income statement impact | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm |
|---|-------------------------|-------------------------|-------------------------|
| Financial instruments | | | |
| Net gain/(loss) on derivative instruments | | | |
| Foreign exchange contracts gains/ (losses) | 461 | (660) | (794) |
| Put option crude oil derivatives | – | 1 525 | (498) |
| Zero cost collar foreign exchange derivatives | 1 486 | (599) | 323 |
| Crude oil futures | (38) | 510 | 265 |
| Coal swaps | – | 91 | 91 |
| Ethane swaps | (870) | 50 | (462) |
| Interest rate swaps in respect of US debt | (39) | 57 | (1 475) |
| Interest rate swaps other | (42) | 52 | – |
| Other forex derivative | (47) | – | 85 |
| | 911 | 1 026 | (2 465) |

Group key volume balance summary

Volumes: 3-year view (Y-o-Y)

| Feedstock | Production | Sales |
|--|---|---|
| <p>Coal</p> <p>Mining saleable production¹</p> <p>2019 36,1 mm tons</p> <p>H1 2019 18,3 mm tons</p> <p>H1 2020 17,9 mm tons ▼ 2</p> <p>External purchases</p> <p>2019 5,2 mm tons</p> <p>H1 2019 2,6 mm tons</p> <p>H1 2020 3,2 mm tons ▲ 23</p> | <p>SA Fuels</p> <p>Synfuels refined product</p> <p>2019 32,6 mm bbl</p> <p>H1 2019 15,5 mm bbl</p> <p>H1 2020 16,2 mm bbl ▲ 5</p> <p>Natref production</p> <p>2019 21,6 mm bbl</p> <p>H1 2019 11,0 mm bbl</p> <p>H1 2020 10,1 mm bbl ▼ 8</p> | <p>Energy</p> <p>Liquid fuels sales⁸</p> <p>2019 60,0 mm bbl</p> <p>H1 2019 29,7 mm bbl</p> <p>H1 2020 29,8 mm bbl —</p> <p>Gas sales⁹</p> <p>2019 57 bscf</p> <p>H1 2019 29 bscf</p> <p>H1 2020 29 bscf —</p> |
| <p>Natural Gas</p> <p>Mozambique NG production²</p> <p>2019 114,0 bscf</p> <p>H1 2019 59,0 bscf</p> <p>H1 2020 59,3 bscf ▲ 1</p> <p>Canada NG production</p> <p>2019 16,3 bscf</p> <p>H1 2019 8,6 bscf</p> <p>H1 2020 7,8 bscf ▼ 9</p> | <p>International Fuels</p> <p>ORYX GTL production</p> <p>2019 4,67 mm bbl</p> <p>H1 2019 2,91 mm bbl</p> <p>H1 2020 2,88 mm bbl ▼ 1</p> <p>EGTL production</p> <p>2019 0,69 mm bbl</p> <p>H1 2019 0,24 mm bbl</p> <p>H1 2020 0,12 mm bbl ▼ 50</p> | <p>Base Chemicals</p> <p>Total sales</p> <p>2019 4 002 kt</p> <p>H1 2019 1 799 kt</p> <p>H1 2020 2 173 kt ▲ 21</p> <p>US Polymers sales</p> <p>2019 411 kt</p> <p>H1 2019 116 kt</p> <p>H1 2020 469 kt ▲ >100</p> |
| <p>Crude Oil</p> <p>Natref production run rate</p> <p>2019 637 m³/h</p> <p>H1 2019 641 m³/h</p> <p>H1 2020 598 m³/h ▼ 7</p> <p>Gabon production (after royalties)</p> <p>2019 1,16 mm bbl</p> <p>H1 2019 0,60 mm bbl</p> <p>H1 2020 0,53 mm bbl ▼ 12</p> | <p>SA Chemicals</p> <p>Monomer production³</p> <p>2019 1 266 kt</p> <p>H1 2019 602 kt</p> <p>H1 2020 646 kt ▲ 7</p> <p>Organics production⁴</p> <p>2019 421 kt</p> <p>H1 2019 191 kt</p> <p>H1 2020 195 kt ▲ 2</p> | <p>Performance Chemicals</p> <p>Total sales</p> <p>2019 2 671 kt</p> <p>H1 2019 1 323 kt</p> <p>H1 2020 1 407 kt ▲ 6</p> |
| <p>Ethane</p> <p>US Ethane purchases</p> <p>2019 662 kt</p> <p>H1 2019 294 kt</p> <p>H1 2020 854 kt ▲ >100</p> | <p>US Chemicals</p> <p>HDPE⁵ production</p> <p>2019 218 kt</p> <p>H1 2019 91 kt</p> <p>H1 2020 157 kt ▲ 73</p> <p>LCCP⁶ Polyethylene</p> <p>2019 103 kt</p> <p>H1 2020 184 kt ▲ >100</p> <p>LCCP EO⁷ value chain</p> <p>2019 41 kt</p> <p>H1 2020 162 kt ▲ >100</p> | |

1. Saleable production represents total production adjusted for normal process discard arising from the coal beneficiation process at our export operations

2. Mozambique natural gas production indicates Sasol's 70% share

3. Monomer production refers to ethylene and propylene net production before derivatisation and sales

4. Organics production refers to the SA saleable production contribution to the Performance Chemicals organics basket

5. HDPE: High Density Polyethylene

6. LCCP: Lake Charles Chemicals Project

7. EO: Ethylene oxide

8. Liquid fuels sales include white and black product sales

9. Gas sales include natural gas and methane rich gas sales

South African Operations

SSO total production volumes were 4% higher than H1 2019, mainly as a result of improved stability and the successful completion of a phase shutdown in 2020 (2019 total West factory shutdown). This was slightly negated by coal supply constraints during December 2019. The SSO full year production is forecasted to be approximately 7,7 - 7,8 million tons, in line with previous market guidance.

Natref achieved a crude rate of 598 m³/h for H1 2020. Production was 8% lower than H1 2019, mainly as a result of the planned shutdown in November 2019. We are targeting production rates of above 600m³/h for the remainder of the year.

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|---|--------|--------------------------|-------------------|-------------------|-------------------|
| Production - Secunda Synfuels Operations | kt | 4 | 3 770 | 3 614 | 7 619 |
| Refined product | kt | | 1 859 | 1 745 | 3 699 |
| Heating fuels | kt | | 324 | 342 | 665 |
| Alcohols/ketones | kt | | 302 | 289 | 623 |
| Other chemicals | kt | | 942 | 890 | 1 910 |
| Gasification | kt | | 286 | 286 | 590 |
| Other | kt | | 57 | 62 | 132 |
| Synfuels refined product | mm bbl | 5 | 16,2 | 15,5 | 32,6 |
| Natref | | | | | |
| Crude oil (processed) | mm bbl | (8) | 10,4 | 11,3 | 22,2 |
| White product yield | % | (1) | 89,5 | 90,3 | 89,4 |
| Total yield | % | - | 97,1 | 97,5 | 97,3 |
| Production | mm bbl | (8) | 10,1 | 11,0 | 21,6 |

North American Operations

Production volumes from North American-based assets increased by more than 100% for H1 2020, following the linear low-density polyethylene (LLDPE) plant achieving beneficial operation (BO) in February 2019, ethylene oxide (EO) / ethylene glycol (EG) unit in May 2019, and the new ethane cracker in August 2019. The high density polyethylene (HDPE) plant continues to produce at high rates.

The Lake Charles Chemicals Project (LCCP) ethane cracker ramped up following the successful replacement of the acetylene reactor catalyst in December 2019. The plant is targeted to operate close to nameplate capacity for the remainder of the year.

Gross ethylene production, including production from the existing cracker, totalled 454 kt. This increased by more than 100% for H1 2020 compared to H1 2019.

Eurasian Operations

Production volumes from Eurasian-based assets increased by 2% for H1 2020, mainly supported by production ramp-up in the new ethoxylation unit in China, which reached beneficial operation in April 2019, as well as increased Alkylate volumes from Italy.

Lake Charles Chemicals Project (LCCP)

At the LCCP, we maintain our focus on safely improving productivity in the field and bringing the plants into beneficial operation. The project continued with its exceptional safety record with a recordable case rate (RCR) of 0,10.

At the end of December 2019, engineering and procurement activities were substantially complete and construction progress was at 98% with overall project completion at 99%.

The investigation into the incident which occurred at the low-density polyethylene (LDPE) unit in January 2020 is complete. The root cause analysis determined that a piping support structure, within the LDPE emergency vent system, failed during commissioning causing a pipe to dislodge. No major equipment was damaged, and the incident was isolated. Remediation has commenced, however the replacement of the high pressure piping material components have long lead times. We expect beneficial operation of the LDPE unit to be delayed to the second half of calendar year 2020. Parallel commissioning activities on the remainder of the LDPE unit continue during remediation and every effort will be made to expedite the restoration project. The overall LCCP cost estimate is tracking US\$12,8 billion, within our previous guidance of US\$12,6 billion to US\$12,9 billion, and our EBITDA estimate of US\$50 million to US\$100 million for 2020 remains.

During the time of the delay in the LDPE unit start-up, the ethylene produced by the cracker and destined for the unit is sold externally. All previously commissioned units were unaffected and are operating to plan. The Ethoxylates (ETO) unit, the fourth of seven units, achieved beneficial operation on 30 January 2020 and as previously communicated we still expect the Ziegler and Guerbet plants to achieve beneficial operation in the last quarter of 2020.

The short-term market outlook for ethane and product pricing remains volatile and estimates will be updated periodically. We expect EBITDA in the range of US\$600 million to US\$750 million for 2021.

| Key projects metrics | January 2020 |
|--|-------------------------|
| Total project output capacity | 1,77 mtpa |
| Ethane consumption | 100 000 bpd |
| Ethylene production | 1,54 mtpa |
| First production unit beneficial operation | Q1 2019* |
| Last unit beneficial operation | H2 2020* |
| Capital expenditure to date** | US\$12,5 billion |
| Total project capex | US\$12,6 - 12,9 billion |
| % completion | 99% |

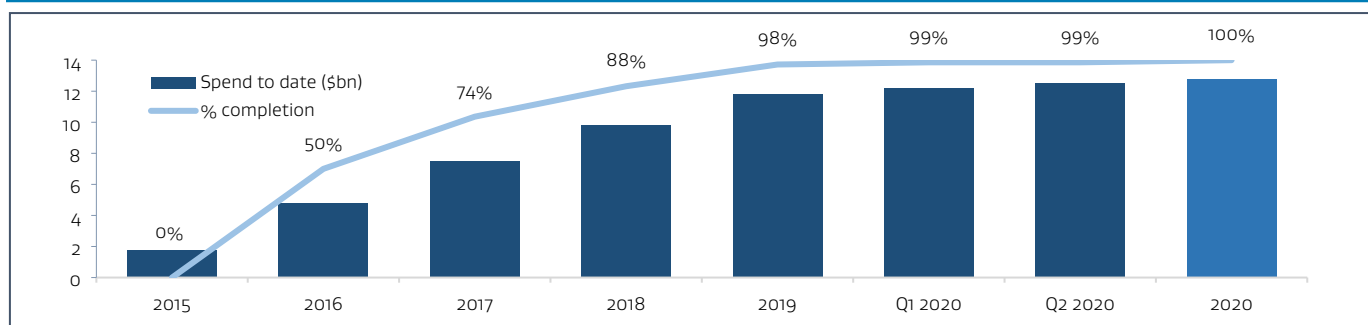
| LCCP capital cost and cash flow | Half year 2020 |
|--|------------------|
| The LCCP expected capital cash flow requirements are as follows: | |
| Cumulative capital expenditure as at 31 December 2019** | US\$12,5 billion |
| Cumulative cash flow as at 31 December 2019 | US\$12,3 billion |
| Projected capital expenditure (cash flow) | |
| - 2H 2020 | US\$0,6 billion |
| - 2021 (cash inflow)*** | US\$0,05 billion |
| - 2023 (cash inflow)*** | US\$0,09 billion |

* Calendar year

** Includes accruals of approximately US\$0,3 billion and net of US\$0,14 billion tax credit.

*** The cash inflow for the investment tax credit is expected in 2021 and 2023.

LCCP Capital spend



| | | 2016 | 2017 | 2018 | 2019 | Q1 2020 | Q2 2020 | 2020 |
|-------------------|--------------|------|------|------|------|---------|---------|-------------|
| Spend to date* | US\$ billion | 4,8 | 7,5 | 9,8 | 11,8 | 12,2 | 12,5 | 12,6 - 12,9 |
| Incremental spend | US\$ billion | 4,8 | 2,7 | 2,3 | 2,0 | 0,4 | 0,3 | 0,1 - 0,4 |
| % Completion | % | 50% | 74% | 88% | 98% | 99% | 99% | 100% |

* Includes accruals and net of US\$0,14 billion investment tax credit

Value Chains

| | | Scenario based on External consultants view ¹ | Scenario based on Oct-Dec 2019 average ² |
|--|-------|--|---|
| Merchant Ethylene | | | |
| 2020 | | | |
| Volumes | ktpa | 310 | 310 |
| EBITDA | US\$m | 40 - 55 | 45 - 55 |
| 2022 - Full run rate | | | |
| Volumes | ktpa | | 375 |
| EBITDA | US\$m | | 80 - 120 |
| Polyethylene | | | |
| 2020 | | | |
| Volumes | ktpa | 360 | 360 |
| EBITDA | US\$m | 20 - 30 | 8 - 20 |
| 2022 - Full run rate | | | |
| Volumes | ktpa | | 855 |
| EBITDA | US\$m | | 390 - 475 |
| Ethylene Oxide (EO) value chain | | | |
| 2020 | | | |
| Volumes | ktpa | 315 | 315 |
| EBITDA | US\$m | (10) - 5 | (10) - 0 |
| 2022 - Full run rate | | | |
| Volumes | ktpa | | 400 |
| EBITDA | US\$m | | 40 - 70 |
| Ziegler alcohol, Alumina and Guerbet alcohols (ZAG) | | | |
| 2020 | | | |
| Volumes | ktpa | 5 | 5 |
| EBITDA | US\$m | 0 - 10 | 7 - 25 |
| 2022 - Full run rate | | | |
| Volumes | ktpa | | 160 |
| EBITDA | US\$m | | 190 - 235 |
| Project EBITDA | | | |
| 2020 | US\$m | 50 - 100 | 50 - 100 |
| 2021 | US\$m | 600 - 750 | 600 - 750 |
| 2022 | US\$m | | 700 - 900 |

¹ Based on Ethane of US\$36c/gal and Brent crude oil of US\$68/bbl in real terms.

² Based on Ethane of US\$17 c/gal and Brent crude oil of US\$58 /bbl in real terms.

* All EBITDA are quoted in nominal terms

Total interest capitalised over the life of the project:

| | Actual (cumulative to date) 2017 US\$m | Actual | | Forecast |
|---|---|---------------|---------------|---------------|
| | | 2018 US\$m | 2019 US\$m | 2020 US\$m |
| Interest capitalised on group borrowings | 93,2 | 65,1 | 263,4 | 109,9 |
| Interest capitalised on specific borrowings | 255,5 | 199,2 | 185,1 | 46,0 |
| | 348,7 | 264,3 | 448,5 | 155,9 |

Estimated impact on depreciation of US\$20 million – US\$25 million per annum. The interest capitalised is not included in US\$12,5 billion total project cost.

Project returns and sensitivities

It is estimated that a US\$5c/gal change in the ethane price will have an approximate impact of approximately US\$75 million on an annual EBITDA at steady state. A US\$5c/gal lower ethane price over the life of the project will impact the IRR by 0,4%.

Sustainability

Progressing sustainability

- Safety Recordable Case Rate (RCR) of 0,27, excluding illnesses; regrettably two fatalities
- Achieved Level 3 B-BBEE* status
- R784 million invested globally in skills and socioeconomic development
- R14,4 billion in procurement spend with SA black-owned businesses
- GHG emission reduction road map on track for sharing at 2020 Capital Markets Day

*Broad-based Black Economic Empowerment

Maintaining our focus on sustainable value creation

- As a core value, safety remains one of our top priorities. We are deeply saddened to report that we experienced two tragic fatalities at our Mining operations. Root cause analysis is conducted for each fatality and corrective actions were identified and are being implemented.
- Our 12 month rolling RCR for employees and service providers, excluding illnesses, is 0,27 at December 2019 as compared to 0,26 at December 2018. We continue to implement our high severity injury (HSI) programme to improve our safety performance. A fifth HSI focus area on process safety has been added to the current programme. Importantly, our adapted leadership development programmes include frontline supervisor training with a focus on team engagement.
- Sasol is keenly aware of the need to transform our foundation businesses over the longer term to ensure we contribute to our environmental sustainability. We released our first Climate Change Report in October 2019, which articulates our three-pillar emission reduction framework, encompassing reducing our emissions, transforming our operations and shifting our portfolio in a climate-constrained world. Sasol is carrying out work to develop an Emission Reduction Roadmap in order to support delivery on our commitment to reduce our absolute greenhouse gas (GHG) emissions for our South African value chain by at least 10% off our 2017 baseline by 2030 and to inform Sasol's long-term GHG reduction ambition. We are continuing our efforts of integrating lower carbon alternatives, with a particular focus on securing additional gas supply. The Roadmap and long term ambition development is progressing according to plan and Sasol will share these outputs with the market towards the end of the 2020 calendar year.
- Total GHG emissions for all our operations globally are 32,5 million tons compared to 32,1 million tons for the prior period. Our GHG emissions intensity (measured in CO₂e per ton of production) is 3,61 at December 2019, compared to 3,55 at December 2018. The GHG intensity and emissions were lower during the prior period due to the total West factory shut down at the Secunda sites in September 2018. Once fully operational, the LCCP is anticipated to reduce our overall carbon intensity by approximately 6%, delivering 1,8 million tons per year of total production with approximately 2,2 million tons of carbon dioxide equivalents.
- Results for the half year related to water management, reflect an increase in total water usage from 65,8 million m³ to 73,6 million m³ which is mainly attributed to the start-up of LCCP. River water use increased from 52,7 million m³ to 59,6 million m³ due to the start-up of the LCCP. Potable water use has increased from 5,9 million m³ to 7,0 million m³ which is attributable mainly to an increase in demand for potable water in Secunda for industrial purposes to offset a deterioration in river water quality.
- We invested R784 million globally in skills and socioeconomic development, which includes funding towards small to large enterprises, bursaries, graduate development as well as education, health and investment in infrastructure.
- Sasol delivered on our commitments towards sustainable transformation and B-BBEE in recent years. We achieved an improvement to a Level 3 contributor status during the period (Level 4 contributor status as at 30 June 2019) with:
 - Our expenditure with black-owned suppliers amounting to R14,4 billion compared to R9,4 billion in the prior period.
 - The Sasol South Africa Limited Board declaring an interim dividend of R17,34 per ordinary share on 10 February 2020 to the benefit of Khanyisa shareholders; and
 - Sasol Oil achieving a Level 2 contributor status.
- We have strengthened our LCCP control environment, which includes a detailed remediation plan with specific focus on culture, processes and governance which is being monitored within the project, operations and functional teams.

Sasol South Africa

| | | Khanyisa net value Rbn |
|--|--------|---------------------------|
| Khanyisa B-BBEE transaction | | |
| Fair value of SSA Group after share issue to participants ¹ | | 90,6 |
| Attributable to Khanyisa participants | 18,38% | 16,7 |
| Vendor funding ² | | (17,6) |
| Net value | | - |
| | | Rand |
| Khanyisa ESOP - approximate net value per employee (1 240 vested rights) | | - |
| Khanyisa Public - approximate net value per Khanyisa share | | - |

¹ Fair value of SSA Group is per the independent valuation performed by Rand Merchant Bank as at 30 June 2019. The next valuation will be performed at 30 June 2020.

² This includes R8,8 billion notional vendor funding in relation to the Khanyisa ESOP, and R8,8 billion preference share subscription in relation to Khanyisa FundCo at 31 December 2019. For the first half of 2020, the SSA Group declared an interim dividend of R5 billion. 97,5% of the dividends attributable to Khanyisa participants are utilised to repay the vendor funding.

The fair value of the SSA Group is highly sensitive to macroeconomic assumptions such as oil price, chemical price and exchange rate assumptions.

Sasol South Africa Limited

Financial information summarised on pages 41 to 43

Income statement for the period ended

| | Group | | |
|--|-------------------------|-------------------------|-------------------------|
| | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm |
| Turnover | 46 341 | 46 454 | 95 222 |
| Materials, energy and consumables used | (19 557) | (16 877) | (36 029) |
| Selling and distribution costs | (1 320) | (1 340) | (2 764) |
| Maintenance expenditure | (2 993) | (2 627) | (5 584) |
| Employee-related expenditure | (8 111) | (7 607) | (15 045) |
| Exploration expenditure and feasibility costs | (91) | (94) | (206) |
| Depreciation and amortisation | (5 776) | (5 526) | (11 531) |
| Other expenses and income | (2 203) | (2 816) | (6 315) |
| Translation losses | (174) | (86) | (125) |
| Other operating expenses and income | (2 029) | (2 730) | (6 190) |
| Equity accounted profits, net of tax | 25 | 18 | 44 |
| Operating profit before remeasurement items | 6 315 | 9 585 | 17 792 |
| Remeasurement items | (107) | (250) | (5 907) |
| Earnings before interest and tax (EBIT) | 6 208 | 9 335 | 11 885 |
| Finance income | 499 | 376 | 786 |
| Finance costs | (1 415) | (1 201) | (2 764) |
| Earnings before tax | 5 292 | 8 510 | 9 907 |
| Taxation | (1 605) | (2 043) | (1 552) |
| Earnings for the period | 3 687 | 6 467 | 8 355 |
| Attributable to | | | |
| Owners of Sasol South Africa Limited | 3 417 | 6 133 | 7 596 |
| Non-controlling interests in subsidiaries | 270 | 334 | 759 |
| | 3 687 | 6 467 | 8 355 |

Statement of financial position

at 31 December

| | Group | | |
|--|-------------------------|-------------------------|-------------------------|
| | Half year 2020 Rm | Half year 2019 Rm | Full year 2019 Rm |
| Assets | | | |
| Property, plant and equipment | 76 589 | 81 145 | 76 490 |
| Assets under construction | 16 032 | 15 847 | 16 783 |
| Goodwill and other intangible assets | 33 047 | 36 084 | 34 022 |
| Right of use assets | 6 020 | - | - |
| Equity accounted investments | 283 | 272 | 283 |
| Post-retirement benefit assets | 403 | 440 | 409 |
| Long-term receivables and prepaid expenses | 864 | 28 | 706 |
| Non-current assets | 133 238 | 133 816 | 128 693 |
| Assets in disposal groups held for sale | 1 187 | - | 1 229 |
| Inventories | 10 955 | 11 000 | 10 462 |
| Tax receivable | 121 | 651 | 101 |
| Trade and other receivables | 14 261 | 15 791 | 15 829 |
| Short-term financial assets | 1 | 1 | 1 |
| Cash and cash equivalents | 9 797 | 6 877 | 10 290 |
| Current assets | 36 322 | 34 320 | 37 912 |
| Total assets | 169 560 | 168 136 | 166 605 |
| Equity and liabilities | | | |
| Shareholders' equity | 48 580 | 47 387 | 47 021 |
| Non-controlling interests | 1 680 | 1 734 | 1 709 |
| Total equity | 50 260 | 49 121 | 48 730 |
| Long-term debt | 64 238 | 67 622 | 65 125 |
| Lease liabilities | 6 654 | 4 369 | 4 267 |
| Long-term provisions | 6 453 | 5 924 | 6 821 |
| Post-retirement benefit obligations | 3 307 | 3 381 | 3 320 |
| Long-term deferred income | 54 | 212 | 205 |
| Deferred tax liabilities | 20 566 | 21 722 | 19 929 |
| Long-term financial liabilities | 674 | 32 | - |
| Non-current liabilities | 101 946 | 103 262 | 99 667 |
| Liabilities in disposal groups held for sale | 407 | - | 388 |
| Short-term debt | 4 191 | 4 278 | 4 218 |
| Short-term portion of long-term leases | 421 | - | - |
| Short-term financial liabilities | 1 | 1 | - |
| Short-term provisions | 1 621 | 1 739 | 966 |
| Tax payable | - | - | 169 |
| Trade and other payables | 10 520 | 9 687 | 12 409 |
| Short-term deferred income | 193 | 48 | 58 |
| Current liabilities | 17 354 | 15 753 | 18 208 |
| Total equity and liabilities | 169 560 | 168 136 | 166 605 |

Statement of cash flows

for the period ended

| | Group | | |
|---|----------------|-----------|-----------|
| | Half year | Half year | Full year |
| | 2020 | 2 019 | 2 019 |
| | Rm | Rm | Rm |
| Cash receipts from customers | 48 369 | 47 507 | 94 560 |
| Cash paid to suppliers and employees | (35 889) | (36 778) | (67 128) |
| Cash generated by operating activities | 12 480 | 10 729 | 27 432 |
| Dividends received from equity accounted investments | 15 | 26 | 29 |
| Finance income received | 499 | 308 | 702 |
| Finance costs paid | (1 460) | (1 510) | (3 142) |
| Tax (paid)/refund | (1 017) | 1 137 | 510 |
| Cash available from operating activities | 10 517 | 10 690 | 25 531 |
| Dividends paid | (2 207) | (707) | (3 536) |
| Dividends paid to non-controlling shareholders in subsidiaries | (300) | (541) | (991) |
| Cash retained from operating activities | 8 010 | 9 442 | 21 004 |
| Additions to non-current assets | (7 760) | (9 911) | (15 951) |
| additions to property, plant and equipment | (164) | (92) | (179) |
| additions to assets under construction | (7 474) | (9 880) | (15 977) |
| additions to other intangible assets | (2) | (3) | - |
| increase in capital project related payables | (120) | 64 | 205 |
| Non-current assets sold | 12 | 40 | 63 |
| (Increase)/Decrease in long-term receivables and prepaid expenses | (247) | (1) | 405 |
| Cash used in investing activities | (7 995) | (9 872) | (15 483) |
| Proceeds from long-term debt | 380 | 1 966 | 1 891 |
| Repayment of long-term debt | (853) | (1 385) | (4 100) |
| Cash generated by financing activities | (473) | 581 | (2 209) |
| (Decrease)/Increase in cash and cash equivalents | (458) | 151 | 3 312 |
| Cash and cash equivalents at the beginning of year | 10 290 | 6 726 | 6 726 |
| Reclassification to disposal groups held for sale | (35) | - | 35 |
| Cash and cash equivalents of Siyakha | - | - | 217 |
| Cash and cash equivalents at the end of the year | 9 797 | 6 877 | 10 290 |

Business performance metrics

for the period ended

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|--|----|--------------------------|-------------------|-------------------|-------------------|
| Sasol Group | | | | | |
| Cash cost | | | | | |
| Cash fixed cost | Rm | (10) | 30 475 | 27 629 | 57 678 |
| Variable cost | Rm | – | 48 748 | 48 743 | 96 343 |
| Total cash cost | Rm | (4) | 79 223 | 76 372 | 154 021 |
| Capital cash flow¹ | Rm | 30 | 21 442 | 30 433 | 55 800 |
| Capital expenditure¹ | Rm | 21 | 22 964 | 29 125 | 56 193 |
| Variance analysis on earnings before interest and tax | % | | (52,6) | | |
| Impact of exchange rates | % | | 7,0 | | |
| Inflation | % | | (6,5) | | |
| Impact of crude oil ² | % | | (18,8) | | |
| Impact of product prices ² | % | | (20,8) | | |
| Higher sales volumes | % | | 8,6 | | |
| Cost and other ³ | % | | (19,2) | | |
| Once-off items and year-end adjustments ⁴ | % | | (2,9) | | |
| Variance analysis on cash fixed costs | % | | (10,3) | | |
| Growth and once-off costs | % | | (4,2) | | |
| Growth cost (mainly US growth) | % | | (4,1) | | |
| Impact of IFRS 16 leases | % | | 0,6 | | |
| Business establishment and once off costs ⁵ | % | | (0,7) | | |
| Cost, volume and macro impact | % | | (6,1) | | |
| Impact of exchange rates | % | | (0,7) | | |
| Other net savings | % | | 0,6 | | |
| Inflation | % | | (6,0) | | |
| Variance analysis on variable costs | % | | – | | |
| Inflation | % | | (1,5) | | |
| Impact of exchange rates | % | | (1,7) | | |
| Growth cost (mainly US growth) | % | | (5,6) | | |
| Lower crude oil and feedstock prices | % | | 6,1 | | |
| Lower crude oil and external volumes purchased | % | | 3,1 | | |
| Other net costs | % | | (0,4) | | |

¹ At 31 December 2019, Lake Charles Chemicals Project capital expenditure was R9,5 billion (US\$0,6 billion) (first half 2019 - R16,0 billion (US\$1,1 billion)).

² Results from a 12% decrease in Brent crude oil prices combined with softer commodity chemical prices due to global supply/demand dynamics.

³ Includes higher US growth costs (R1,1bn), depreciation (R2,5bn) post LCCP units start-up and adoption of IFRS16 - Leases standard and carbon cost (R0,5bn).

⁴ Includes the mark-market valuation of group hedges (R0,5bn) and lower remeasurement item gains (R0,4bn) in the current period.

⁵ Half year 2020 includes once-off consultants costs relating to LCCP governance board review (R141m).

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|---|---------|--------------------------|-------------------|-------------------|-------------------|
| Mining | | | | | |
| Internal sales | | | | | |
| Energy | mm tons | 8 | 11,8 | 10,9 | 22,6 |
| Base Chemicals | mm tons | 10 | 6,8 | 6,2 | 13,5 |
| Performance Chemicals | mm tons | – | 1,4 | 1,4 | 3,0 |
| External sales | | | | | |
| International and other domestic | mm tons | (19) | 1,3 | 1,6 | 3,2 |
| Production | | | | | |
| Saleable production ¹ | mm tons | (2) | 17,9 | 18,3 | 36,1 |
| External purchases ² | mm tons | (23) | 3,2 | 2,6 | 5,2 |
| Cash cost³ | | | | | |
| Cash fixed cost ⁴ | Rm | (11) | 3 796 | 3 409 | 6 984 |
| Variable cost ⁵ | Rm | (34) | 3 836 | 2 857 | 6 883 |
| Total cash cost | Rm | (22) | 7 632 | 6 266 | 13 867 |
| Cost per unit | | | | | |
| Total cost per sales ton | R/ton | (17) | 427 | 364 | 385 |
| Normalised Mining unit cost per production ton ^{6,7} | R/ton | (15) | 343 | 299 | 313 |
| Effective tax rate ⁸ | % | | 33 | 28 | 29 |
| Variance analysis on total costs per sales ton | | | | | |
| Cost, volume and macro impact | % | | (17,3) | | |
| Inflation | % | | (5,8) | | |
| Effect of stock drawdown | % | | (5,5) | | |
| Higher external coal purchases | % | | (7,5) | | |
| Higher sales volumes ⁹ | % | | 5,4 | | |
| Scrapping of prospecting rights | % | | (1,8) | | |
| Other cost increases ¹⁰ | % | | (2,1) | | |

1 The mining business was impacted by significant challenges in the first half of 2020, resulting in our productivity of 1 135 t/cm/s being 7% lower than the first half of 2019. This was as a result of increasing geological complexity necessitating additional roof support requirements to ensure safe operations, mainly at our Syferfontein and Mooikraal Collieries. Production was further curtailed by unplanned infrastructure downtime coupled with the two fatalities at Thubelisha Colliery during the first quarter of 2020.

2 Lower production resulted in a stockpile draw down and necessitated an increase in external coal purchases.

3 Includes intersegment.

4 The increase is mainly related to above inflation labour increases per the negotiated multi-year wage agreement, a higher labour headcount and higher transport cost driven by fuel cost increases.

5 The increase in variable cost is mainly due to additional external coal purchases and stock draw down in half year 2020.

6 Own mining production cost to produce one ton of coal. Excludes external coal purchases, cost of the beneficiation plant, the marketing and distribution costs of the export business and group allocated cost. The unit cost has been normalised for the impact of fatalities, the Business Improvement Programme consultant costs, Sasol Khanyisa share scheme and Employee Value Proposition.

7 Normalised unit cost of production increased by 5% above inflation due to lower production volumes, above inflation labour related cost increases and higher depreciation.

8 Increase in effective tax rate is due to the non-deductible scrapping of prospecting rights.

9 Sales volumes to S50 increased compared to prior period due to the extended West factory shutdown in the first quarter of 2019.

10 Other cost increases are mainly attributable to higher depreciation.

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|---|--------|--------------------------|-------------------|-------------------|-------------------|
| Exploration and Production International | | | | | |
| Internal sales - Natural gas | | | | | |
| Mozambique to Energy | bscf | (1) | 29,3 | 29,6 | 57,0 |
| Mozambique to Base Chemicals | bscf | 4 | 15,9 | 15,3 | 29,4 |
| Mozambique to Performance Chemicals | bscf | (5) | 6,2 | 6,5 | 12,2 |
| External sales | | | | | |
| Natural gas - Canada | bscf | (9) | 7,8 | 8,6 | 16,3 |
| Natural gas - Mozambique ¹ | bscf | 3 | 7,8 | 7,6 | 15,3 |
| Condensate - Canada | m bbl | >100 | 110 | 36 | 63 |
| Condensate - Mozambique | m bbl | (16) | 112 | 133 | 247 |
| Crude oil Gabon (after royalties) ² | m bbl | (15) | 530 | 624 | 1 042 |
| Production | | | | | |
| Natural gas - Canada ³ | bscf | (9) | 7,8 | 8,6 | 16,3 |
| Natural gas - Mozambique (Sasol's 70% share) ¹ | bscf | 1 | 59,3 | 59,0 | 114,0 |
| Condensate - Canada | m bbl | >100 | 110 | 36 | 63 |
| Condensate - Mozambique (Sasol's 70% share) | m bbl | (12) | 113 | 128 | 249 |
| Crude oil Gabon (after royalties) ³ | m bbl | (13) | 528 | 605 | 1 158 |
| Proved developed reserves | | | | | |
| Crude oil and condensate | | | | | |
| Canada | mm bbl | | | | 0,1 |
| Mozambique | mm bbl | | | | 1,9 |
| Gabon | mm bbl | | | | 1,8 |
| Natural gas | | | | | |
| Canada | bscf | | | | 38,2 |
| Mozambique | bscf | | | | 750,0 |
| Depreciation and amortisation | | | | | |
| | Rm | 13 | 669 | 773 | 1 583 |
| Canada | Rm | | 175 | 400 | 832 |
| Mozambique | Rm | | 357 | 268 | 577 |
| Other | Rm | | 137 | 105 | 174 |
| Cash fixed cost⁴ | | | | | |
| | Rm | 2 | 1 022 | 1 042 | 2 078 |
| Remeasurement items | | | | | |
| | Rm | >100 | (18) | 7 | (1 976) |
| Impairment of non-current assets | Rm | | - | - | (1 947) |
| Loss in exiting exploration licences | Rm | | - | - | 5 |
| Other remeasurement items | Rm | | (18) | 7 | (34) |
| Exploration cost⁵ | | | | | |
| | Rm | >(100) | 267 | 79 | 351 |
| Effective tax rate | | | | | |
| | % | | 50 | 52 | (168) |
| Capital commitments | | | | | |
| | Rm | 4 | 19 320 | 20 160 | 19 795 |
| Canada | Rm | | 37 | 233 | 123 |
| Mozambique ⁶ | Rm | | 19 036 | 19 368 | 19 166 |
| Gabon and other | Rm | | 247 | 559 | 506 |
| Capital cash flow | | | | | |
| | Rm | (>100) | 759 | 618 | 1 087 |
| Canada | Rm | | 119 | 29 | 142 |
| Mozambique | Rm | | 357 | 327 | 654 |
| Other | Rm | | 283 | 262 | 291 |
| Variance analysis on cash fixed cost | | | | | |
| | | | 2,0 | | |
| Growth and once-off costs | | | | | |
| Business establishment cost | % | | 2,3 | | |
| Impact of IFRS 16 leases | % | | (2,1) | | |
| | % | | 4,4 | | |
| Cost and macro impact | | | | | |
| Impact of exchange rates | % | | (0,3) | | |
| Inflation | % | | (2,6) | | |
| Lower labour cost and professional fees | % | | (2,3) | | |
| | % | | 4,6 | | |

1 Mozambique gas production for the first half of 2020 is slightly higher than the prior period. We expect gas production volumes from the Petroleum Production Agreement in Mozambique to be 114 - 118 bscf.

2 Lower volumes in Gabon due to delayed drilling activities and a natural decline in the production wells. The delayed drilling activities and the natural decline in the production wells are expected to impact production for the full year compared to the prior year.

3 The Canadian gas volumes were lower due to the natural decline. Liquid rich wells in Canada came online resulting in higher condensate volumes for the six months. Despite the recently completed drilling activities in Canada, we expect production to be lower for the year due to the natural decline from the production wells.

4 Includes intersegment.

5 Increased exploration cost associated with two new licenses in Mozambique (PT5-C and A5-A).

6 Forecast capital expenditure of R2 billion in the next 12 months, R5,4 billion in the following two years and R11,6 billion thereafter. A revised Field Development Plan for the PSA is planned to be submitted by the end of the third quarter 2020. This is structured as an integrated oil and gas development plan allowing for flexible production from the different reservoirs. We have allocated funds to the PPA projects to convert reserves to meet near-term contracted delivery commitments.

| | | % change | Half year | Half year | Full year |
|--|---------|--------------|---------------|-----------|-----------|
| | | 2020 vs 2019 | 2020 | 2019 | 2019 |
| Performance Chemicals* | | | | | |
| Sales volumes¹ | | | | | |
| Organics ² | kt | 12 | 1 114 | 996 | 2 038 |
| Waxes ³ | kt | (11) | 210 | 237 | 456 |
| Advanced materials ⁴ | kt | (8) | 83 | 90 | 177 |
| Total sales volumes | kt | 6 | 1 407 | 1 323 | 2 671 |
| External purchases | | | | | |
| Natural gas** | bscf | 4 | 2,7 | 2,8 | 5,2 |
| Internal purchases | | | | | |
| Coal (Mining) | mm tons | - | 1,4 | 1,4 | 3,0 |
| Natural gas (E&PI) (Sasol's 70% share) | bscf | 5 | 6,2 | 6,5 | 12,2 |
| International operations feedstock cost*** | | | | | |
| International operations feedstock cost | R/ton | 15 | 9 176 | 10 768 | 10 219 |
| | EUR/ton | 15 | 562 | 660 | 631 |
| External sales¹ | | | | | |
| Organics ² | Rm | (5) | 24 790 | 26 193 | 51 405 |
| Waxes ³ | Rm | (10) | 3 927 | 4 387 | 8 474 |
| Advanced materials ⁴ | Rm | (1) | 3 735 | 3 769 | 7 349 |
| Total External sales | Rm | (6) | 32 452 | 34 349 | 67 228 |
| Cash cost⁵ | | | | | |
| Cash fixed cost | Rm | (15) | 8 249 | 7 204 | 14 921 |
| Variable cost | Rm | 8 | 20 411 | 22 277 | 43 424 |
| Total cash cost | Rm | 3 | 28 660 | 29 481 | 58 345 |
| Earnings before interest and tax (EBIT)⁶ | Rm | (64) | 1 294 | 3 599 | (7 040) |
| EBIT margin | % | | 4 | 10 | (10) |
| Normalised EBIT margin | % | | 9 | 11 | 12 |
| Effective tax rate⁷ | % | | (4) | 28 | 19 |
| Variance analysis on cash fixed cost | % | | (14,5) | | |
| Growth and once-off costs | % | | (6,7) | | |
| Growth costs (LCCP and market expansion in Eurasia) | % | | (8,4) | | |
| Business establishment cost | % | | 0,4 | | |
| Impact of IFRS 16 leases | % | | 1,3 | | |
| Cost and macro impact | % | | (7,8) | | |
| Impact of exchange rates | % | | (1,2) | | |
| Other net costs ⁸ | % | | (3,6) | | |
| Inflation | % | | (3,3) | | |
| Decrease in cost allocations from SSO - volume related | % | | 0,3 | | |
| Variance analysis on variable cost | % | | 8,3 | | |
| Impact of exchange rates | % | | (0,6) | | |
| Inflation | % | | (0,7) | | |
| Lower feedstock prices | % | | 8,4 | | |
| Impact of IFRS 16 leases | % | | 1,5 | | |
| Higher sales volumes | % | | (0,3) | | |

1 Sales includes revenue from kerosene in our alkylates business of R2,2bn (first half 2019 - R2,4bn; full year 2019 - R4,4bn) that is sold back to third parties after paraffin is extracted. The sale back is recorded as revenue but is not included in production or sales volumes.

2 Excluding LCCP volumes, our Organics business sales decreased by 3% compared to first half 2019, mainly due to the soft macro environment affecting demand. Our Organics portfolio sales price was negatively impacted by the higher share of Monoethylene glycol (MEG) and lower oleochemicals pricing.

3 Hard wax sales were in line with the comparable period, however total wax sales volumes decreased due to lower paraffin and medium wax sales, especially in Europe.

4 Our Advanced Materials business delivered a solid performance and has maintained robust margins despite experiencing macroeconomic headwinds. Volumes in half year 2020 was lower compared to the prior period, mainly as a result of lower carbon sales due to a weakening global coke demand.

5 Includes intersegment.

6 Decrease mainly as a result of softer macroeconomic environment, adverse price movements and R1,6 billion operating losses attributable to LCCP.

7 The negative effective tax rate is mainly due to US tax losses as a result of the LCCP ramp-up phase.

8 Includes higher labour, maintenance and professional fees.

* Includes Performance Chemicals' share of the regional operating hubs.

** Reflects natural gas purchases from the 30% JV partners in Mozambique.

*** Includes key international feedstocks such as kerosene, North West Europe (NWE) ethylene, and US ethane, calculated over volumes consumed in order to derive the input costs for the period under review.

| | | % change | Half year | Half year | Full year |
|--|----------|--------------|----------------|-----------|-----------|
| | | 2020 vs 2019 | 2020 | 2019 | 2019 |
| Base Chemicals* | | | | | |
| Sales volumes¹ | | | | | |
| Polymers RSA | kt | 2 | 616 | 607 | 1 341 |
| Polymers US ² | kt | >100 | 469 | 116 | 411 |
| Solvents | kt | 7 | 470 | 438 | 961 |
| Fertilizers | kt | (18) | 165 | 200 | 425 |
| Explosives | kt | 7 | 191 | 178 | 364 |
| Other | kt | 1 | 262 | 260 | 500 |
| Total sales volume | kt | 21 | 2 173 | 1 799 | 4 002 |
| Base Chemicals sales basket price³ | US\$/ton | (15) | 736 | 861 | 830 |
| US Base Chemicals sales basket price³ | US\$/ton | (40) | 714 | 1 185 | 923 |
| External purchases | | | | | |
| Natural gas** | bscf | (5) | 6,8 | 6,5 | 12,6 |
| Internal purchases | | | | | |
| Coal (Mining) | mm tons | (10) | 6,8 | 6,2 | 13,5 |
| Natural gas (E&PI) (Sasol's 70% share) | bscf | (4) | 15,9 | 15,3 | 29,4 |
| Cash cost⁴ | | | | | |
| Cash fixed cost | Rm | (14) | 10 046 | 8 817 | 18 883 |
| Variable cost | Rm | (33) | 13 139 | 9 897 | 22 791 |
| Total cash cost | Rm | (24) | 23 185 | 18 714 | 41 674 |
| Earnings before interest and tax (EBIT)⁵ | Rm | >(100) | (1 488) | 3 076 | (1 431) |
| EBIT margin | % | | (6) | 13 | (3) |
| Normalised EBIT margin | % | | (2) | 10 | 8 |
| Effective tax rate⁶ | % | | 28 | 13 | 20 |
| Variance analysis on cash fixed cost | | | | | |
| | % | | (13,9) | | |
| Growth and once-off costs | % | | (6,6) | | |
| Growth costs (LCCP and US HDPE plant) | % | | (6,7) | | |
| Business establishment cost | % | | 0,6 | | |
| Impact of IFRS 16 leases | % | | (0,5) | | |
| Cost and macro impact | % | | (7,3) | | |
| Impact of exchange rates | % | | (0,7) | | |
| Other net costs | % | | (1,5) | | |
| Inflation | % | | (4,6) | | |
| Increase in cost allocations from SSO - volume related | % | | (0,5) | | |
| Variance analysis on variable cost | | | | | |
| | % | | (32,7) | | |
| Impact of exchange rates | % | | (1,5) | | |
| Inflation | % | | (4,0) | | |
| Growth costs (mainly US) | % | | (27,8) | | |
| Higher feedstock prices | % | | (1,6) | | |
| Other net savings | % | | 2,2 | | |

1 Base Chemicals foundation business (excluding Polymers US products) sales volumes for the first half of 2020 were 1% higher than the comparable period as a result of a phase shutdown in Q1 2020 versus a total West factory shutdown in the Q1 2019 at SSO. This was despite an 18% decrease in fertilizer volumes due to an extended shutdown.

2 The Polymers US business achieved polyethylene sales volumes of 320 kt as well as ethylene and co-product sales volumes of 149 kt in the first half of 2020.

3 Polymers US basket prices have been impacted by changes in product mix in H1 FY20 with Base Chemicals re-entering the merchant ethylene market following the new ethylene cracker start-up as well as lower global polymer prices.

4 Includes intersegment.

5 Includes operating losses of R1,2 billion attributable to LCCP units with limited gross margin while in the ramp-up phase, the impairment of the Blends and Mining Chemicals and Methyl Isobutyl Ketone (MIBK) cash generating units in the first half of 2020 (R0,5bn), partly negated by the profit on disposal relating to the sale of our 50% equity interest in the Sasol-Huntsman maleic anhydride joint venture (including FCTR – R0,9bn).

6 The increase in effective tax rate is mainly as a result of the losses incurred by the US operations.

* Includes Base Chemicals' share of the regional operating hubs.

** Reflects natural gas purchases from the 30% JV partners in Mozambique.

| | | % change 2020 vs 2019 | Half year 2020 | Half year 2019 | Full year 2019 |
|---|---------|--------------------------|-------------------|-------------------|-------------------|
| Energy* | | | | | |
| Southern Africa sales | | | | | |
| Liquid fuels ¹ | mm bbl | – | 29,8 | 29,7 | 60,0 |
| Natural and methane rich gas | bscf | – | 28,6 | 28,7 | 57,0 |
| Internal purchases | | | | | |
| Coal (Mining) | mm tons | (8) | 11,8 | 10,9 | 22,6 |
| Natural gas (E&PI) (Sasol's 70% share) | bscf | 1 | 29,3 | 29,6 | 57,0 |
| External purchases | | | | | |
| White product ² | mm bbl | 23 | 2,0 | 2,6 | 5,6 |
| Natural gas** | bscf | 1 | 12,6 | 12,7 | 24,4 |
| Synfuels total refined product³ | | | | | |
| Natref ⁴ | mm bbl | 5 | 16,2 | 15,5 | 32,6 |
| Crude oil (processed) | mm bbl | (8) | 10,4 | 11,3 | 22,2 |
| White product yield | % | | 89,5 | 90,3 | 89,4 |
| Total yield | % | | 97,1 | 97,5 | 97,3 |
| Production | mm bbl | (8) | 10,1 | 11,0 | 21,6 |
| ORYX GTL production⁵ | | | | | |
| Production | mm bbl | (1) | 2,88 | 2,91 | 4,67 |
| Utilisation rate of nameplate capacity | % | | 98 | 99 | 81 |
| Escravos GTL (EGTL) production⁶ | | | | | |
| Production | mm bbl | (50) | 0,12 | 0,24 | 0,69 |
| Electricity production⁷ | | | | | |
| Total SA Operations average annual requirement | MW | | 1 560 | 1 538 | 1 564 |
| Own capacity | % | | 71 | 72 | 71 |
| Own production | % | | 52 | 52 | 53 |
| Retail convenience centres (RCCs)⁸ | | | | | |
| number | | | 413 | 400 | 410 |
| Cash cost⁹ | | | | | |
| Cash fixed cost | Rm | (9) | 7 765 | 7 146 | 14 490 |
| Variable cost | Rm | 4 | 24 093 | 25 118 | 47 452 |
| Total cash cost | | | | | |
| | Rm | 1 | 31 858 | 32 264 | 61 942 |
| Earnings before interest and tax (EBIT)¹⁰ | | | | | |
| | Rm | (30) | 6 743 | 9 565 | 16 566 |
| EBIT margin | | | | | |
| | % | | 16 | 22 | 20 |
| Normalised EBIT margin | | | | | |
| | % | | 17 | 23 | 20 |
| Effective tax rate¹¹ | | | | | |
| | % | | 25 | 15 | 17 |
| Variance analysis on cash fixed cost | | | | | |
| | % | | (8,7) | | |
| Growth and once-off costs | | | | | |
| | % | | (2,3) | | |
| Business establishment cost | % | | 0,1 | | |
| Impact of IFRS 16 leases | % | | (2,4) | | |
| Cost and macro impact | | | | | |
| | % | | (6,4) | | |
| Other net costs | % | | (2,5) | | |
| Inflation | % | | (4,1) | | |
| Decrease in cost allocations from SSO - volume related | % | | 0,2 | | |
| Variance analysis on variable cost | | | | | |
| | % | | 4,1 | | |
| Impact of exchange rates | | | | | |
| | % | | (2,1) | | |
| Inflation | % | | (0,7) | | |
| Lower crude and feedstock prices | % | | 5,1 | | |
| Lower crude oil and external purchases | % | | 3,7 | | |
| Other net costs | % | | (1,9) | | |

1 Liquid fuels sales increased marginally mainly due to higher sales volumes in the wholesale channel driven by increased demand. We are on track to achieve our previous market guidance sales volumes of approximately 57 – 58 mm bbl for full year 2020.

2 External white product purchases decreased by 23% compared to half year 2019 as a result of the continued strong performance from SSO.

3 SSO total production volumes were 4% higher than the first half of 2019, mainly as a result of improved stability and the successful completion of a phased shutdown (2019 total West factory shutdown). This was slightly negated by coal supply constraints during December 2019. The SSO full year production is forecasted to be approximately 7,7 - 7,8 million tons, in line with previous market guidance. Half year 2019 and full year 2019 restated to include black products.

4 Natref achieved a crude rate of 598 m³/h for half year 2020. Production was 8% lower than the comparable period, mainly as a result of the planned shutdown in November 2019. We are targeting production rates of above 600m³/h for the remainder of the year.

5 ORYX GTL achieved a utilisation rate of 98% for half year 2020. As previously communicated, we expect to achieve a utilisation rate of 55% - 60% for full year 2020 due to an extended planned shutdown during the second half of the year.

6 EGTL production volumes were lower as both trains were in a planned shutdown from August 2019. Both trains returned into operation during December 2019.

7 Higher electricity demand due to increased consumption at SSO.

8 We have opened three new retail convenience centres (RCCs) during the first half of 2020, and we are targeting ten new RCC's for the financial year.

9 Includes intersegment.

10 EBIT decreased mainly as a result of lower Brent crude oil prices and lower refining margin partly negated by a weaker average exchange rate and higher liquid fuels sales volumes.

11 The decrease in the previous year effective tax rate was due to the reversal of the tax provision of the crude oil procurement matter relating to Sasol Oil for financial years 1999 to 2016.

* Includes Energy's share of the regional operating hubs.

** Reflects natural gas purchases from the 30% JV partners in Mozambique.

Financial ratios – calculations

for the period ended 31 December

| | | Half year 2020 | Half year 2019 | Full year 2019 |
|---|-----------|-------------------|-------------------|-------------------|
| Market capitalisation – Sasol ordinary shares | | | | |
| Number of shares at end of year | million | 626,0 | 624,6 | 624,7 |
| Closing share price at end of year (JSE) | Rand | 303,48 | 425,00 | 350,21 |
| Market capitalisation (Rand) | Rm | 189 978 | 265 455 | 218 776 |
| Market capitalisation – Sasol BEE ordinary shares | | | | |
| Number of shares at end of year | million | 6,3 | 6,3 | 6,3 |
| Closing share price at end of year (JSE) | Rand | 250,00 | 205,47 | 279,00 |
| Market capitalisation (Rand) | Rm | 1 575 | 1 294 | 1 758 |
| Closing share price at end of year (NYSE) | US dollar | 21,61 | 29,29 | 24,81 |
| Market capitalisation (US\$) | US\$m | 13 528 | 18 295 | 15 499 |
| Premium over shareholders' funds | | | | |
| Market capitalisation (SOL & SOLBE1) | Rm | 191 553 | 266 749 | 220 534 |
| Shareholders' equity | Rm | 222 645 | 235 997 | 219 910 |
| (Discount to)/premium over shareholder's funds | Rm | (31 092) | 30 752 | 624 |
| Price to book | | | | |
| Market capitalisation (SOL & SOLBE1) | Rm | 191 553 | 266 749 | 220 534 |
| Shareholders' equity | Rm | 222 645 | 235 997 | 219 910 |
| Price to book | times | 0,86 | 1,13 | 1,00 |
| Enterprise value (EV) | | | | |
| Market capitalisation (SOL & SOLBE1) | Rm | 191 553 | 266 749 | 220 534 |
| Plus: | | | | |
| non-controlling interest | Rm | 6 001 | 6 241 | 5 885 |
| Liabilities | | | | |
| long-term debt | Rm | 137 226 | 121 229 | 134 795 |
| short-term portion of long-term debt | Rm | 3 956 | 2 071 | 2 544 |
| short-term debt | Rm | 14 424 | 8 172 | 1 239 |
| bank overdraft | Rm | 4 | 106 | 58 |
| Less: Cash | Rm | (10 361) | (16 106) | (13 981) |
| Enterprise value (Rand) | Rm | 342 803 | 388 462 | 351 074 |
| Market capitalisation (NYSE prices) – Total Sasol shares | US\$m | 13 528 | 18 295 | 15 499 |
| US dollar conversion of above adjustments* | US\$m | 10 804 | 8 865 | 9 271 |
| Enterprise value (US\$) | US\$m | 24 332 | 27 160 | 24 770 |

* Conversion at 31 December 2019 closing rate of US dollar/rand R14,00 (31 December 2018 – R14,36 ; 30 June 2019– R14,08).

| | | Half year 2020 | Half year 2019 | Full year 2019 |
|--|----|-------------------|-------------------|-------------------|
| Free cash flow | | | | |
| Cash available from operating activities | Rm | 13 711 | 22 701 | 43 418 |
| Sustenance capital | Rm | (11 099) | (13 096) | (23 071) |
| Free cash flow before growth | | | | |
| Growth capital | Rm | (10 343) | (17 337) | (32 729) |
| Movement in capital accruals | Rm | (3 853) | (1 303) | (934) |
| Dividends paid | Rm | (345) | (6 826) | (11 475) |
| Free cash flow inflection point | | | | |
| | Rm | (11 929) | (15 861) | (24 791) |
| Gearing calculation | | | | |
| Net debt | | 143 542 | 115 472 | 123 812 |
| long-term debt | Rm | 137 226 | 121 229 | 134 795 |
| short-term debt | Rm | 18 380 | 10 243 | 3 783 |
| bank overdraft | Rm | 4 | 106 | 58 |
| cash at bank | Rm | (10 361) | (14 622) | (13 981) |
| equity accounted JVs net cash | Rm | (1 707) | (1 484) | (843) |
| Shareholders equity | Rm | 222 645 | 235 997 | 219 910 |
| Gearing | % | 64,5 | 48,9 | 56,3 |

Abbreviations

| | |
|--|--|
| m bbl - thousand barrels | Rbn - Rand billions |
| mm bbl - million barrels | Rm - Rand millions |
| mm tons - million tons | R/ton - rand per ton |
| bscf - billion standard cubic feet | R/US\$ - Rand/US dollar currency |
| EUR/ton - Euro per ton | US\$bn - US dollar billions |
| US\$/bbl - US dollar per barrel | US\$m - US dollar millions |
| US\$/ton - US dollar per ton | m ³ /h - cubic meter per hour |
| US\$ c/gal - US dollar cent per gallon | MW - Megawatt |
| t/cm/s - tons per continuous miner per shift | BOE - barrels of oil equivalent |
| kt - thousand tons | BPD - barrels per day |

Disclaimer – Forward-looking statements

Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return, executing our growth projects (including LCCP), oil and gas reserves, cost reductions, our Continuous Improvement (CI) programme and business performance outlook. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour”, “target”, “forecast” and “project” and similar expressions are intended to identify such forward looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors are discussed more fully in our most recent annual report on Form 20-F filed on 28 October 2019 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Please note: A billion is defined as one thousand million. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word “calendar”.

Comprehensive additional information is available on our website: www.sasol.com

