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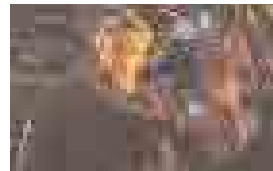
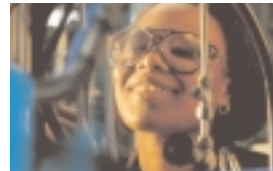
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Fischer-Tropsch process technologies. The Group also refines crude oil into liquid fuels. From 2004 onwards, Sasol will also use natural gas as a primary feedstock in South Africa. Committed to an expanding globalisation programme, the Group has chemical manufacturing and marketing operations in Africa, Europe, Asia-Pacific and the Americas. These international operations derive their products from various petrochemical and chemical feedstocks, including natural gas and refinery co-products. Sasol is also developing international gas-to-liquids ventures based on its unique Slurry Phase Distillate process.

Sasol at a glance *The Sasol Group of companies comprises diversified fuel, chemical and related manufacturing and marketing operations. These core operations are complemented by coal-mining operations and oil and gas exploration and production. In South Africa, Sasol converts coal into value-added synfuels and chemicals through unique*

Readers needing further information on the Sasol Group of companies can visit the Group's website (www.sasol.com).



sasol vision

*To be a respected global enterprise,
harnessing our talents in applying unique,
innovative and competitive technologies to
excel in selected markets in the energy,
fuels, chemicals and related sectors
in Southern Africa and worldwide.*



SASOL
reaching new frontiers

Sasol has developed, in recent years, from a predominantly South African business to a global enterprise with interests in many parts of the world.

A new Sasol corporate identity has been launched to reflect the company's growing international stature and to capture the characteristics of the Group, as espoused in its values and represented in its various businesses.

This identity is international in spirit. It is dynamic and confident, distinctive and inspiring. It promotes Sasol's service ethic, technological supremacy and bold growth ambitions.

*It **is** Sasol.*



The new corporate identity will replace all the brands and logos used previously by the Group's wholly owned businesses. It will be implemented throughout Sasol's operations by the end of 2002.

The change in identity is more than the introduction of a new logo. Following on from the highly successful first fifty years, which were celebrated in Sasol's golden jubilee year of 2000, the Group is embarking on a "new" fifty years of further growth and expansion.

The Group is rich in cultural diversity and interacts with a wide spectrum of stakeholders. Accordingly, Sasol recognises the need to advance its image and reputation both in South Africa and abroad.

The new corporate identity gives outward expression to cultural changes and business priorities that are necessary for the Group to assume its rightful place as a respected global enterprise. Sasol wishes to portray an image that is simultaneously cohesive, responsible, concerned, trustworthy, entrepreneurial and innovative. It aims to convey an ethos of service reliability, technological strength, environmental responsibility and respect for human dignity.

The striking new identity includes a 'positioning statement' that is both directional and motivational.

The new logo and positioning statement have been subjected to comprehensive market research and have emerged as highly desirable for Sasol. To respondents, they conveyed a sense of dynamism, chemistry, vision, technological strength, youthfulness and commitment.

financial highlights*

for the year ended 25 June

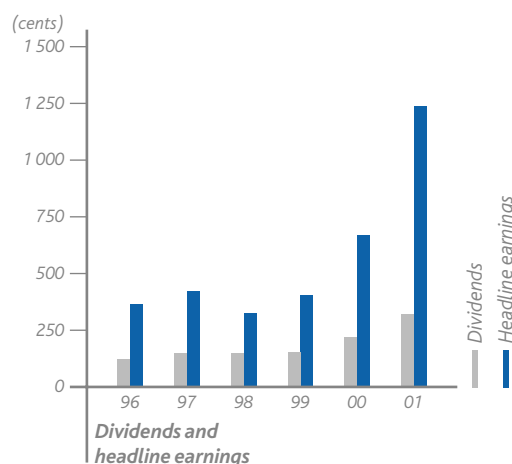
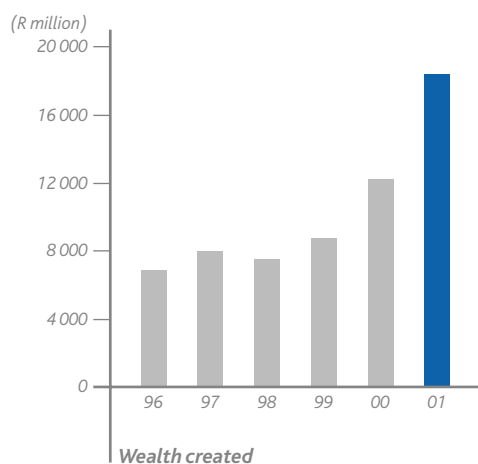
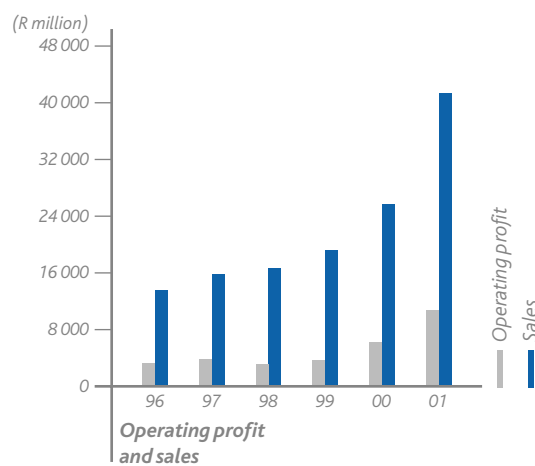
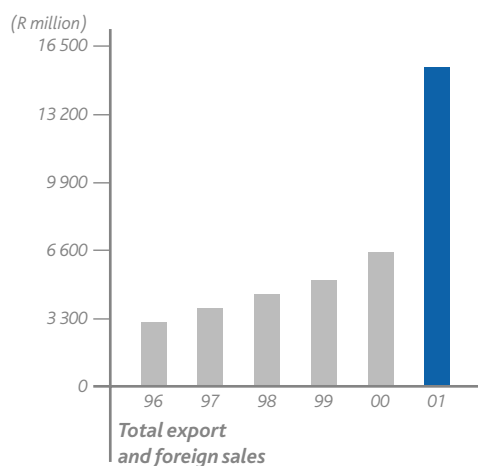
2000 USD	2001 USD			2001 Rand	2000 Rand	Increase %
4 101	5 399	Sales	– million	41 289	25 762	60,3
1 002	1 409	Operating profit	– million	10 773	6 292	71,2
652	917	Earnings attributable to shareholders	– million	7 025	4 096	71,5
1 944	2 402	Wealth created	– million	18 392	12 212	50,6
1 263	1 851	Cash generated by operating activities	– million	14 335	7 987	79,5
106	161	Headline earnings per share†	– cents	1 236	666	85,6
442	449	Net asset value per share‡	– cents	3 596	3 060	17,5
30	39	Dividends per share#	– cents	320	220	45,5
4 085	6 300	Market capitalisation	– million	50 540	28 307	78,5
4 283	6 227	Total assets	– million	49 928	29 665	68,3

*The financial results of the Group have from the beginning of the 2000 financial year been prepared in accordance with International Accounting Standards

†Weighted average number of shares in issue

‡Number of shares in issue at year end after the share buyback programme

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





performance against objectives

Expand chemical portfolio

- *CONDEA acquired*
- *New Malaysian monomer and polymer investments*
- *New ethyl acetate plant commissioned*
- *Detergent alcohols plant nears completion*
- *n-Butanol plant construction starts*

Leverage unique technologies

- *Sasol Chevron Holdings global joint venture established*
- *Engineering proceeds for Nigerian and Qatari GTL plants*
- *SPD catalyst plant nears completion in the Netherlands*
- *Fischer-Tropsch catalysts improved*
- *Sasol Formula 100 Dual Fuel™ launched*

Sustain growth in established businesses

- *Coal exports increase*
- *Sasol Synthetic Fuels invests for volume growth*
- *Natref refinery expansion progressing*
- *Record Sasolburg and Secunda gas production*

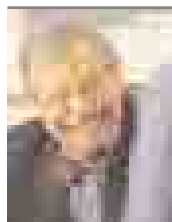
Harness upstream hydrocarbon opportunities (oil and gas)

- *Sasol progresses project to bring Mozambican natural gas to South Africa*
- *Sasol Petroleum International improves oil and gas portfolio*

Promote business improvement and optimisation

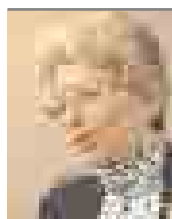
- *Operating cost increases contained below inflation*
- *NetGain enables annual procurement cost saving of R377 million*
- *Group enhances information management systems*
- *Significant productivity gains at most Group operations*
- *Business renewal and optimisation unlock new growth opportunities*
- *Improvement of logistics and customer support*

non-executive directors



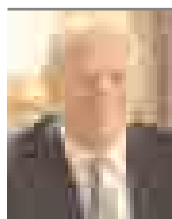
P D U P KRUGER (64) Non-executive chairman
BSc Eng (Mining), MBL

Chancellor of the Rand Afrikaans University, vice-president of the SA Foundation and past chairman of Business South Africa and the Industrial Environmental Forum. Director of several companies, among others, Schümann Sasol International AG and ABSA Bank Limited. Joined the Group in 1964 and appointed non-executive chairman in 1997. Appointed to the board in 1986.



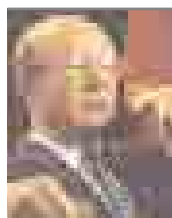
ELISABETH BRADLEY (62) BSc, MSc

Chairman of Wesco Investments Limited, Metair Investments Limited, The Rosebank Hotel, The Winkler Hotel, vice-chairman of Toyota SA Limited, director of Standard Bank Investment Corporation Limited, The Tongaat-Hulett Group Limited, Anglogold Limited, Liberty Life Group Limited. Appointed to the board in 1998.



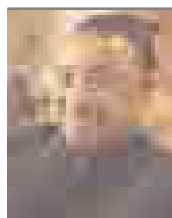
WARREN CLEWLOW (65) CA(SA), DEcon (hc)

Chairman of Barloworld Limited, Pretoria Portland Cement, Comparex Holdings Limited, Nedbank Limited and Nedcor Limited. Deputy chairman of Old Mutual and director of Old Mutual plc, South African Mutual Life Assurance Society, Iscor Limited. Council member of the South Africa Foundation. Appointed to the board in 1992.



BRIAN CONNELLAN (61) CA(SA)

Director of Nampak Limited, Tiger Brands Limited, Amalgamated Banks of South Africa Limited (ABSA), Reunert Limited, Illovo Sugar Limited, Oceana Group Limited and Island View Storage Limited. Appointed to the board in 1997.



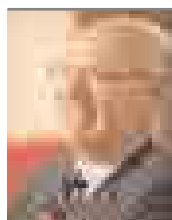
SAM MONTSI (56) BA Econ, MA Dev Econ

Chief executive of Montsi Investments (Pty) Limited, founder and chairman of Siphumelele Investments Limited, director of Independent Newspaper Holdings Limited, the Southern Africa Fund of Alliance Capital Management LP (listed in New York), Fabcos Investment Holdings and NEI Limited. Appointed to the board in 1998.



JÜRGEN SCHREMPP (57) BSc Eng

Chairman of the board of management of DaimlerChrysler AG, member of the supervisory board of Allianz AG and HypoVereinsbank AG, member of the board of directors of NYSE and Vodafone Group plc. Member of the international council of JP MorganChase and the advisory council of Deutsche Bank AG. Appointed to the board in 1997.



CONRAD STRAUSS (65) BA, PhD, MS, AMP, FIBSA DEcon (hc), DSc (hc)

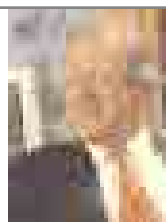
Chairman of Standard Bank Investment Corporation Limited and its main subsidiaries from April 1992 until 31 December 2000, when he retired, past national chairman of the South African Institute of International Affairs, past president of the South Africa Foundation (1996 – 1998). Director of Standard Bank Investment Corporation, Liberty Group Limited, Liberty Holdings Limited, Transnet, Afrox Limited and SA Breweries. Appointed to the board in 2000.



executive directors

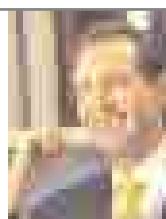
PIETER COX (58) Deputy chairman and chief executive
BSc Eng (Mining), BSc Eng (Metall)

Director of several companies in the Group. Joined the Group in 1971. At the end of 1985 he was promoted to Sasol head office in Johannesburg as general manager responsible for the Group's mining, explosives and personnel functions. He was appointed MD and CEO of Polifin Limited in October 1993, executive director of Sasol Limited in January 1996, chief operating officer of Sasol Limited in May 1996, managing director and chief executive officer of Sasol Limited in January 1997 and deputy chairman and chief executive in March 2001. Appointed to the Board in 1996.



PAT DAVIES (50) BSc Eng (Mech)

Director of several companies in the Group. Responsible for Sasol Petroleum International (Pty) Limited, Sasol Synfuels International (Pty) Limited, Sasol Mining (Pty) Limited, the Group's globalisation initiative based on its gas-to-liquids (GTL) technology, Group resources and natural gas. Joined the Group in 1975 and has held various positions in engineering design, project management, operations management and corporate affairs. Appointed to the Board in 1997.



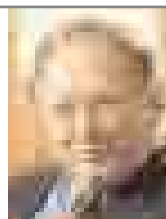
JAN FOURIE (58) BSc, MBA

Director of several companies in the Group. Responsible for research and development, project execution, engineering, new ventures, environmental affairs and information technology. Joined the Group in 1981. He has 36 years of experience in the South African chemical, fertiliser, mining and synfuels industries. He started in the fertiliser industry, thereafter moved into the opencast mining industry and joined the synfuels industry in January 1981 as an assistant works manager at Sasol Three. Appointed to the Board in 1997.



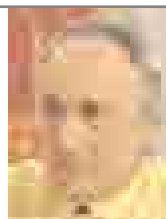
RALPH HAVENSTEIN (45) BSc Eng (Chem), MSc Eng (Chem), BCom, AMP

Director of several companies in the Group. Responsible for Sasol Chemical Industries Limited. Joined the Group in 1979. In 1991 he moved to the Rosebank head office as manager new ventures where he was involved in new projects and new joint ventures, including the new Alpha Olefins plant recently commissioned in Secunda. He was also part of the Sasol team that put the Sasol/AECI joint venture of Polifin together. In 1997 he was appointed managing director of Sasol Chemical Industries. He is presently leading the integration of Sasol Chemie (Condea) into Sasol Chemical Industries. Appointed to the Board in 1998.



TREVOR MUNDAY (51) BCom

Director of several companies in the Group. Until recently the managing director of the Sasol Polymers (formerly Polifin Limited) division of Sasol Chemical Industries Limited. Responsible for four key group portfolios: finance and accounting, investor relations, communications and public relations; and the South African operations of Sasol Chemical Industries, including Sasol Polymers, Sasol Ammonia, Sasol Agri, Sasol SMX and Sasol Carbo-Tar. He held several key AECI commercial and financial management posts in South Africa, Angola and Germany before joining the Sasol Group in 1996. Appointed to the Board in 2001.



gratifying financial results

Chairman's Statement

It is indeed a pleasure to announce the Group's financial results for 2001.

Attributable earnings of R7 025 million were 72% higher than earnings achieved in the previous financial year. Earnings per share rose by 81% from 620 cents to 1 120 cents.

Operating profit of R10 773 million was 71% higher while sales of R41 289 million increased by 60%.

The Group's excellent performance stems from high product prices and refining margins, a weaker rand, productivity improvements and cost reductions in most businesses and the expanding portfolio of value-added chemicals.

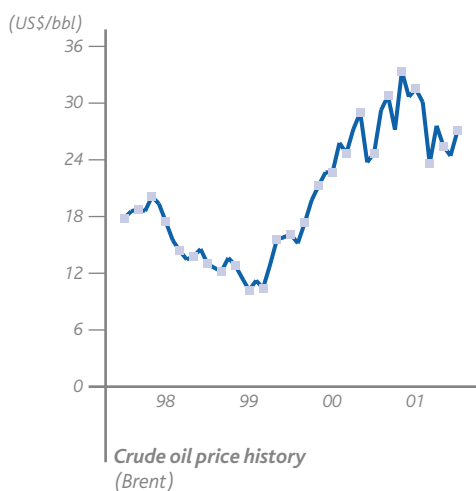
Trading environment impacted by high oil prices *Global oil prices were high during the year and ranged between US\$25 and US\$35 a barrel. The average price for the year of US\$28,38 a barrel was US\$4,35 a barrel or 18% higher than in the previous financial year. The high oil prices, however, negatively impacted on feedstock costs in many of the Group's chemical businesses and margins experienced severe pressure.*

A very high proportion of the Group's sales are dollar denominated, or linked, resulting in sales being positively influenced by the 20% weakening of the rand during the year. At the same time, however, various imports, both of feedstocks and other materials, were adversely affected.

While the weakening of the rand has a net favourable impact on Sasol's financial performance, the continuing weakening of the currency is considered neither to be in the Group nor national interests because it continuously erodes the wealth of the country and its people. With the Group's adoption of International Accounting Standards, it is considered prudent also to monitor performance in US dollars and steps in this regard have been taken. Attributable earnings of US\$917 million were 41% higher than the US\$652 million achieved in the previous financial year.

Global economies have been slowing down in recent months. Although consumer spending in America continues to bolster the performance of that economy, and unemployment seems to have stabilised and reached a high from which a recovery can be expected, it is not clear when stronger growth will materialise. Furthermore, the reduction of American imports has had a significant effect on the regional economies of both Europe and Asia-Pacific. With regards to the former, Germany is considered to have entered recessionary conditions, while most economies in Asia-Pacific have lowered their expected growth rates for 2001.

While economists are forecasting a recovery in global demand to be triggered by an improvement in the American economy from the first half of 2002, it is noteworthy that



Opposite page: Paul du P Kruger, chairman



various economic fundamentals required for a recovery have to manifest themselves before a global recovery can begin with confidence.

Certainly, while demand in Sasol's major markets – including America, Asia-Pacific, China and Europe – is expected to be under pressure, all businesses are confident in their ability to market products because of their highly efficient distribution and marketing channels, as well as their commitment to servicing their customers.

Notwithstanding the beneficial impact that the acquisition of Condea (now Sasol Chemie), together with the Group's other chemical businesses will have on hedging of oil price movements, oil prices remain the key value driver affecting Sasol's financial performance. In the year ahead it is expected that oil prices could on average be US\$3,50 lower than in the past year. Continuing extraction of synergy in various operations and further productivity improvements are confidently expected to counter the adverse effect of a lower oil price.

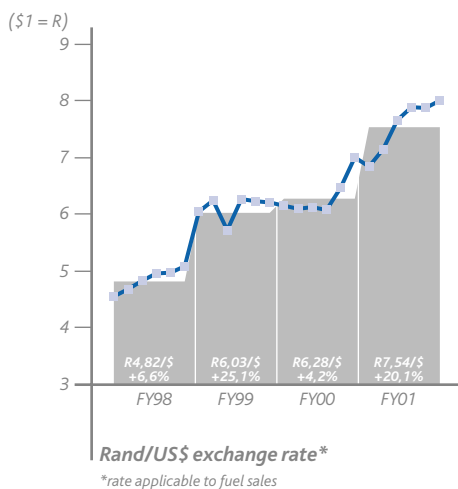
Business environment Initiatives by the South African President, Mr Thabo Mbeki, to again revive the economic performance of countries in Africa, and in particular the Southern African Development Community (SADC), are applauded. The international investment community's prevailing dim view of Africa's prospects needs a drastic revision and we fully support the President in his laudable actions to reposition Africa as a respected economic entity with growth potential.

Obviously, the sociopolitical situation in Zimbabwe remains a cause for grave concern, with potentially serious socioeconomic implications for the whole of Southern Africa.

Sasol is continuously investigating new opportunities for investment on the African continent and in neighboring states, including Zimbabwe. We are prepared to make significant investments, including in the retailing and distribution of fuel, as long as socioeconomic stability and financial discipline prevail in these markets. Presently, the Group has to delay some of these planned investments because of current circumstances. The recent stance taken by President Mbeki on the Zimbabwe crisis, and his subsequent acknowledgement of the shortcomings of quiet diplomacy, are welcomed.

We wish to express our full support for the Government's strong continuing commitment to its Growth, Employment and Redistribution (GEAR) policy. Together with social stability and reduced crime levels, adherence to the sound principles of GEAR will play a major role in persuading investors to locate their operations in South Africa rather than elsewhere.

Government, and particularly the leadership, are congratulated on their management of various change processes during the seven years that have elapsed since the successful transition of South Africa to a democracy. In the corporate world we know that successful management of change is a most complex process.





Furthermore, their appointment of talented and effective people from previously disadvantaged groups to senior positions in Government and parastatal organisations, is appreciated and respected. It is apparent, however, that appointments further down the line have not always been as successful. The demise of various services and institutions (eg hospitals), are testimony to this. We look forward to capacity and skills being built, and competent people being appointed, to correct this unfortunate deterioration where it has occurred.

The developed nations are encouraging the lowering of global tariff barriers under the auspices of the World Trade Organisation. It cannot be disputed that the world's developed economies have succeeded in establishing robust industries in past decades, behind the benefits of tariff protection. It is, therefore, a concern that the developing and underdeveloped nations are now expected to embrace the concepts of global free trade, which will obviously deny them the same advantages in terms of developing new industries and markets.

In most developing economies, tariff protection is granted to industries to enable them to develop, grow and achieve world-scale competitiveness. Thereafter, it becomes easier, and perhaps necessary, to gradually lower levels of protection. The levels of protection for most industries in South Africa are low by international standards. While Sasol considers its businesses to be globally competitive, we are concerned that the extent to which tariffs have been lowered has had adverse implications for job-creation. The textile industry is cited as an example of a potentially significant job-creating sector that is presently under siege because of a lack of suitable protection and other export incentive programmes.

It is also unacceptable that the developed economies of the world continue to subsidise various industries and thereby make it extremely arduous for developing economies to compete in their markets.

Antidumping and countervailing legislation, especially in the USA where the purported transgressor is deemed guilty until proven otherwise, constitutes blatant protectionism. The developing economies should enter the coming Johannesburg World Summit on Sustainable Development with circumspection to avoid subscribing to global agreements, which may not be in their interest. (At Sasol we fully support responsible sustainable development policies – see later in this review.)

We encourage the South African Government to move forward with prudence and a suitable sense of balance between the need to support global trade trends and the need to promote job preservation or creation in South Africa.

The continuing problem of crime, which adversely affects the national psyche, is a major contributor to people immigrating to other countries. It also causes hesitancy in the minds of (particularly) foreign investors when considering investments in South Africa. In this respect, a recent announcement by the Government that consideration is being given to

chairman's statement (continued)

increasing the police complement in our country is welcomed. The Government is encouraged to advance this initiative with expedience and resolve.

The increase in industrial unrest harms South Africa's international image and is cause for concern. In this regard, we deplore recent protest action against Government's privatisation initiatives. We fully support Government's unrelenting stance on this issue. Our country's perceived work ethic will also influence investors' views. Demonstrating a national resolve that favours continuous improvement and a will to increase productivity will impress investors rather than an image of entitlement and mass demonstration. In competing with other countries for direct investment funds, it is critical that South Africa is seen as an attractive destination that offers sustainable and rewarding opportunities.

An admirable aspect of Government's performance in recent years has been the exemplary manner in which it has managed the country's fiscal and monetary affairs. The responsible Government ministries and the Governor of the Reserve Bank have together forged much improvement in the country's financial status and are to be complimented for their successes. They are, however, encouraged to continue their efforts to reduce inflation, as well as real interest rates, in order to stimulate investment and subsequent job creation.

Government is strongly encouraged to abolish exchange controls as a matter of priority. The South African economy needs globally competitive businesses. It is, however, extremely arduous for businesses to expand and achieve global positions from a domicile with restrictive foreign exchange policies. Sasol remains a proud South African company and has no intention of relocating its corporate domicile, provided it is not disadvantaged by local forex regulations and restricted access to global capital markets. The future growth and success of Sasol's business depends on its ability to competitively raise funds internationally for investment in strategically selected opportunities .

In this connection, reference is also made to the current competition laws in South Africa. While they efficiently manage the abuse of dominant positions by companies, they often do so at the expense of businesses being able to merge and achieve world-scale status and afford new investments. Competition laws that hamper reinvestment and the subsequent creation of jobs will in the long term adversely impact on our country's ability to perform to its full economic potential. Again, achieving a prudent balance between encouraging local competition and ensuring that South Africa's businesses are able to grow and compete with confidence internationally, from a South African base, must assume higher priority.

A most pressing social issue facing South Africa is clearly that of HIV and Aids. Sasol is encouraged by the recent initiatives taken at national and provincial levels to mitigate the spread of this pandemic. From the Group's viewpoint, a series of non-intrusive and proactive measures to educate and protect our employees from this disease have been taken. Policy guidelines for employees affected by life threatening diseases, including HIV/Aids,



have been introduced. We believe it is desirable that an environment be created in which employees living with HIV/Aids are able voluntarily to divulge their status without fear of discrimination or retribution.

Environmental and social issues driven by sustainability Sasol has adopted a triple bottom-line management approach that focuses on environmental, social and financial issues in a manner that supports sustainable development and therefore responsible corporate citizenship.

The Group continues with an active environmental management programme and further significant successes have been achieved during the year under review. These were reported in the Sasol Safety, Health and Environmental Report 2000 issued during the year.

Complementing these activities is a strong financial and emotional commitment to honouring our role as a major corporation by generously supporting various South African social investment programmes, especially those that build human capacity and dignity.

Positive profit outlook As a result of the commissioning of new production capacity and ongoing cost saving measures and productivity improvements throughout the Group, some earnings growth off the high base, resulting from the splendid performance achieved during the past year is expected in the year ahead, despite the predicted lowering of oil prices and the slowdown in global economic activity.

Acknowledgements I would like to express my sincere thanks to all Sasol's customers, suppliers and business associates, both locally and internationally, for their continued support. I also thank all employees of the Group for their loyalty, dedication and hard work. I feel comfortable knowing that Sasol's future is in the hands of such competent people. I also extend a warm word of welcome to all our new employees, particularly the Sasol Chemie employees, who are already contributing to the Group's global success.

I take this opportunity of thanking my fellow non-executive directors for their collective and individual contributions in the governance of this exciting and rapidly-expanding group of companies.

I also extend a warm welcome to Trevor Munday who has been appointed to the board as an executive director. I would like to congratulate the executive management, under the leadership of deputy chairman and chief executive Pieter Cox, on an extremely successful year, and the excellent progress made in taking the Group forward as a global leader in its field.

Paul Kruger
Chairman

focused strategy delivers robust results

Deputy Chairman and Chief Executive's Review

Strategy and market trends yield excellent results The Sasol Group delivered on its growth objective by increasing earnings attributable to shareholders by 72% to R7 025 million. In the previous year, attributable earnings rose by 61% to R4 096 million. Operating profit increased by 71% from R6 292 to R10 773.

The earnings growth stems from firm oil prices, higher global chemical sales and prices, strong refining margins, the rand's further depreciation against the US dollar, excellent cost containment, higher productivity and continued operational stability.

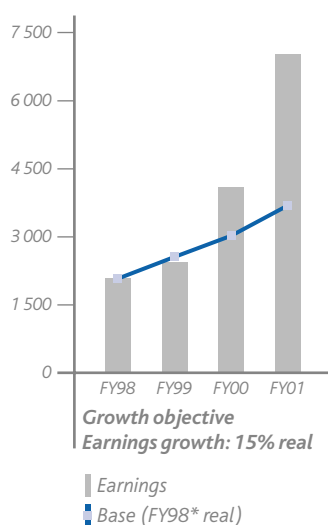
The significant earnings growth in recent years and the repositioning of the Group to sustain robust real growth in the future is the direct result of delivery of the Group's growth strategy. This strategy is focused on Sasol becoming a respected global company and comprises five primary growth drivers, as discussed later in this report.

Substantial strategic advances were recorded in 2001 that will enhance the Group's future earnings potential. These include wide-ranging sustainable cost reductions, ongoing capital investments in the chemicals value chain, the successful Condea acquisition, the commitment to develop the world's first two gas-to-liquids plants outside of South Africa and the finalisation of plans to develop the Mozambique natural gas project.

Core operations continue to deliver All core businesses significantly raised their year-on-year performances. Sasol Synthetic Fuels (SSF) was once again the most impressive performer. Operating profit rose by 97% from R3 999 million to R7 871 million. Production increased by 0,3% from 7,27 million tons (Mt) to 7,29 Mt. The synfuels and chemical feedstock producer took advantage of the higher oil price and stronger chemical feedstock prices and enhanced its performance with greater efficiency and sound cost management.

The international crude oil price (Brent) averaged US\$28,38 a barrel, 18% higher than the previous year's US\$24,03. Taking the rand's depreciation into account, the rand-based oil price increased by an average of 44%. As in the previous year, no tariff protection was applicable.

Sasol Chemical Industries (SCI) achieved a gratifying increase in operating profit, moving up by 37% from R1 603 million to R2 199 million. SCI's growth is particularly pleasing considering that some divisions faced greater margin pressures than in the 2000 financial year because of the prevailing high oil prices. The core SCI divisions benefited from stable operations, increased sales and good cost control.



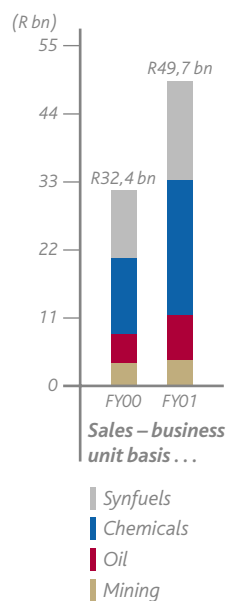
Opposite page: Pieter Cox, deputy chairman and chief executive



Progressing substantially on the solid new business foundation being created through renewal – and aided by both higher international coal prices and improved efficiencies, Sasol Mining has again lifted profit performance admirably. The company increased its operating profit by 82% from R317 million to R577 million. These pleasing results were achieved despite the modest 1,3% increase in total sales from 48,8 Mt to 49,45 Mt.

Sasol Oil's sales revenue, now including pipeline gas sales, increased by 97% from R5 481 million to R7 190 million. Benefiting from higher dollar refining margins, the rand's depreciation and further efficiency gains, the company's higher sales enabled a 62% increase in operating profit, up from R808 million to R1 309 million.

The operating profit of Sasol Gas increased by 260% from R35 million to R126 million. Sales were 23% higher largely due to the Durban South expansion project and crude oil derivative price increases.



Delivery on five main growth drivers The outstanding results recorded in 2001 reflect the Group's continuing ability to deliver on its strategic plan. This plan comprises five primary growth drivers:

- promoting cost reduction and optimisation in all business disciplines;
- sustaining growth in established businesses;
- expanding the portfolio of higher-value chemicals;
- leveraging Fischer-Tropsch and other unique technologies; and
- exploiting a complementary upstream thrust into hydrocarbon exploration and production.

The Sasol Group's strategic process is under continuous surveillance, constantly being tested for its robustness and appropriateness against dominant, changing and often complex market forces. Various key scenarios are taken into account to ensure maximum understanding and flexibility. Progress to date in managing and fine-tuning strategic management and scenario planning has been excellent.

Business optimisation promotes sustainability The focus on identifying and pursuing new business optimisation and improvement opportunities continues to yield tangible benefits, as the various companies' recent and ongoing business renewal and optimisation projects are testifying.

Business renewal at Sasol Mining, for instance, has been so successful over the past three years that the company has embedded renewal as a continuous business-improvement process. Besides achieving significantly improved profit performance through renewal,



Sasol Mining's machine productivity and per-capita productivity have risen by 60% and 23%, respectively, since initiating renewal.

Inspired by the significant cost optimisation and production gains achieved through the Vulamehlo renewal process over the past five years, SSF has recently implemented another promising new business development and optimisation initiative, Project World Class. Whereas Vulamehlo focused primarily on driving costs down and elevating economies of scale over five years, Project World Class is aimed at developing the optimal mix of skills, systems and processes needed to attain world-class performance. The project is scheduled to run to the end of the 2007 financial year.

The restructuring of SCI, following the Condea acquisition is presenting many exciting, new opportunities to improve overall chemical operations in areas such as technology, logistics, marketing and sales.

The NetGain materials management system, now bedded down across all Sasol businesses in South Africa, is enabling the Group to save R377 million on its annual procurement costs. NetGain provides better tools and systems to identify and capture financial opportunities in the commodity supply chain across business division borders.

Sasol's strategic investments into information management solutions have increased significantly. Further investments into cutting-edge information technology and standardisation will be made in the year ahead. This commitment is part of a strategic thrust to keep all Sasol businesses at the forefront of information management and communication systems.

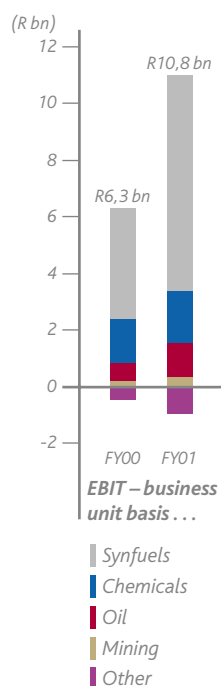
With extensive support from Group Information Management, Sasol is well advanced in implementing state-of-the-art online procurement systems and the SAP enterprise resource planning system. Sasol's Internet portal has also been redesigned to ensure improved functionality and convenience for internal and external users.

Established businesses pursue new growth *Several major South African projects are progressing in line with Sasol's objective of achieving organic growth from established businesses. The recently commissioned ethyl acetate plant at Secunda provides a significant new growth springboard for Sasol Solvents and the opportunity for the Group to add considerable value to some of its ethanol derived from the Secunda fuel alcohols pool. The third hexene train, also commissioned at Secunda during the year, is positioning Sasol Olefins and Surfactants to greatly increase its current 30% share of the world's high-growth hexene market.*

SSF has various plant and infrastructure expansion and upgrading projects under construction. The R220 million project to construct the ninth SAS reactor has been commissioned successfully. The new reactor will enable SSF to increase synfuels production capacity and enhance operational integrity, economy of sale and production flexibility.

The R700 million investment (Sasol's share) to expand the refinery capacity of National Petroleum Refiners of South Africa (Natref) at Sasolburg by 22% is progressing to schedule. This progress is being achieved despite the unfortunate fire that killed two people and damaged the crude distillation unit towards year-end. The expansion project will also enable Natref to improve its product offering, technology platform, white-product yield and eco-efficiency.

Sasol Mining continues to expand its lucrative coal export portfolio. The Twistdraai Export operations at Secunda increased total export sales by 13% or 420 000 t to 3,62 Mt. The higher international coal prices increased the export business' contribution to the company's operating profit to R235 million. Sasol Mining has secured access to additional coal reserves at Secunda. The company will also soon have the opportunity to increase export sales once the current Richards Bay Coal Terminal expansion project is completed.



The long-standing Main Supply Agreement and Blue Pump Agreement between the Group and South African oil companies have prohibited Sasol from operating its own branded service station network. These agreements expire at the end of 2003 and will be replaced by more pragmatic and liberal agreements.

Among other advantages, they will allow Sasol to compete directly in South Africa's retail fuel market. Sasol Oil is well advanced with far-sighted plans to have a Sasol-branded service station network in place.

Sasol Oil and Mozambique's state oil company, Petromoc, are developing a joint-venture fuels marketing company. The company intends to attain a 10% share of the Mozambican fuel market within its first five years. Zimbabwe, Zambia and other Southern African countries are also being targeted for growth opportunities in fuels and lubricants markets. Sasol Oil has also increased its annual lubricant sales 500-fold from 24 000 litres to 12 million litres over the last decade.

Expanding a solid chemical portfolio Sasol's globalisation drive is based in part on the need to undertake well-considered strategic business acquisitions.

During the year the Group completed its largest and most significant acquisition. Sasol concluded a substantial 1.1,3 billion asset and share purchase agreement with RWE-DEA



Aktiengesellschaft für Mineraloel und Chemie (RWE-DEA) for that company's entire chemical business, Condea, with effect from 1 March 2001. Employing about 4 500 people, Condea generates annual sales of more than 12,6 billion.

The Condea operations, renamed Sasol Chemie, have excellent geographic coverage and world-class human capital and technology. They enable Sasol to exploit greater critical mass in the focused drive to diversify and expand its international portfolio of higher-value chemicals. Sasol Chemie will in future provide a welcome hedge against movements of the international crude oil price and the rand. These operations also provide a new platform for developing greater synergism within some of SCI's major operations, including the successful alpha olefins and solvents businesses.

A multidisciplinary international project team has been progressing well with the comprehensive programme to integrate Sasol Chemie into an expanded SCI. Based on its recent financial track record, the overall state of its current excellent operations and conservative growth projections, Sasol Chemie is expected to contribute substantially to future Group earnings.

For the four months of Sasol ownership, Sasol Chemie's sales amounted to 1 864 million (annualised: 12 592 million). The earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to 173 million, while the earnings before interest and tax (EBIT) amounted to 130 million. The net effect on Sasol earnings for this period amounted to 26 cents per share.

Sasol Polymers has invested R1,2 billion into two joint-venture, world-scale plants in Malaysia. These investments, a gas cracker and a polyethylene plant now fast approaching beneficial operation, will start contributing to Group income during the 2003 financial year. The R998 million project to construct the Sasol Olefins and Surfactants detergent alcohols plant at Secunda will be brought into beneficial operation before mid-2002.

Construction of the R1,14 billion Sasol Solvents n-butanol plant at Sasolburg has commenced. This plant will be brought on stream during the first quarter of 2003. Sasol Olefins and Surfactants is likely to commence new projects for the construction of the fourth hexene train and the second octene train at Secunda. These two expansion projects are expected to entail an investment of more than R900 million. The new South African chemical plants will export 90% of their production.

In a beneficial development for SCI's Sasol Agri division, Sasol acquired AECL's 50% share of Fedmis Phalaborwa, the profitable phosphoric acid producer. The feasibility of

producing higher-value food-grade phosphoric acid with a potential R400 million investment is under review.

The Group's growth ambitions and SCI's increasing focus on establishing core chemical portfolios have necessitated some rationalisation and major asset write offs and depreciation. An amount of R911 million was allocated during the year to reduce the value of certain obsolete, non-competitive and underperforming plant and other assets. Of this amount, R831 million (91%) was allocated to SCI assets. The mothballed acrylonitrile plant and related maintenance inventory at Secunda has been written off at a book value of R354 million because of continuing low international acrylonitrile prices and Sasol's decision, for the foreseeable future, not to compete in the world's marginal acrylonitrile market.

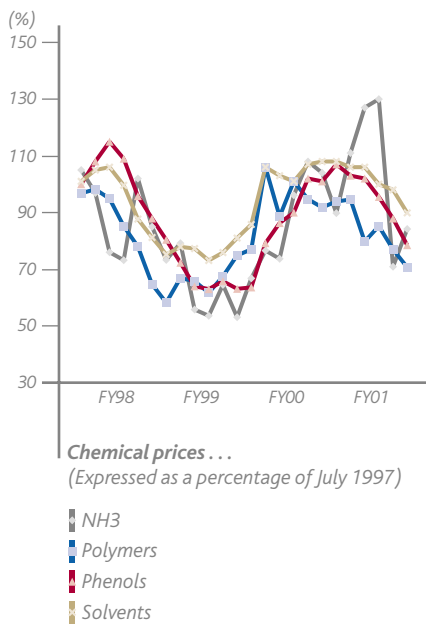
A further R111 million is attributable to the impairment of plant and related assets of the Sasol Fibres factory at Durban. Continuing adverse market conditions in the international and domestic acrylic fibre markets have been impacting severely on Sasol Fibres' margins and have necessitated the write off. The Group is currently negotiating with prospective buyers the sale of its 50% share in Sasol Fibres. The Group expects to finalise the sale in the year ahead.

An amount of R57 million was also written off following Sasol Polymers' decision to close down its non-competitive chlorine plant at Umbogintwini. Sasol Polymers also intends to sell the automotive business of Vynide, its last remaining interest in the specialised polyvinyl chloride converter acquired when the original Sasol/AECI Polifin joint venture was established in 1994.

Sasol remains South Africa's biggest single industrial investor into new production capacity. The Group has entered its largest capital-based growth phase since completing the Secunda operations in the early 1980s. Sasol Technology is currently managing 165 major growth projects for which R27 billion has been budgeted. The scope covers projects in their conceptual and execution phase.

The growth programme retains a strong focus on expanding the core chemical portfolios. The programme also reflects the bold commitment to advancing the first two international gas-to-liquids (GTL) plants, as well as the Mozambican natural gas project. Sasol's approved capital expenditure for the 2002 financial year will total about R6 billion.

Leveraging unique technology The leveraging of Sasol's Fischer-Tropsch and other unique process technologies at Sasolburg and Secunda continues to strengthen the





Group's competitive advantage. This advantage will be increased significantly later in the current decade once the first two GTL plants go on stream. Sasol's unique Slurry Phase Distillate process will be incorporated into both GTL plants.

The Sasol Chevron global joint venture, established in October 2000, will pursue commercial applications of GTL technology for selected Chevron- and Sasol-held reserves of natural gas, as well as third-party gas reserves and those host countries seeking opportunities to monetise their gas reserves. In its first international commercial venture, Sasol Chevron will provide the Nigerian GTL plant with licensed technology, operations management and technical services.

This plant is to be developed at Escravos at a cost of about US\$1 200 million. The Nigerian GTL plant is a major natural gas initiative by the project asset owners, the Nigerian National Petroleum Corporation (25%) and Chevron Nigeria Limited (75%).

Qatar Petroleum and Sasol have finalised their agreement to commence with the joint development of the GTL plant at Ras Laffan, Qatar. Sasol Technology is executing the US\$30 million front-end engineering and design (FEED). The project has an instantaneous cost of about US\$800 million, including site, pre-production and contingency costs. Qatar Petroleum (51%) and Sasol (49%) are seeking project finance for a significant portion of the project's capital requirements.

Both GTL plants will be brought into beneficial operation in 2005. They will play a vital role in expanding the Group's international revenue stream and income attributable to shareholders. Sasol Chevron is also investigating the viability of developing a GTL plant in Australia, where discussions are progressing with various federal and state authorities and interested petroleum industry players.

Several other Group technology initiatives are worth noting:

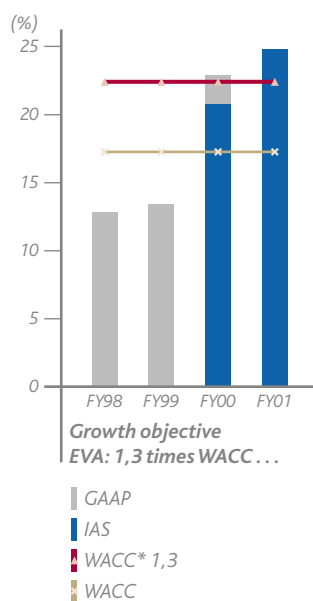
- *conceptual work has commenced on the next generation of the Slurry Phase and Sasol Advanced Synthol (SAS) reactors;*
- *improved Fischer-Tropsch catalysts are being developed; and*
- *new and improved process technologies are being progressed for major SCI product portfolios, including hexene, octene and new-generation solvents.*

Sasol Technology continues to orchestrate and advance well-focused and beneficial technology programmes. All of these are strengthening the Group's technological prowess and enlarging the platform for sustaining growth in line with Sasol's vision.

Through its integrated, multidisciplinary approach in such vital areas as applied research and development, process development, business optimisation, new business development, engineering services and project management, Sasol Technology continues to fulfil a key strategic role in helping Sasol to unlock new business value and to sustain its growth and competitive advantage. Sasol Mining and Sasol Oil also continue to maintain successful technology optimisation programmes.

Sasol Mining has greatly improved its underground pillar extraction method by innovating the Nevid total-extraction method, which is safer, more productive and reliable in geologically disturbed areas. This breakthrough enables underground production personnel to safely remove 72% of coal reserves, while limiting severe strata failures and future ground water inflows.

Sasol Oil launched a revolutionary new fuel in March 2001. To prepare for South Africa's changing market demand and the shift from leaded to unleaded petrol, Sasol Oil changed entirely to unleaded petrol in the form of the unique Sasol Formula 100 Dual Fuel™, which incorporates a unique additive package to ensure complete compatibility with all forms of petrol-engined vehicles.



Upstream thrust achieves Mozambican breakthrough The focused upstream thrust into oil and gas exploration and production has amassed considerable impetus and will enable Sasol – principally through the synergistic operations of Sasol Gas and Sasol Petroleum International (SPI) – to start producing and marketing Mozambican natural gas in 2004. The Group is advancing the investment to bring methane-rich natural gas from the proven Temane and Pande fields to customers in Mozambique and South Africa, including Sasol's plants.

The natural gas project will entail a capital investment of more than R10 billion. It will comprise production wells and well pipework, collection pipelines, a central gas cleaning and drying facility in Mozambique and an 865 km transmission pipeline to join Sasol's current pipe infrastructure in Secunda. In addition, the SCI Sasolburg facilities will be converted to process natural gas instead of coal. The Group will also install new facilities in the SSF factory to supplement that company's coal feedstock and to convert its fuel gas customers' facilities to natural gas.

The new pipeline will initially supply about 120 million gigajoules (MGj) of natural gas a year. This volume is almost threefold the current Sasol Gas market. The pipeline will have the capability to transport more than 240 MGj annually. SPI has drilled five wells in the Temane field and will initially produce gas from 18 Temane wells, before tapping into the Pande field.



The Government of Mozambique and its state-owned petroleum company, Empresa Nacional de Hidrocarbonetos de Moçambique (ENH), signed a series of agreements with Sasol in October 2000. These agreements allow for the development of a natural gas industry in Southern Africa.

SPI has also achieved promising exploration breakthroughs in the Congo, Gabon and Equatorial Guinea. The company has withdrawn from the partnership exploring off South Africa's east coast and will, for the foreseeable future, concentrate its domestic gas exploration activities off the country's west coast in the Atlantic Ocean.

Establishing beneficial financing solutions To maintain the Group's growth impetus, most notably expanding globalisation and the capital investment programme, the newly formed company of Sasol Financing has become a valuable in-house banking and central treasury organisation.

New Sasol growth and optimisation activities such as the acquisition of Condea and Sasol's share buyback programme increased Sasol's funding requirements substantially. The Group's gearing ratio increased from 5,6% to 27,4% by year-end. Sasol Financing used a combination of own funds, domestic South African capital market funding, international revolving credit facilities, a local commercial paper issue and normal bank credit facilities to fund the exceptional capital requirements.

Highlights of Sasol Financing's activities include:

- the successful negotiation of a syndicated US\$400 million revolving credit facility led by Dresdner Bank and Commerzbank;
- the issuing of a R900 million senior secured three-year bond as part of a R2 billion domestic medium term-note programme; and
- the issuing of a one-year non-listed commercial paper for R1 100 million, the biggest single placement of commercial paper by a listed corporate in South Africa.

Sasol has been listed on the JSE Securities Exchange (JSE) in Johannesburg since October 1979, a development that was complemented by establishing a Nasdaq listing in the United States in 1982. The Group's longer-term growth requirements will require a further listing on a major international bourse, most likely in Europe or the United States. This is especially relevant given the far higher percentage of Group revenue being generated outside of Southern Africa, as well as the multibillion-rand investments required to enable the development of many new growth projects. The timing of this listing will depend on further progress in the upward rerating of the Sasol share price, increasing international contribution to earnings and the need for capital raising.

Stronger brand and values management The publication of this annual report marks the launch of Sasol's striking, new monolithic corporate identity. The enhanced branding is characterised by the modernisation of the long-serving Sasol logotype and the development of the new molecular mark or motif. The new identity underscores the Group's increasing sophistication, as well as its pursuit of world-class standards and a stronger, more instantly recognisable branding.

Comprehensive market research confirms the new identity as "dynamic, modern, indicative of technology leadership and representative of a great company".

The new identity has allowed the Group to streamline its brand architecture and to dispense with a plethora of sub-identities and business-specific logotypes, symbols and other marks.

The Group is also developing a formal set of corporate values. Five draft values are being finalised in consultation with employees and other stakeholders. In their draft form, these values emphasise the importance of business and operational excellence, customer focus, continuous improvement, integrity and winning with people.

Corporate citizenship founded on sustainability Sasol's continuing focus on its strategic growth drivers is being shaped increasingly by the rapidly emerging concept of sustainable development. The Group recognises that its licence to operate its diverse and growing international exploration, manufacturing and logistical operations depends on these activities being conducted with a more profound sensitivity and respect for the long-term economic, social and environmental needs of present and future generations.

Sasol accepts sustainable development as the profitable integration of continual technological progress, improvement of social structures and the more efficient and prudent use of ecological resources in order to create sustainable stakeholder value. In March 2001, the Group published the **Sasol Safety, Health and Environmental Report 2000**. This report, the third biennial publication of its kind, showcases the Group's encouraging progress in managing its impacts and risks and thereby its willingness and ability to be a responsible and concerned corporate citizen.

The Group remains an ardent Responsible Care™ signatory and practitioner, continuously reviewing new opportunities to improve its overall safety, health and environmental performances. By year-end, 30 businesses and operations were ISO 14001-certified for their environmental management systems. In general, workplace accidents continue to decrease, while emission and waste levels relative to production volumes continue to be lowered.



A grave concern, however, is the persistence of fatalities. Ten employees and contractors were fatally injured during the year. Far more stringent initiatives will be implemented in the year ahead to advance behaviour-based safety programmes.

The Group's commitment to upholding sustainable development is complemented by its strict adherence to the principles and practices of good corporate governance, which now integrates sustainable development as a guiding concept. Good corporate citizenship extends to the communities in which Sasol is heavily invested, especially where the Group can play a catalytic role in helping historically disadvantaged individuals and communities to capture new socioeconomic development opportunities.

Sasol invested R25 million into social investment initiatives in South Africa during the year, with education, skills development and related individual and group empowerment programmes receiving the greatest emphasis.

Highlights of a successful social investment programme include sponsorship of the 2001 Sasol National Festival of Science and Technology (Sasol SciFest) at Grahamstown, as well as continuing support for the community-focused education facilities of Osizweni Community Development Centre at Secunda and the Boitjhorisong Resource Centre at Sasolburg. Various sporting, arts and other cultural programmes were again supported, as are several commendable environmental programmes.

In South Africa, Sasol is sponsoring bursaries for 450 undergraduate students for the 2001 academic year at an investment of R18 million. Most of the students are studying sciences, engineering and related technological disciplines at universities and technikons.

The need to complement South Africa's sociopolitical transformation with a sustainable process of economic empowerment is vital if the country is to establish a fully inclusive and beneficial democracy. In response to the challenges of building a more democratic and prosperous economy in South Africa, Sasol is progressing satisfactorily in building a meaningful black economic empowerment (BEE) programme.

Highlights of Sasol's expanding BEE commitment include the Group's involvement with, and support for, businesses and other initiatives such as Exel Petroleum, ChemCity, PQ Africa, Macadam Franchise Company and various new independent chemical companies. The Mozambique natural gas project will, in time, also entail a significant BEE component. Sasol has for the first time produced a dedicated BEE report and intends to report annually on this crucial issue.

Building high-value human capital Group human resources practitioners continue to advance the groundwork necessary to create and maintain a knowledge-driven and intrapreneurial culture within the context of South Africa's complex demographics and Sasol's globalisation and continuous improvement initiatives. The Group retains a strong core of highly skilled people in scientific, technological and commercial disciplines and will continue to appreciate the value of its human capital.

We remain committed to raising the awareness of HIV/Aids among all our employees and various educational programmes in this respect have been initiated. We also persist in ensuring an environment in which affected employees may freely divulge their status.

In a key, new initiative, Sasol formed a learning alliance with the Gordon Institute of Business Science in Johannesburg for future leadership development programmes. The Group invested about R115 million into essential skills development, training and associated competency-driven programmes. This commitment includes in-house technical training, the further funding of self-learning centres and the stronger commitment to a continuing undergraduate bursary programme.

Sasol is embracing human diversity with dedication and enthusiasm. Beyond the legal and moral tenets of promoting employment equity, the Group believes there are considerable business merits of recruiting and developing people from designated groups under South Africa's Employment Equity Act. Designated groups are blacks (Africans, Coloureds and Indians), women and people with disabilities. Sasol remains on track to have more than 40% of all Group leadership and professional positions held by people from these groups.

Prospects The Group's core operations have been performing well and are expected to continue doing so. Crude oil and many petrochemical and related feedstock prices, however, are expected to soften in the year ahead. While dollar-based refining margins will decrease and impact on the profitability of Sasol Synthetic Fuels and Sasol Oil, many of Sasol Chemical Industries' margins are expected to improve.



The newly integrated international Sasol Chemie operations of SCI are expected to start delivering their first major fruits.

In general, crude oil and most chemical prices are expected to remain comparatively strong or stable, an influence that is likely to be stimulated by a further depreciation of the rand against the US dollar. Most operations are targeting volumes increases, with some businesses' increases likely to be substantial. Such factors are poised to benefit from the continuing sound efforts to raise productivity, contain operating costs and strengthen customer relations.

Assuming that there will be no dramatic shifts in world petrochemical and allied markets in the year ahead, as well as unforeseen disruptions in key financial markets, shareholders can look forward to earnings growth, albeit modest, at the end of the 2002 financial year.

Appreciation *I thank all valued Group employees for all their diligence, enthusiasm and hard work that contributed to the fine results. I also thank, on behalf of all Sasol employees, all our valued customers, suppliers and business associates around the world for their continuing support. We, again, look forward to another year of productive partnerships.*

Pieter Cox
Deputy chairman and chief executive

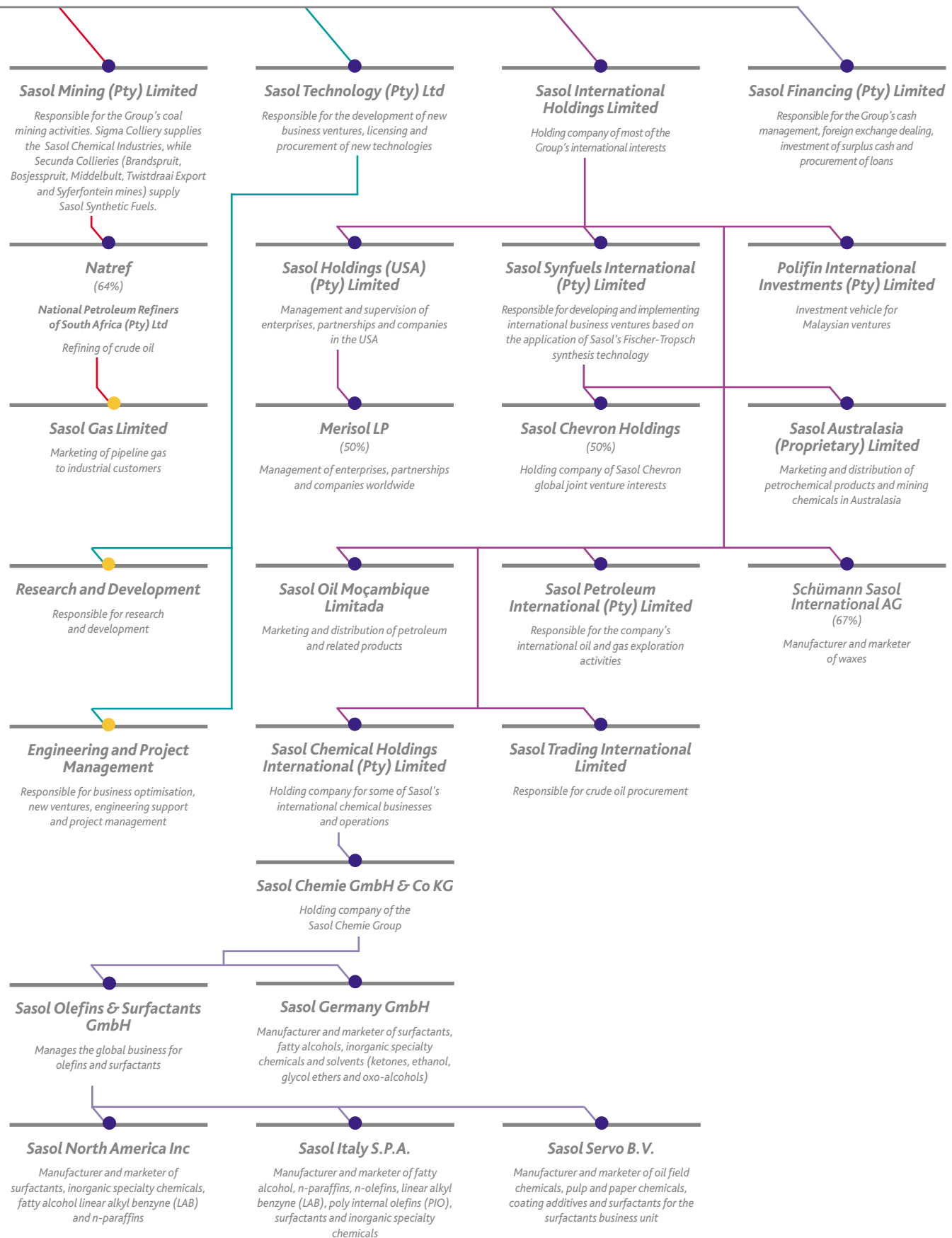


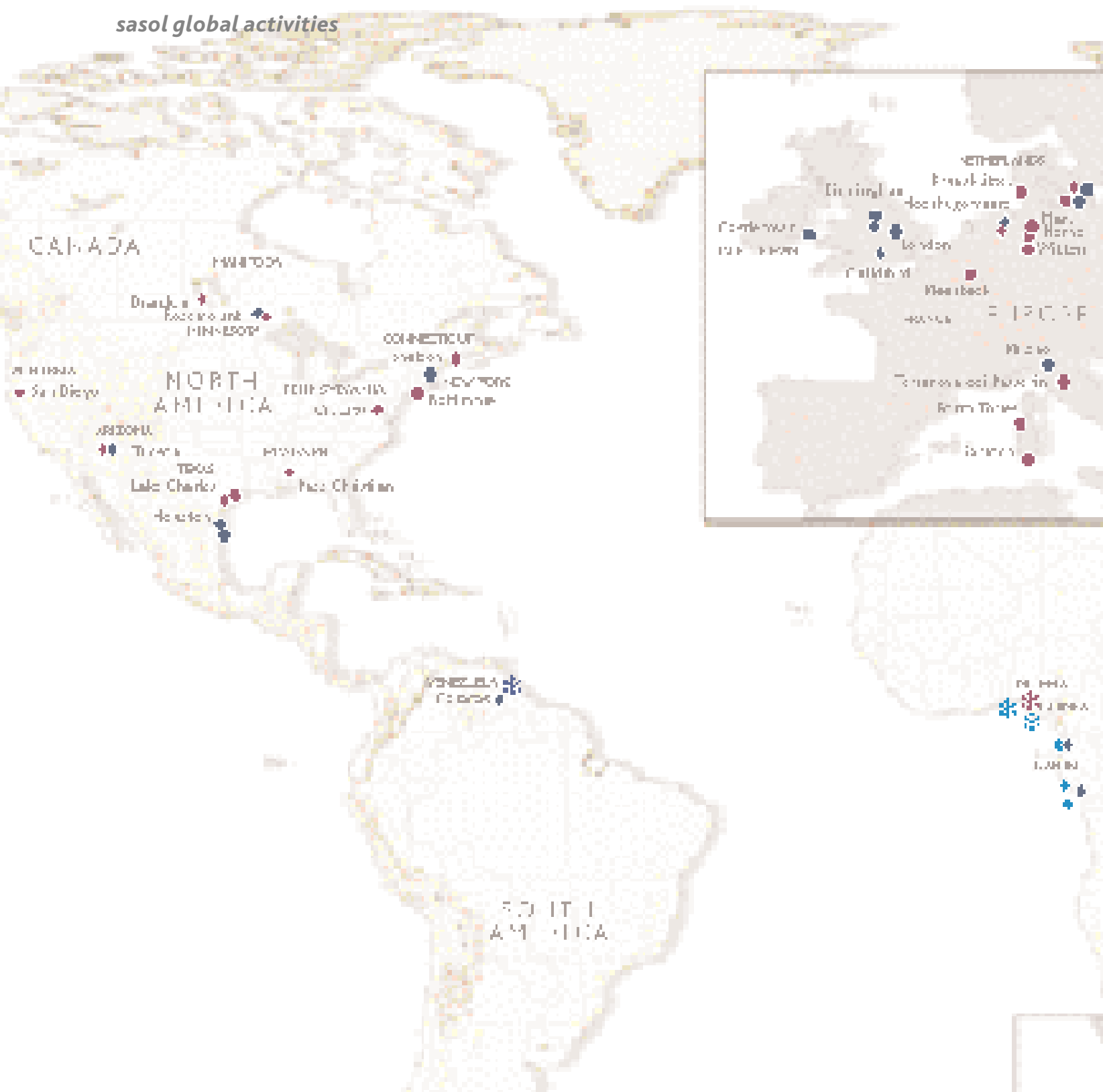
SASOL
reaching new frontiers

Sasol Limited
Sasol head office situated in Johannesburg. Co-ordinates Group activities and supplies certain specialised services to Group companies. Main operating companies and divisions of the Sasol Group 100% controlled except where otherwise indicated.



● Company structure
● Divisional structure





FACILITY	SASOL	JOINT VENTURE
Manufacturing/production	●	◆
Main offices	●	◆
Exploration	●	◆
Project		*



renewal drives growth and improvement

Sasol Mining strategic business unit

Profile Sasol Mining supplies coal to Sasol's synthetic fuels and chemical plants. It sold 49,3 million tons of coal to Sasol Synthetic Fuels (SSF) at Secunda, Sasol Chemical Industries (SCI) at Sasolburg and customers in the international market in financial 2001. The company has two regional operations:

- Sigma Colliery, near Sasolburg, consisting of the Sigma/Mohlolo underground and the Wonderwater strip-mining operations; and
- Secunda Collieries, consisting of five underground operations at Secunda (Bosjesspruit, Brandspruit, Middelbult, Twistdraai and Twistdraai Export) and the Syferfontein underground and strip-mining operations near Trichardt.

Business review In another year of pleasing progress, operating profit increased by 82% to a record R577 million. The company advanced its renewal process throughout all production and support operations. Sasol Mining also benefited from higher coal export prices.

Total saleable production volumes, in line with customer demand, rose marginally to 49,5 million tons (Mt) (2000: 49,4 Mt). Sasol Mining supplied 39,3 Mt to SSF (2000: 40,5 Mt) and 6,4 Mt to SCI at Sasolburg (2000: 6,2 Mt). Exports accounted for the balance of 3,6 Mt, an increase of 14% on the previous year's 3,2 Mt.

The higher international coal prices increased the export business's contribution to operating profit to R235 million. The Twistdraai Export Colliery and coal beneficiation plant are operated to world-class standards with emphasis on improving yields and productivity. Exports remain integral to the company's growth ambitions.

financial highlights

		2001	2000	% change
Sales	(Rm)	3 772	3 343	12,8
Operating profit*	(Rm)	577	317	82,0
Contribution to Group operating profit	(%)	5,4	5,0	
Operating margin	(%)	15,3	9,5	
Attributable earnings	(Rm)	394	233	69,1
Cash flow from operations	(Rm)	949	739	28,4
Return on net assets	(%)	22,9	13,6	

* Operating profit is stated before capital items and goodwill written-off

Renewal gains extensive ground Business renewal has been so successful that it has been embedded as a continuous business-improvement process. The excellent foundation established through renewal supports further improvement initiatives. The most notable opportunities include:

- business growth initiatives;
- improvements to key processes such as maintenance, information management and human capital development; and
- the deployment of new-generation equipment and technology to achieve further quantum productivity gains.



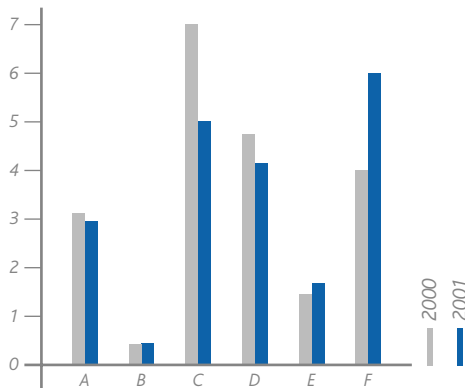


Highlights

- Renewal unlocks many opportunities
- Operating costs contained below inflation
- Cash flow from operations almost R1 billion
- Continuous-miner productivity increased by 62% in three years

production highlights

	2001	2000	% change
Total production (millions of tons)	51,3	50,9	0,8
Sigma Colliery including Wonderwater	5,4	5,1	
Secunda Collieries –			
Bosjesspruit Colliery	7,3	7,4	
Brandspruit Colliery	8,5	8,7	
Middelbult Colliery	8,2	9,0	
Twistdraai Colliery	5,5	5,6	
Twistdraai Export Colliery	7,4	6,0	
Syferfontein (underground and strip)	9,0	9,1	
Saleable production from all mines	49,5	49,4	0,2
External coal purchases from other mines	1,0	0,9	11,0
Total sales including exports	49,3	49,9	(1,1)
Sales to SCI, Sasolburg	6,4	6,2	3,1
Sales to SSF, Secunda	39,3	40,5	(3,0)
International sales	3,6	3,2	12,5
Rise in productivity by continuous-miners	22,3%	26,3%	
Rise in per-capita productivity (tons/person)	8,28%	10,1%	



Sasol Mining SHE performance indicators

- A All-mine injury frequency rate
- B All-mine disabling injury frequency rate (DIFR)
- C Fatalities in the workplace
- D Hygiene – respirable dust (mg/m³)
- E Hygiene – velocity lost through road (m/s)
- F ISO 14001 certifications

Improved cost management and productivity The pursuit of smarter cost containment continues to bear fruit. The unit operating cost increase was contained to 5,6%, which is below the inflation rate. Cost increases were restricted to 3% in the previous financial year. Disciplined cost management has helped to improve the return on invested capital (ROIC) from 5,1% to 15% in three years. Such feats are commendable considering the rand's depreciation against the US dollar. A substantial portion of mining equipment spares are bought from American suppliers.

The mining operations are striving to achieve a zero unit cost increase. Central to the pursuit of optimised cost management is the willingness to benchmark itself against other collieries. The company recently invited comparative South African collieries to submit definitive data to develop what could become a regular industry-wide benchmarking exercise. Performance indicators include machine productivity, human productivity, cost per ton of production and cost per sales ton.

On the basis of the initial datasets, the collieries, combined, are ranked in the top quartile for productivity and cost-effectiveness. The company intends to participate in an international benchmarking exercise. The objective is, by way of the exchange of best practices, to further raise business and technical performances.



Some performance gains are attributable to higher employee morale, as well as new investments into more efficient coal-mining and handling systems and technologies. Less profitable underground sections at the Secunda Collieries were closed to get the same production output from less sections.

Since implementing renewal, the average tonnage produced by a continuous-miner in one shift has risen by 61,7% in three years. Per-capita productivity has also improved. Taking advantage of natural attrition, the employee complement was reduced by almost 13% during the past three years. In spite of this reduced complement, overall saleable production increased by 6%. This equates to a per-capita tonnage increase of 21%.

Sasol Mining has been pursuing, with increasing success, several new opportunities to enhance the value of its human capital. Besides providing extensive skills training and improved workplace mentoring, the company has enhanced employment policies and financial incentives. Comprehensive career development plans and opportunities are being developed for each employee.

These promising initiatives are being pursued while successfully promoting workplace diversity and employment equity.

Enterprise management system designed *To capture new business optimisation opportunities in line with a wider Group initiative, an SAP-enabled enterprise management system is being designed. The investment*

Below: Savouring a light moment . . . *A Sasol miner in the lamp room at Syferfontein Mine. Sasol Mining's human and machine productivity have increased by 23% and 62%, respectively, in three years.*

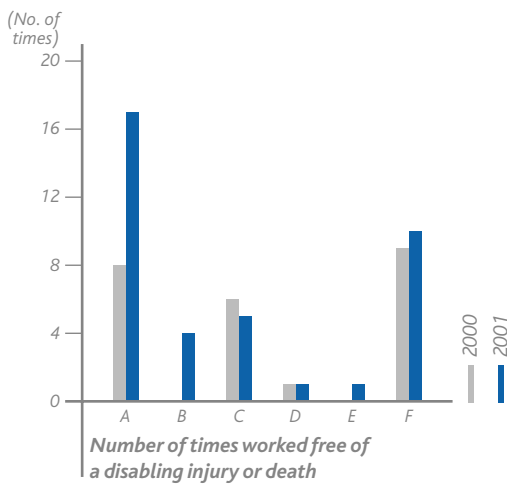




in this computer-based system is aimed at improving the management of all information systems. It will also eliminate the barriers between business functions such as the financial, procurement, human resources, planning and production management.

The objective is to evolve from a function-driven organisational system to a process-driven business system. This shift will help to unlock new opportunities across the entire value chain, including the realisation of lower costs per ton. Participation in the promising Group-wide NetGain Material Management initiative is helping to reduce the cost of ownership.

Sharp focus on technology enhancement Technology support capabilities have advanced significantly in recent years. An estimated 60% of all on-mine costs are directly impacted by engineering and maintenance processes. Bold new measures are being planned to further improve the management of all engineering and maintenance costs.



- A One-million disabling injury-free man-hours worked (Operations)
- B One-million disabling injury-free man-hours worked (Complex)
- C One-million fatality-free man-shifts worked
- D Three-million disabling injury-free man-hours worked
- E Five-million fatality-free man-shifts worked
- F Operations with NOSA five-star ratings

The underground pillar extraction method has been improved greatly. The new method is safer, more productive and reliable in geologically disturbed areas. The Nevid method (named after the two employees who developed it, Neels Joubert and David Postma) has been tested for more than a year. It is now embedded as the company's new total-extraction mining method. This method enables production personnel to safely remove 72% of the coal reserves, while limiting severe strata failures and future ground water inflows.

Several new shaft systems are being sunk for Secunda Collieries. Raise boring has been selected as the sinking method to minimise capital cost and construction time. The requirement of a 7,1 m diameter shaft resulted in Rucbor, the contractor, developing a custom-designed reamer head in conjunction with Sasol Mining. The largest shaft previously bored was 6,1 m in diameter, making this a world-first.

Future growth opportunities The joint feasibility study with Anglo Coal is progressing to plan. The two mining businesses initiated a study in the previous year for the potential co-development of Anglo Coal's Kriel South reserves near Secunda. These reserves could be mined in future to supply SSF coal at a rate of 9 Mt a year. A final decision is expected during 2002.



Sasol Mining also concluded strategic discussions with Ingwe Coal, another major coal-mining company, and a substantial block of reserves has subsequently been acquired from Ingwe. These reserves are immediately next to the Middelbult operations. This acquisition will contribute substantially to the company's twofold objective of expanding the Secunda reserves and reducing capital and operating costs.

The newly acquired reserves will at first be accessed directly from existing Middelbult production sections without incurring major short-term costs. This will contribute towards postponing the replacement of existing shaft systems, thereby providing substantial medium-term financial benefits.

The expansion of the promising coal export portfolio is a growth option once Sasol introduces natural gas as a feedstock to its plants in 2004. Sasol Mining is likely to keep supplying SSF at a rate of about 40 Mt a year for the foreseeable future. The Sasolburg operations, however, will be downsized considerably in 2004 to supply an estimated 1,9 Mt a year of coal to SCI's on-site utilities.

Prospects *The positive profit growth trend is expected to continue in the year ahead, provided the export coal price remains close to its current level. A strong base of skilled and diligent employees will enable the company to excel. Business renewal and the business-enhancement initiatives will remain the main vehicles for improvement.*

world-class drive gains impetus

Sasol Synthetic Fuels strategic business unit

Profile Sasol Synthetic Fuels (SSF) operates the world's only coal-based synfuels manufacturing facility at Secunda, South Africa. The company produces synthesis gas from low-grade coal and uses unique Sasol high-temperature Fischer-Tropsch technology to convert this into a large range of petrochemicals. These products include petrol, diesel, liquefied petroleum gas and other synthetic liquid fuels, as well as industrial pipeline gas and chemical feedstocks. SSF produces most of South Africa's chemical and polymer building blocks, including ethylene, propylene, ammonia, phenolics, alcohols and ketones.

Business review Surging ahead on the strength of high international crude oil and associated petrochemical prices, improved yields, disciplined cost controls and skilled teamwork, SSF increased its operating profit by 97% from R3 999 million to R7 871 million.

This was achieved in the wake of the spectacular performance of the previous year when SSF's operating profit rose by almost 126% and income after taxation increased by almost 128%. The synfuels and chemical feedstock producer increased its after-tax profit by 96% to R5 250 million and contributed 73% to Group operating profit.

During the year the derived crude oil price averaged about US\$26,4 a barrel, which is a 36,6% increase on the previous year's average of US\$19,3. Taking the rand's depreciation into account, the rand-based oil price increased by an average of 64%.

Total chemical feedstock production, including raw materials for SCI's carbon, tar and nitrogenous product divisions, increased by 4,9% from 2,3 million tons (Mt) to 2,4 Mt. The production of methane-rich industrial pipeline gas increased by 21,1% from 11,7 million gigajoules (MGJ) to 14,1 MGJ. This gas is marketed by Sasol Gas and supplied to customers in KwaZulu-Natal and Mpumalanga. The highest total production volume in history was achieved (7,29 Mt).

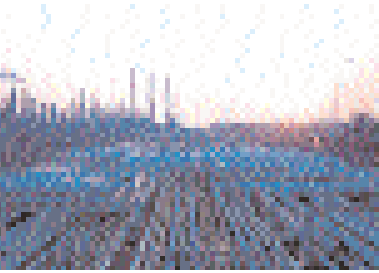
Some plant stability and reliability problems were, however, experienced. Coupled with the higher maintenance costs that were subsequently incurred,

financial highlights

		2001	2000	% change
Sales	(Rm)	15 896	10 915	45,6
Operating profit*	(Rm)	7 871	3 999	96,8
Contribution to Group operating profit	(%)	73,1	63,6	
Operating margin	(%)	49,5	36,6	
Attributable earnings	(Rm)	5 250	2 678	96,0
Cash flow from operations	(Rm)	8 599	4 657	84,6
Return on net assets	(%)	102,6	64,2	

* Operating profit is stated before capital items and goodwill written-off





Highlights

- Record operating profit of R7 871 million
- Highest gas output and production volumes
- Lowest \$-based unit cost
- Lowest emissions
- Highest yields

production highlights

	2001	2000	% change
Total production (Mt, millions of tons)	7,29	7,27	0,3
Average production per employee (t)	1 284	1 294	(0,8)
<i>Production volumes:</i>			
Liquid and gaseous fuels (%)	66	68	(2,9)
Petrochemical feedstock (%)	23	22	4,5
Carbon plus nitrogenous feedstock for fertilisers and explosives (%)	11	10	10,0

these constraints marred an otherwise excellent track record. Five failures of process equipment occurred in the air-separation units. Modifications are in progress to eliminate these failures and are likely to be completed before end of 2002.

To enhance future performance of its plant and improve business processes, SSF increased its expenditure on renewal maintenance and information management projects. Without this expenditure and the impact of the weaker rand on operating costs, cash operating cost was maintained on par with inflation. SSF is now better placed to contain operating cost increases below inflation in the next financial year. SSF's participation in the Group-wide NetGain Materials Management programme enabled a saving of about R215 million in procurement costs.

World Class heralds new optimisation drive In absolute terms, SSF has once again improved its overall performance. Besides significant growth in profit, the continuing ability to innovate smarter production management processes, increase production efficiencies and reliability, contain operating costs, reduce accidents and environmental impacts and motivate employees to implement challenging business development principles and targets, are testimony to this achievement.

Building on the inspirational groundwork of the recently completed Vulamehlo renewal process, SSF embarked on a promising new business development and optimisation initiative: Project World Class.



Whereas Vulamehlo focused primarily on driving costs down and achieving better economies of scale over an initial five-year period, Project World Class is aimed at developing the optimal mix of skills, systems and processes needed to add further value and growth. The project is scheduled to run to the end of the 2007 financial year.

The project has five primary objectives:

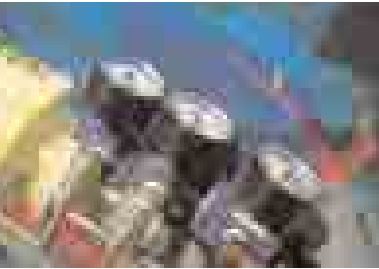
- *to achieve operational and production excellence;*
- *to nurture a skilled complement of winning people;*
- *to sustain a proactive environmental cleanup;*
- *to continuously evaluate and raise technical performance and the reliability of technology; and*
- *to optimise business processes and information (Project Champion).*

Key to Project Champion is the company's phased introduction of a new SAP-enabled enterprise management system. Project Champion is a holistic programme aimed at further improving the company's management of business processes and information.

The targeted benefits of Project World Class and Project Champion are only expected to start contributing significantly to the 2003 financial year profits. Project Champion commenced with a comprehensive international benchmarking exercise. The benchmarking findings have provided SSF with a better understanding of the opportunities that can be exploited to achieve world-best practices in such areas as:

- *fuel refining and production yields;*
- *human productivity and intellectual capital;*
- *cost containment;*
- *information management; and*
- *plant integrity and operational stability.*

Appreciating the value of human capital *The company continues to appreciate the value of its human capital through focused and effective skills development, mentoring and incentives. SSF's employees are being motivated to continuously raise performance levels. In recent years, a world-class mindset has been developed and employees are embracing the challenges of change management.*



SAS reactors elevate production status SSF has completed its first full financial year of running the new-generation Sasol Advanced Synthol (SAS) reactors without parallel production support from the older-generation CFB Synthol reactors. The latter units have been taken out of commission.

The stable and highly efficient SAS reactors – used to convert syngas into syn crude, olefins and other petrochemicals – are enabling the company to increase production efficiency, while substantially reducing operating and maintenance costs. The recently commissioned ninth SAS reactor, installed at an investment of R220 million, will provide significant new growth opportunities in the ensuing financial years.

The R345 million project to expand Synthol light oil production capacity has also been completed. This initiative has increased refinery capacity and improved economies of scale.

Natural gas offers new opportunities SSF and Sasol Technology have commenced the preparatory work to install additional plant and utilities in the front end of the Secunda plant to convert natural gas from Mozambique. The gas will be used as a supplementary feedstock from 2004 onwards. The supplementary supply of natural gas will enable SSF to increase its gas-circuit production by about 5% in the initial phase. In time, natural gas could allow for a 15% increase on the current gas-circuit output.





SSF will be well placed to broaden its product slate, strengthen its production flexibility and lower its overall output of sulphur-based emissions per unit of hydrocarbons converted. Sulphur-free natural gas is cleaner than coal and offers more production flexibility.

Prospects *SSF is well positioned to achieve further growth in sales and contribution to Group profit in the year ahead. This forecast is founded on seven main factors:*

- *the expectation that the international prices for crude oil and related petrochemicals will remain in the present price band;*
- *the likelihood of achieving greater plant stability;*
- *the commissioning of new capacity, including the ninth SAS reactor;*
- *a further rise in overall production;*
- *the strong motivation and discipline of competent employees;*
- *continuing progress in containing operating costs; and*
- *the probability of the first few tangible benefits starting to flow from the new Project World Class initiative.*

Below: Finding the balance . . . *A technician balancing a turbine rotor in a Sasol Synthetic Fuels workshop. The company balances its advancement of human skills and technology with sustainable development objectives.*



globalisation achieves real status

Sasol Chemical Industries strategic business unit

Profile The expanded Sasol Chemical Industries (SCI) business is structured primarily around the three global focus areas of Polymers, Olefins & Surfactants and Solvents, product portfolios that represent about 66% of current sales. The South African-based nitrogenous divisions of Ammonia, SMX and Agri and the Carbo-Tar division complement these international operations. The international Schümann Sasol and Merisol joint ventures supplement these wholly owned core divisions. SCI's extensive products include surfactants and precursors such as linear alkylbenzene and fatty alcohols; hexene and octene; ethylene and propylene; polyethylene, polypropylene and polyvinyl chloride; ammonia, nitric acid, ammonium nitrate, explosives, fertilisers and phosphoric acid; alcohols, ketones, acetates and other solvents; phenol, cresols and derivatives; waxes and waxy oils; carbon and tar products; industrial and speciality gases; chlor-alkali chemicals; mining chemicals; alkylamines; sulphur; and portfolios of various performance chemicals.

Business review Maintaining its overall excellent track record of the last few years, SCI achieved a 37% increase in operating profit, up from R1 603 million to R2 199 million.

This achievement is especially gratifying because certain divisions had to endure greater margin pressures than in the previous year due to sustained high oil and other feedstock prices. The affected products included polymers, alpha olefins, fertilisers, commercial explosives, waxes, solvents and phenolics.

financial highlights

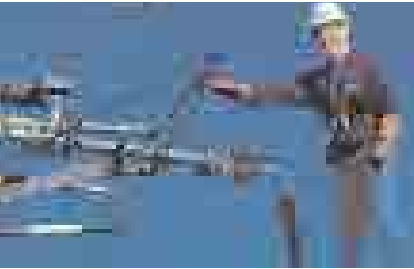
		2001	2000	% change
Sales	(Rm)	22 327	12 187	83,2
Operating profit*	(Rm)	2 199	1 603	37,2
Contribution to Group operating profit	(%)	20,4	25,5	
Operating margin	(%)	9,8	13,2	
Attributable earnings	(Rm)	948	999	(5,1)
Cash flow from operations	(Rm)	3 542	2 433	45,6
Return on net assets	(%)	53,8	32,0	

* Operating profit is stated before capital items and goodwill written-off

The primary contributors to SCI's overall gratifying performance include:

- continuing strong customer support and excellent logistics worldwide;
- further increases in productivity;
- stringent management of operating costs;
- stronger prices for ammonia, value-added carbon and tar products and other chemicals;
- overall volume growth in sales of established products;
- the introduction of new production capacity in South Africa; and
- the rand's depreciation against the US dollar.





Highlights

- Acquisition and integration of Condea international chemical operations successfully achieved
- Sasol Polymers, a strong profit contributor, is to commission a Malaysian joint-venture gas cracker and polyethylene plant
- Sasol Olefins and Surfactants' hexene and octene portfolio continues to grow strongly

Condea accelerates strategic growth As announced at mid-year, Sasol finalised a substantial asset and share purchase agreement with RWE-DEA of Germany for that company's entire chemical business, Condea, with effect from 1 March 2001. The acquisition provides a unique opportunity to achieve growth in the strategically important SCI portfolios of alpha olefins and solvents, as well as geographic diversification for the Sasol group.

More than 80% of Condea's turnover falls in the surfactant and intermediates value chain, which fits in well with the previously stated strategy of the established Alpha Olefins division.

The acquisition catapults Sasol's potential to a world-leading status, providing strong global market and manufacturing positions and opening up various synergistic opportunities with the established alpha olefin business. The surfactant part of Condea is being integrated with the Alpha Olefins division (now the Monomers business unit) and is to be renamed Sasol Olefins and Surfactants.

The solvents products of Condea also fit in well with the Sasol Solvents portfolio with the same focus on oxygenated solvents such as methyl ethyl ketone, ethanol and isopropanol. Synergistic benefits have already been achieved due to the close existing product overlap. The SCI structure subsequent to the acquisition is shown in the Sasol group structure on page 28.

This strategic international acquisition will also provide a hedge against movements of the international crude oil price and the rand. The reasonable price paid for Condea, together with the extractable synergy and the competitive financing put in place, will ensure that the internal Sasol hurdle rate is achieved for this acquisition.

Ownership of Condea commenced from 1 March 2001. For the four months of Sasol ownership, the sales amounted to 1 864 million (annualised: 1 2 592 million). The earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to 1 73 million, with the earnings before interest and tax (EBIT) amounting to 1 30 million. The net effect on Sasol's earnings for this period amounted to 26 cents per share. These good results were achieved through the sustained marketing effort and some relief with lower oil prices, which affects most of the raw material input costs.



Sasol Olefins and Surfactants Following the acquisition of Condea, the South African Sasol Alpha Olefins division has been incorporated into the new Sasol Olefins and Surfactants division. This new division now comprises five regional companies in South Africa, Germany, Italy, USA and the Netherlands. The products portfolio within this division has led to the logical formation of five global business units:

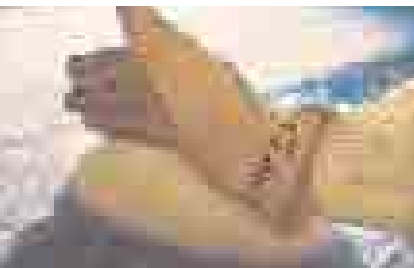
- Monomers comprising the business activities of the former Sasol Alpha Olefins (1-pentene, 1-hexene and 1-octene portfolio), as well as the Condea ethylene activities;
- Alcohols for the production and marketing of linear and semi-linear fatty alcohols in the C₆ to C₂₂+ range;
- LAB, Paraffins and Polyinternal Olefins for the production of feedstock for the manufacture of detergent raw materials;
- Surfactants for the production and marketing of surfactants, surfactant intermediates, oleochemicals and heat-transfer liquids; and
- Inorganic Speciality Chemicals for the production and marketing of aluminium oxides, hydrated aluminas, zeolites and specialised compounds of magnesium, zinc and silicium.

The Monomers business (formerly Sasol Alpha Olefins) advanced its strong position in key world comonomer markets in spite of the slowdown in many of the key economic regions and lower demand from some polyethylene customers. Before taking interest charges into account, the business, excluding the Condea acquisition, increased its operating profit by 38% from R242 million to R334 million. Consolidated worldwide sales, excluding Sasol Chemie but including sales to other SCI business units, increased by 55% from R840 million to R1 305 million.

The inability to achieve targeted hexene sales volumes was offset by the relative buoyancy of hexene prices. This benefit was increased as a result of the rand's further depreciation against the US dollar. An oversupply of hexene from the second half, however, led to downward pressure on pricing.

A slight increase in worldwide hexene sales is expected for the year ahead. In the long run, Sasol Olefins and Surfactants envisages the world market for comonomers to return to growth rates of 6% to 8% a year.

The third hexene train at Secunda was commissioned in September 2000 ahead of schedule under the project management expertise of Sasol



Technology. This will raise total annual hexene capacity to about 200 000 t. After analysis, Sasol now plans to bring on line a fourth production train at Secunda before the end of 2003. This train will increase total annual capacity to 250 000 t.

The fledgling octene business has posed new challenges for the Monomers business and Sasol Technology. Sales of octene to Dow plants did not meet target of 48 000 t due to reduced production. Output was eased to enable Sasol to increase octene purity to meet customer requirements. Post-shutdown start-up problems were also experienced. These problems have since been resolved and the production of higher-purity octene is being maintained at required levels.

A new 120 000 tpa plant is being built at Secunda for the production of an alcohol that will supplement the detergent-range alcohol supply of the former Condea. Engineering is nearing completion and the plant is likely to be commissioned in June 2002. Detergent alcohol sales of the Secunda production unit are expected to start contributing to operating profits during the 2003 financial year.

Sasol Polymers *Sasol Polymers' sales of monomers, polymers, chemicals and mining reagents increased by 10% to R4 944 million, including sales to other SCl business units. Its contribution to SCl's operating profit rose marginally by 1% to R870 million. This contribution is notable in the light of the substantially higher feedstock costs and the weakening in prices in some key markets served by Sasol Polymers' businesses. This caused severe margin pressures. The typical historical ratio of international polymer prices to crude oil prices of about 35:1 dropped to ratios of around 20:1.*

To counter the impact of higher feedstock costs, Sasol Polymers continued to improve productivity and again contained costs within inflationary levels. Productivity, measured as the average tonnage of production per employee, has doubled over the last five years. At year-end, the division's cash fixed costs, in real terms, were almost 40% lower than five years ago.

The Vinyls business, the producer of polyvinyl chloride (PVC) resins and compounds, experienced relatively flat sales in domestic Southern African markets due to reduced converter demand. Zimbabwean customer demand, in particular, was substantially lower than in the previous year.



The reduced domestic demand was offset by the significant growth in sales to customers in South-East Asia and West Africa. Total PVC resin and compound sales volumes increased by 6%. This advance was facilitated by the record production from the vinyl chloride monomers and PVC plants.

The Polythene business contributed gratifyingly to profit as a result of continued good sales of low-density polyethylene (LDPE) and linear low-density polyethylene (LLDPE). This feat was offset by the persistence of feedstock supply problems to the Poly 2 LLDPE plant, and certain operating problems.

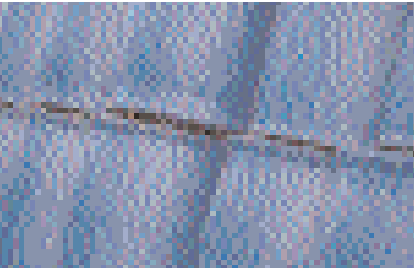
Consequently, the Polythene business opted strategically to withdraw from certain lower-margin sectors in a phased and responsible manner. The business has been helping the affected customers to secure alternative supplies for the polyethylene grades that are being phased out. The business has improved its service to the retained market sectors. Over the last two years, the Polythene business has been producing higher volumes of polyethylene with hexene, instead of butene, as the preferred LLDPE comonomer.

The Polypropylene business was adversely affected by the fire on the Secunda polypropylene plant in February 2000. During September 2000 the first of two extensively repaired production trains was commissioned successfully. The plant was reconstructed in record time in a world-class manner under Sasol Technology's project management expertise.

Sasol Polymers took advantage of the opportunity to incorporate additional technology improvements into the polypropylene plant. These improvements

Below: At the cutting edge . . . A worker grinding at the Sasolburg operations of Sasol Chemical Industries. The company is strengthening its competitiveness by investing in new capacity, technology and markets.





have increased the plant's technical capabilities and enhanced its safety features. During reconstruction, Sasol Polymers continued to fulfil all domestic and international supply contracts by procuring alternative supplies from international polypropylene suppliers. Sasol Polymers emerged from its crisis with its reputation as a reliable supplier intact.

Towards year-end, the polypropylene plant was producing at record levels in excess of design capacity.

The mining reagents operations (calcium cyanide and sodium cyanide) of the Chemicals business continued to perform well in a declining market. Mining reagent sales volumes dropped by about 9% as a result of the continuing cost pressures on many South African gold mines.

Some of Sasol Polymers' longer-term growth objectives will be realised once two new joint-ventures plants go on stream and gradually build up production to design capacity at Kertih on the east coast of the Malaysian peninsula. The plants will be commissioned in the fourth quarter of 2001. Sasol Polymers expects its R1 200 million investment into these plants to start generating profits in the 2003 financial year. Sasol Polymers' Malaysian investments comprise:

- *a world-scale gas cracker for the annual production of 600 000 t of ethylene and 85 000 t of propylene, and*
- *a world-scale low-density polyethylene plant, incorporating DSM's competitive tubular technology, for the annual production of 255 000 t.*

Sasol Solvents *Sasol Solvents achieved further pleasing growth in competitive international solvents markets. Consolidated operating profit rose by 84% from R273 million to R501 million. Worldwide sales, including sales to other SCI business units, increased by 74% from R1 397 million to R2 429 million. These figures exclude the four-month profit and revenue contribution from the German solvent businesses acquired with Condea. Following the Condea acquisition, Sasol Solvents' operations and product portfolio were expanded substantially in March 2001.*

The division's restructuring into seven focused business units contributed significantly to the strategy development and business optimisation of each product. Following the Condea acquisition, these units were expanded to eight and the product portfolios refined.



The major South African and German businesses are well supported by the international offices of Sasol Chemicals Europe, Sasol Chemicals Pacific, Sasol Middle East and Sasol North America. The acquired solvents distribution operations of JLM Marketing are being incorporated into Sasol Solvents' global sales network.

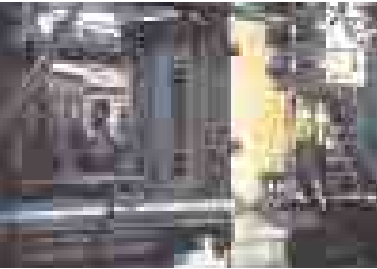
Building on the previous year's 17% increase, Sasol Solvents increased sales volumes by 21% from 509 500 t to 617 000 t. South African export volumes to customers in almost 90 countries increased by 36% from 319 000 t to 434 000 t. Ethanol, ketones, normal-propanol and mixed C₃ and C₄ alcohols accounted for the bulk of the South African solvents exported.

The R270 million ethyl acetate plant at Secunda was commissioned towards year-end. The novel technology to produce 50 000 tpa of ethyl acetate from ethanol will add substantial value to the Secunda fuel alcohol. About 90% of the ethyl acetate will be exported, mostly to Europe, the Middle East and Asia-Pacific.

Future growth will be realised once the n-butanol plant is commissioned at Sasolburg at the end of 2002. The Sasol board has approved a US\$140 million budget to construct this plant. It will use competitive technology licensed from Mitsubishi Chemical Corporation of Japan to manufacture 150 000 t of n-butanol and 15 000 t a year of iso-butanol. Subject to final board approval, Sasol and Mitsubishi plan to develop a joint-venture complex at Sasolburg to produce acrylic acid, glacial acrylic acid, ethyl acrylate and butyl acrylate.

Nitrogenous businesses *SCI's nitrogenous divisions had mixed fortunes due to the sharp increase in world ammonia prices and the inability of in-house users to recover this increase in domestic selling prices. Sasol Ammonia posted a much-improved profit on the strength of this price increase, stable operations and record production of 303 804 t. The division increased turnover for the sale of ammonia, speciality gases and inorganic chemicals (mostly sulphur) by 90% to R1 265 million. Ammonia contributed R1 041 million. Gases and inorganics contributed R224 million.*

Robust sulphur sales are expected to continue rising in line with Sasol's environmental initiatives to recover more of the sulphur derived from processing



coal and oil. The new Secunda sulphur granulation plant is contributing to improved margins for the inorganics business. Sasol Ammonia will pursue new opportunities to increase high-purity hydrogen sales in the year ahead to achieve further growth.

Assisted by higher volumes and prices, Sasol Agri increased sales by 61% to a record R1 902 million. Despite strong growth, the division's pre-tax profit did not meet expectations because of intense competition in the Southern African bulk fertiliser markets, among other factors. Only a small percentage of the feedstock increases could be passed on to customers, thereby squeezing margins.

South African farmers, unlike international counterparts, receive virtually no state financial assistance and have amassed debts of R30 billion. Credit management in domestic and other African markets experienced severe pressure. Sasol Agri is launching a counter initiative to minimise credit risk and raise productivity and streamline logistics.

Recent productivity and logistical gains will be advanced in the year ahead. Sasol Agri intends to increase its marketing of value-added products and services to higher-margin niche markets. Strategic expenditure on debottlenecking production capacity and new technology to enhance product quality and range at Secunda are also expected to unlock substantial new value.

The liquid fertiliser business is reaping dividends. The production facilities for liquid fertilisers are concentrated in high-yield agricultural areas, where mechanised farming is preferred over labour-intensive methods. A broader liquid fertilisers portfolio is being reviewed. As the more innovative South African farmers introduce high-tech farming methods, Sasol Agri is well placed to grow its prescription mixing, blending and liquid fertiliser portfolio.

Significant growth in the sales of all Sasol SMX businesses resulted in a 50% increase in sales to R1 175 million. The sharp increases in the ammonia and fuel feedstock prices could not be recovered in higher sales prices, resulting in a disappointing profit performance. Intense competition in local and international markets for explosives and related accessories is constraining margins. South African and international mines remain pressured to contain costs in highly competitive markets.

Ensign Bickford (South Africa), the local joint venture with Ensign Bickford Company of the USA, performed well and ended the year with a pleasing profit.

Sasol SMX is building a new foundation upon which to re-establish long-term profitability. The division is implementing focused initiatives to improve customer service, raise productivity, contain costs, increase product value and streamline operations. Offshore joint ventures in explosives also suffered severe margin pressure because of high ammonia costs. Sasol DHB Holdings in the USA improved operations and posted a modest profit. The other USA joint venture, Sasol Southwest Energy, also had to contend with a downturn in copper mining, but again posted a profit.

The high-tech electronic initiation systems producer, Sasol Mining Initiators (SMI), approached cash breakeven. Inconsistent product performance resulted in a delay in the introduction of this new product in opencast mines. An improved product was introduced successfully in the opencast market. Sales volumes for the underground mining product have been growing steadily and led to an investment into an automated manufacturing facility.

Other operations *Sasol Carbo-Tar performed well by maintaining its pursuit of higher-value niche markets for carbon, reductants and tar products. Sales increased by 53% to R527 million. More than 55% of black products sales was generated internationally. The division more than doubled profit, contributing R146 million to SCI's operating profits.*

This feat was achieved on the strength of greater sales and improved efficiencies, higher oil prices and a weaker rand. Sales volumes increased by 37% to 487 916 t. The division also reprocessed a greater volume of medium-temperature pitches and tar into higher-value white products for other businesses. Black-product volume increased by 21% to 260 858 t.

Sasol Infracem, in keeping with its positive trend of recent years, maintained stable operations at Sasolburg for the production and supply of synthesis gas, industrial gas, utilities and on-site services. The division increased





sales by 16% to R1 845 million. Several synthesis gas production records were bettered.

Annual syngas volumes have increased by 16% since 1996. Annual productivity, measured as gas production per employee, increased by almost 44% from 23,52 gigajoules to 33,81 gigajoules during the year. The merging of the Sasol Midland site, and the Sasol One site, has enabled annual fixed-cost savings of R20 million.

Schümann Sasol International, the global wax group, increased operating profit by 163%. Sales increased by 10% from 1 456 million to 1 500 million. Rand sales grew by 17% from R2 893 million to R3 395 million. The group maintained annual sales volumes at 760 000 t. Competition in Europe remained intense. Feedstock prices rose considerably more than the average 8% product price increase achieved. The euro's weakening against the US dollar exacerbated these factors.

Schümann Sasol South Africa had a successful year. Despite the global economic slowdown, export volumes were maintained. The domestic wax market's improved conditions enabled a 3% rise in sales volumes and a 13% sales increase. Moore & Munger, the US subsidiary, maintained its strong position, supported by the Pass Christian blending plant's increased business activities. Market presence was strengthened further in Latin America and Asia.

The international Merisol phenolics joint venture increased sales by 4% from US\$135 million to US\$140 million. Rand sales rose by 27% to R1 073 million. Operating profit was even with last year's results. Sales volumes, however, dropped by 5% from 116 000 t to 110 000 t as a result of three main factors: North America's economic slowdown; lacklustre demand from computer manufacturers; and lower phenol production. Higher phenol prices and a sales mix consisting of a greater percentage of higher-value products increased sales.

The growth-focused capital programme included the successful completion of the project to increase the recovery of unrefined phenolic material at Secunda. Through the new joint venture with Japan's Sumitomo



Chemical Company, Sumika-Merisol RSA, Merisol commenced construction of the Sasolburg ortho-cresol novolac plant. The facility will be commissioned in October 2001. The group started to build its new synthetic ortho-cresol plant at Houston, Texas.

Despite continuing efforts to optimise production, contain costs, support customers and maintain its reputation as reliable supplier of high-grade alkylamines, African Amines posted a reduced contribution to operating profit. Margins were squeezed as a result of higher ammonia, acetone and other feedstock prices. African Amines continues to build a strong export business in Australia and South America.

Sasol Fibres experienced its most difficult trading year. The price of its main feedstock, acrylonitrile, rose by 233% and then plummeted, throwing this out of sync with fibre prices. This impacted severely on profit margins. A yield increase of almost 95% and sustainable cost-saving projects of R14,5 million were implemented. This was achieved by reducing utility usage and better managing resources.

The company exported 73% of production to more than 25 countries; the South African market contracted by 40%.

Prospects *SCI is set to benefit from the softening of oil prices and therefore increasing margins. This advantage, however, must be seen against the present nervousness about American, European and Japanese growth projections. The continued integration of Condea will remain high on the agenda with particular emphasis on achieving maximum synergy. Everything is well set for Sasol Chemie (the former Condea operations) to achieve the target of being earnings-neutral or better by the end of the 2002 financial year.*

Sasol Solvents can, again, look forward to substantial volume increases through the ramp up of the ethyl acetate plant, while Sasol Polymers will be looking forward to the successful launch of the polymer ventures in Malaysia. The outlook for both the fertiliser and explosives industries, however, continues to be uncertain and industry rationalisation seems inevitable.

stronger prices and marketing lift profit

Sasol Oil strategic business unit

Profile Sasol Oil markets the Group's liquid fuels and lubricants. Sasol Synthetic Fuels (SSF) and the joint-venture National Petroleum Refiners of South Africa (Natref) crude oil refinery manufacture the fuels, including petrol, diesel, jet fuel, fuel alcohol, illuminating kerosene and fuel oils. The division oversees Sasol's interests in both Natref and Tosas, the joint-venture bituminous products manufacturer and marketer. Sasol Oil markets Sasol Formula 100 Dual Fuel™ petrol through 1 650 Blue Pumps in South Africa's industrial heartland.

Business review In keeping with its upward trend of recent years, Sasol Oil achieved further growth in sales and a 53% increase in operating profit, up from R773 million to R1 183 million. The division's gratifying performance resulted from higher dollar refining margins, the rand's depreciation against the US dollar and further improved operational and commercial efficiency. Production and distribution costs were contained well below inflation.

The low point of the year was the Natref fire in June. Two people died and the crude distillation unit (CDU) was damaged. The refinery is likely to return to full production in October 2001. The impact on operating profit of the incident amounted to R80 million. The financial impact of the fire in the year ahead will be insignificant.

South African fuels market under pressure The South African fuels market was under severe pressure due to the sharp rise in the oil price and a change in spending patterns in the South African economy. It is estimated that the market for petrol and diesel declined by 0,8% during the year. The surrounding African states also used less fuel, mainly because of the collapse of the Zimbabwean market. Total sales of products to oil marketing companies, exports and sales through Sasol Blue Pumps decreased by 2,2%.

Stable refining marred by fire The Sasol/Total South Africa joint-venture oil refining company, National Petroleum Refiners of South Africa (Natref), performed well for almost the entire year. Natref has long been an exceptionally safe and productive refinery. This status was often verified by inspections and benchmarking by Sasol, and TotalFinaElf. The cause of the fire, which extensively damaged the CDU's pipeworks and cables, is being investigated. Positive measures to prevent a recurrence of such incidents are being implemented.

financial highlights

		2001	2000	% change
Sales	(Rm)	6 151	4 635	32,7
Operating profit*	(Rm)	1 183	773	53,0
Contribution to Group operating profit	(%)	11,0	12,3	
Operating margin	(%)	19,2	16,7	
Attributable earnings	(Rm)	869	737	17,9
Cash flow from operations	(Rm)	1 394	932	49,6
Return on net assets	(%)	95,8	108,6	

* Operating profit is stated before capital items and goodwill written-off





Highlights

- Excellent refining margins resulting from stronger international dollar refining margins, weaker rand and efficiency gains
- Sasol Formula 100 Dual Fuel™ launch strengthens fuels sales
- Lubricant sales increase in negative-growth market
- Promising new fuel joint venture emerging in Mozambique

production highlights

	2001	2000	% change
Crude oil processed (million kilolitres)*	2,8	2,9	(3,4)
White product yield (% of raw material)	91,9	90,4	1,6
Total liquid fuels sales (million kilolitres)	9,0	9,2	(2,2)
Fuel and bitumen exports (million kilolitres)	0,32	0,22	45,5

*Based on the 63,6% share held by Sasol in the Natref crude oil refinery

The refinery's performance has otherwise been pleasing. The 92% white product yield was a new record. Natref achieved major improvements in energy efficiency and reduced atmospheric emissions.

The R700 million Natref 2000 expansion project is expected to achieve its June 2002 commissioning target. It will enable a 22% increase in daily capacity to 107 000 barrels of oil. The project team exploited the CDU setback by executing many of the key project tie-ins ahead of schedule. Maintenance teams are using the unscheduled downtime to undertake mandatory shutdown and inspection work. This will reduce shutdown periods in the year ahead.

Excellent maintenance of customer supplies Sasol supplied 9,0 billion litres of liquid fuels to 175 major customers, most notably Shell, Engen, BP, Caltex, Total South Africa, Exel and Tepco. Although such volumes continue to be supplied under the existing Main Supply Agreement, discussions have started with some of these customers to negotiate new agreements. The present fuel marketing and distribution agreements will terminate at the end of 2003. This creates exciting possibilities for Sasol and its customers to enter into new, more suitable commercial supply agreements.

The Supply and Trading bulk marketing and logistical operation recorded a 1,8% decrease in liquid fuels sales mainly as a result of the lower sales in the local market. The Main Supply Agreement continues to restrict liquid fuel sales in South Africa.

Export sales to neighbouring countries increased by 45,5% despite Zimbabwe's difficulties. That country's fuel consumption has more than halved because of foreign exchange constraints. Payments for all export sales to date have been honoured. Fuel exports and fuel sales to South African oil companies, beyond contracted volumes, are expected to grow over the next two years. The shortage of production capacity, due to the fire at Natref, will, however, limit growth during the first few months.



Dual Fuel™ success Although the Sasol Blue Pump petrol market declined by 2%, the Blue Pump market share over the period since the launch of Dual Fuel™, increased by 0,3%. This is a major achievement in a market characterised by fierce competition that has been intensified by the entry of new oil companies.

To prepare for the changing market demand and the shift from leaded to unleaded petrol, Sasol changed entirely to unleaded petrol in the form of its Formula 100 Dual Fuel™ in March 2001. This was done after extensive research to develop an additive package suitable for South African conditions and market requirements. Motorists welcomed the Dual Fuel™ launch as an innovative way to satisfy their needs.

Sasol Oil renewed its sponsorship of the South African Under-23 soccer squad under the Sasol brand name of Amaglug-glug™. This four-year commitment, along with a new advertising campaign and continuing expenditure on Sasol-branded taxi ranks, has elevated brand awareness. A recent market survey established that the first-mentioned brand awareness of Sasol in the black consumer market increased to a record 31%, a considerable lead on the second highest competitor at 21%.

The recent period of unusually high petrol and diesel prices has increased fuel conservation among South African motorists. With the expectation of modest economic growth and fuel price stabilisation, growth in consumption of petrol and diesel are likely to resume in the year ahead.

The long-standing Main Supply and Blue Pump agreements between Sasol and South African oil companies have prohibited Sasol from operating its own branded service station network. The company is progressing with far-sighted plans to have a Sasol-branded service station network in place by 2004.

The encouraging interest in Sasol's plans from service station developers and fuel franchisees continues to rise. Sasol Oil has the advantage of growing a network from a low base. It therefore has the opportunity to concentrate exclusively on developing high-volume service stations in growth areas to ensure an optimum return on investment.

Sasol Oil and Mozambique's state oil company, Petromoc, signed an agreement to develop a joint-venture fuels marketing company. The company intends to develop 20 service stations and attain a 10% share



of the Mozambican fuel market within its first five years. This venture is a bold step in the strategy to expand into direct fuel marketing in Southern Africa. The Africa retail marketing team is also investigating opportunities to expand in Zimbabwe and Zambia.

Growth for lubricants and fuel oils Total lubricant sales volumes increased by 6,5% in a highly competitive market. This resulted from the commitment to delivering excellent service and value-for-money solutions. Excluding marine and process oils, consumption of lubricants in South Africa decreased by 1% in 2000. Sasol Oil has increased its annual lubricant sales 500-fold from 24 000 litres to 12 million litres over the last decade. The margins for lubricants, however, were pressured by the higher costs of importing base oils.

Natref and SSF continue to produce high-quality fuel oils. The unique combination of fuel oils is complemented by Sasol Oil's closeness to major industrial customers. A range of fuel oils can be blended to suit individual customer requirements, whether the emphasis is on quality or cost. Operating profit increased on the strength of the oil price and a 12% increase in sales volume.

Bitumen set for more growth The future of the Southern African bitumen market is generally positive. The South African National Road Agency has identified 18 new toll road projects. Demand for bitumen products is expected to increase because the Government is to allocate additional funds for the repair of flood-damaged roads.

Tosas, the Total/Sasol joint-venture bitumen and secondary products marketer, experienced a slowdown in business activities due to the rand's depreciation and fluctuating product prices. The industry is currently characterised by aggressive price competition. Tosas, however, is well positioned to harvest potential growth in the Southern African road binder market through superior products and astute marketing efforts. Tosas' Arm-R-Shield™, a modified binder, gives excellent results when following a sound road maintenance strategy.

New fuel grades planned Changes to South African fuel specifications, as well as the oil industry regulatory environment, are expected during the next few years. Sasol, together with the South African Petroleum Industry Association (Sapia), is participating in, and contributing to, this process driven by the Department of Minerals and Energy.



Sasol is also engaged in research to improve the quality of fuel and ensure that future consumer needs will be met. The development of new diesel-engine technology has created the need for an ultra-clean diesel in South Africa.

Sasol has consulted extensively for the introduction of a second ultra-clean diesel grade. Introduction of this new diesel grade early in 2002 has now been approved. This will give the consumer a choice to either use the new standard grade or the ultra-pure grade. Sasol will be able to supply this new diesel from its factories in Secunda.

Prospects *Given the exceptional circumstances prevalent in the international petroleum products market during the year under review, Sasol's refining businesses are not expected to repeat their spectacular performances in the year ahead. The slowdown in demand for petrol in the domestic market, however, has already stabilised. This factor, along with the positive impact of expected lower fuel prices, will restimulate growth in fuel consumption. The unique properties of Sasol's Dual Fuel™ petrol and synthetically produced diesel will increasingly provide the company with a strong advantage in marketing the Group's fuels.*

Plans to develop a Sasol-branded service station network will be advanced further. New marketing initiatives in neighbouring countries will be also pursued extensively.

Below: Improved ranking
. . . Taximen at an Alberton taxi rank near Johannesburg. Sasol Oil has sponsored the construction of more than 140 ranks. This commitment has increased its ranking among consumers.



gearing for substantial gas growth

Sasol Gas Limited

Profile The South African Gas Distribution Corporation Limited (Gascor), now known as Sasol Gas Limited (Sasol Gas), was established in 1964, based on the availability of synthetic gas produced at Sasolburg. Using hydrogen-rich gas from SCI, as well as methane-rich gas from SSF at Secunda, Gascor built a substantial gas market in South Africa. Trading as Sasol Gas, the company has developed an extensive, 1 500 km pipeline network in South Africa. The network delivers gas reliably to more than 600 customers, mainly in industrial sectors in Gauteng, Mpumalanga and KwaZulu-Natal. Sasol Gas' future marketing and supply opportunities will expand considerably once the production of natural gas arrives from Mozambique in 2004.

Business review In a gratifying year of growth, consolidation and planning for future expansion, Sasol Gas achieved a 260% increase in operating profit, up from R35 million to R126 million. Sales increased by 23% from R846 million to R1 039 million. Sales growth stemmed mostly from volume growth as a result of the Durban South expansion project and price increases in crude oil derivatives. The latter increases are reflected in the variable prices paid by customers according to market value pricing principles.

Volume increase despite flat Gauteng market The sale of pipeline gas supplied by SCI at Sasolburg (27,3 million gigajoules (MGJ)) and SSF at Secunda (14,3 MGJ) increased by 4,8% to 41,6 MGJ. Sales to KwaZulu-Natal and Mpumalanga industries increased by 28,5% and 2,2%, respectively. The expansion of the distribution network to Durban South led to numerous new gas supply agreements. The contract signed with Engen Refinery is the largest. Sasol Gas will start supplying Engen in the year ahead.

Sales in the Gauteng area, however, declined by 2,3% because of reduced economic activity. On the upside, new gas supply agreements were concluded with Nissan South Africa in greater Pretoria and Scaw Metals in greater Johannesburg.

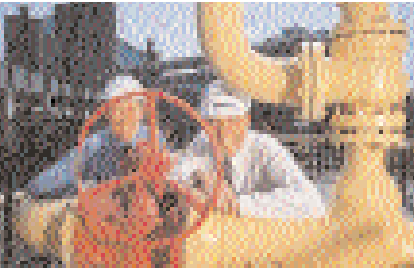
The Sasol Gas board approved capital expenditure of R44 million for the construction of a new 46 km pipeline to supply new customers at Babelegi near Pretoria. This project is likely to be completed before July 2002.

financial highlights

		2001	2000	% change
Sales	(Rm)	1 039	846	22,8
Operating profit*	(Rm)	126	35	260,0
Contribution to Group operating profit	(%)	1,2	0,6	
Operating margin	(%)	12,1	4,1	
Attributable earnings	(Rm)	81	19	326,3
Cash flow from operations	(Rm)	181	58	212,1
Return on net assets	(%)	233,4	45,5	

* Operating profit is stated before capital items and goodwill written-off





production and sales highlights

	2001	2000	% change
SCI Sasolburg gas sold (MGJ)	27,3	26,1	4,6
SSF Secunda gas sold (MGJ)	14,3	13,6	5,2
Total	41,6	39,7	4,8

Sasol Gas is also evaluating the merits of developing new pipelines to the Pietermaritzburg area.

During the year the Sasol Gas distribution network grew by an additional 46 km of new pipelines and 28 new pressure-reducing and customer meter stations were installed.

Market diversification maintained Pipeline gas is sold to five economic sectors, of which the metals sector is the largest, contributing 48% to the total sales volume. In the metals sector, the steel industry is the largest consumer of gas, with Iscor being the single biggest customer. The chemical, pulp and paper sector accounts for 20% of sales, with Sappi and Mondi being the largest consumers in this sector. In future, expected sales to crude oil refineries will increase the contribution of this sector.

Sales to the mining and non-metallic minerals sector contributed 16% to total sales. Brick and glass manufacturers are the biggest consumers of pipeline gas in this sector.

Egoli Gas, an affiliate company of Cinergy (a USA-based power and gas company), is the major consumer of gas in the food and commercial sector. Egoli Gas has the licence to distribute and sell pipeline gas in the Greater Johannesburg Metropolitan Council area. The manufacturing sector consumes the remaining 8% of total gas sales. This sector is under severe competition from imported products from the Far East, especially China.

International standards achieved The Sasol pipeline network and installations are constructed and operated according to the American National Standard for Gas Transmission and Distribution Piping Systems. Sasol Gas has successfully maintained its accredited ISO 9002 quality management system and ISO 14001 environmental management system since August 1994 and January 1997, respectively.



A five-star safety management grading, from the National Occupational Safety Association (NOSA), has been consistently achieved over the past seven years, which attests to the company's excellent safety record and management system. A NOSA grading of 98,1% was achieved during the November 2000 audit.

Black economic empowerment initiatives Sasol Gas Limited has signed two memoranda of understanding with enterprises representing a diverse spectrum of historically disadvantaged groups. This commitment has been undertaken in line with the Group's programme to facilitate the creation of black economic empowerment opportunities in the South African economy. These memoranda deal with the sale of part of Sasol Gas's KwaZulu-Natal market and the further development of a pipeline gas market in Mpumalanga after the introduction of natural gas.

New regulatory environment emerging The South African Government is in the process of promulgating the country's first Gas Act. The Act provides for the introduction of a Gas Regulator. Sasol Gas is actively participating in this process to make the Gas Bill more conducive for investors. Sasol has also signed a basis of agreement with the South African Government that will govern the regulatory environment for the first 10 years after the introduction of natural gas.

Natural gas brings a change of focus Sasol intends to introduce natural gas to the South African market in 2004. Ahead of this development, Sasol deemed it prudent to restructure its pipeline gas activities. This undertaking is in line with international practice for pipeline gas distribution and marketing companies. The company name of Gascor Limited was changed to Sasol Gas Limited with effect from May 2001. This was done to reinforce the established trade name.

A new holding company, Sasol Gas Holdings (Proprietary) Limited, was incorporated as a subsidiary company of Sasol Limited. Sasol Gas Holdings will oversee all the Group's gas-related activities.

Major potential for expanded consumption Compared with developed countries, South Africa is a small consumer of pipeline gas. Pipeline gas contributes less than 2% of the country's primary energy sources. The South African Government is investigating new opportunities to reduce pollution in industrial regions. A greater use of gas in the country's future



energy mix would help to reduce the industry emissions generated from other fossil fuels.

The introduction of far greater volumes of gas into the energy grid will encourage the introduction of new and advanced technologies into industrial processes in line with international trends. This opportunity will help to grow South African industry, while also facilitating further reductions in emissions.

Prospects *Looking ahead, sales volumes are expected to grow vigorously in KwaZulu-Natal. Gas prices are likely to remain at relatively high levels. This forecast is based on the assumption that crude oil prices will remain high and that the rand will depreciate further. Sasol Gas expects both its sales volumes and its operating profit to grow significantly during the 2002 financial year.*

The longer-term technological and environmental trends indicate an accelerated swing towards the convenience of using clean-burning natural gas in the ensuing decades. In South African industry, the arrival of natural gas from Mozambique is stimulating unprecedented levels of interest in pipeline gas as a viable energy source. This enthusiasm augurs well for Sasol Gas's longer-term growth prospects.

dawning of new gas era

Natural gas project report

More than 30 years after the discovery of natural gas in Mozambique, this methane-rich energy resource is about to be commercialised in Southern Africa.

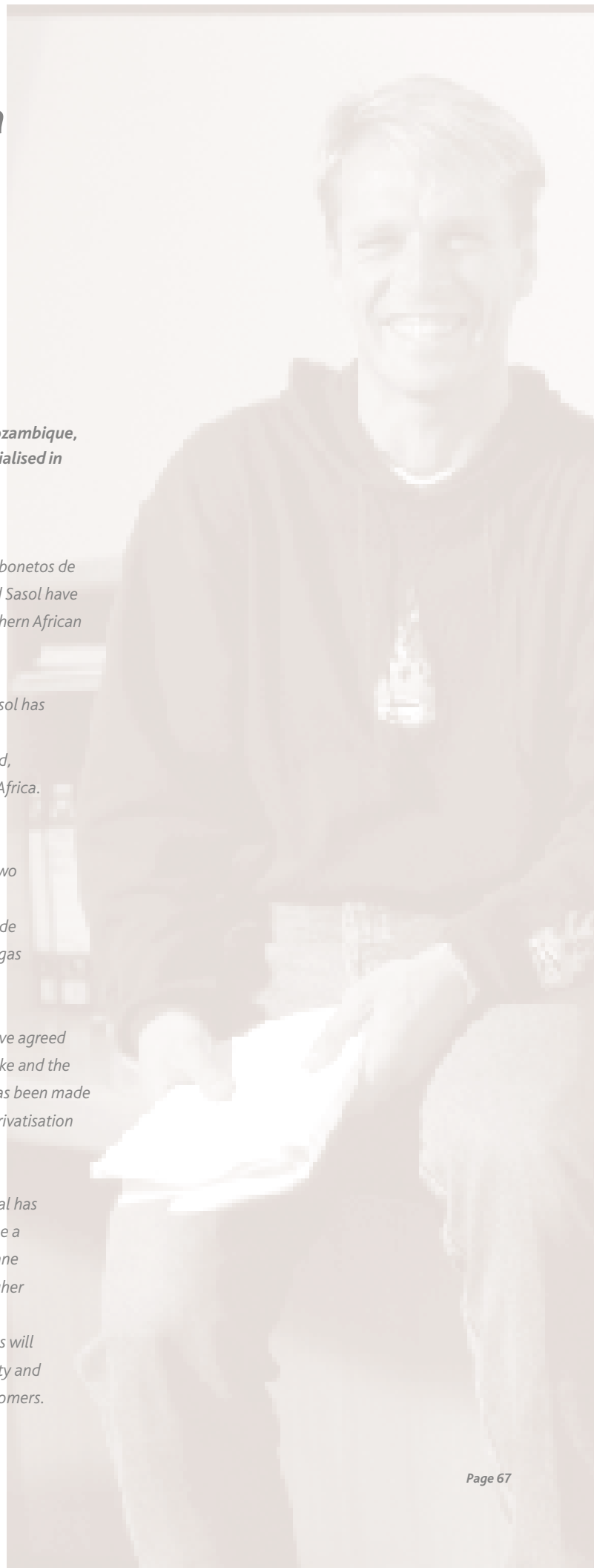
The Mozambique Government, Empresa Nacional de Hidrocarbonetos de Moçambique (ENH, Mozambique's national oil company) and Sasol have signed agreements as the first step towards developing a Southern African natural gas industry.

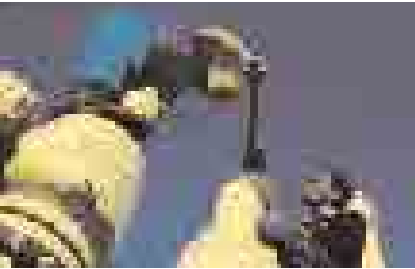
By committing its plants and markets to taking natural gas, Sasol has enabled design and fieldwork to commence for a R10 billion investment. Upon fulfilling certain conditions in the year ahead, construction can start on a pipeline to transport gas to South Africa. The first gas is scheduled to reach Secunda before April 2004.

The Government of Mozambique, ENH and Sasol have signed two contracts for the Pande and Temane gas fields and exploration acreage. ENH and Sasol will be partners in developing the Pande and Temane reservoirs. These reservoirs will be dedicated to a gas sales agreement with Sasol Gas for on-selling to customers.

Sasol and the Mozambican and South African governments have agreed to form a pipeline company in which Sasol will have a 50% stake and the governments the option to hold a joint 50% stake. Provision has been made for black economic empowerment groups and Mozambican privatisation companies to participate.

Field development advances *Sasol Petroleum International has drilled five wells in the Temane area, proving this reservoir to be a substantial addition to Mozambique's gas resources. The Temane reservoir will be developed first because it has significantly higher pressure than Pande. Gas will be gathered from 18 wells in the Temane field and later from 15 wells in the Pande field. The gas will then be cleaned and compressed in a central processing facility and delivered to the pipeline's inlet flange for transmission to customers.*





A study has established the feasibility of a new pipeline to transport gas to South Africa. The recommended option consists of a new 865 km, 26-inch, high-pressure steel pipeline without initial use of intermediate compression. The pipeline will be buried 1m below the ground's surface. Care will be taken to minimise the impact of construction. Sasol has undertaken to rehabilitate the pipeline corridor after construction to minimise environmental disturbance.

The 531 km Mozambican route portion will start at the Temane field's gathering point near Vilanculos and will cross the border near Ressano Garcia. The 334 km South African portion will continue from Komatipoort to Sasol's Secunda site where it will link to the Sasol Gas network.

Sasol has developed a 1 500 km pipeline network in South Africa. The network delivers gas to more than 600 customers. With the Sigma Colliery near the Sasolburg chemical complex nearing the end of its economic life, an opportunity arose to grow the baseload required for a viable gas project.

By converting SCI at Sasolburg to gas, coal mine development costs are saved, while new environmental benefits are harnessed. SSF at Secunda will use gas to augment the growth currently sustained by coal.

Sasol and the South African Government are currently finalising an agreement for a regulatory dispensation that will facilitate the introduction of natural gas to South Africa.

Major economic benefits *Mozambique will benefit from the new economic stimuli, including new job opportunities and revenue from royalties and taxes. The transportation of royalty gas taken in kind by the Mozambican Government will be a catalyst for developing other economic areas. Mozambique's economy is expected to change from a predominantly agricultural economy to a resource-based economy. The country will enjoy substantial foreign currency inflows, as well as significant foreign investment. Building a pipeline will stimulate exploration of the potential gas reserves in Mozambique.*



Sasol's South African customers will be able to use an environment-friendly fuel. As natural gas use increases around the world, new technological innovations make gas usage increasingly more efficient. South African consumers will be able to benefit from new technological advances, thereby stimulating economic growth.

On the downside, some Sasolburg jobs will be lost. Positive steps, however, are being taken to minimise the social impact of these losses. At a macro level, new industry, stimulated by natural gas, will result in the creation of new job opportunities.

Gas is one of the most underutilised energy carriers in Southern Africa. Compared with the international average of 20% of energy usage, South Africa's gas consumption forms only 2% of the energy grid. While this can be attributed to abundant reserves of cheap coal, long-term technological and environmental trends indicate a shift towards the convenience of a cleaner-burning energy source.

technology partnerships yield new fruits

Sasol Technology (Proprietary) Limited

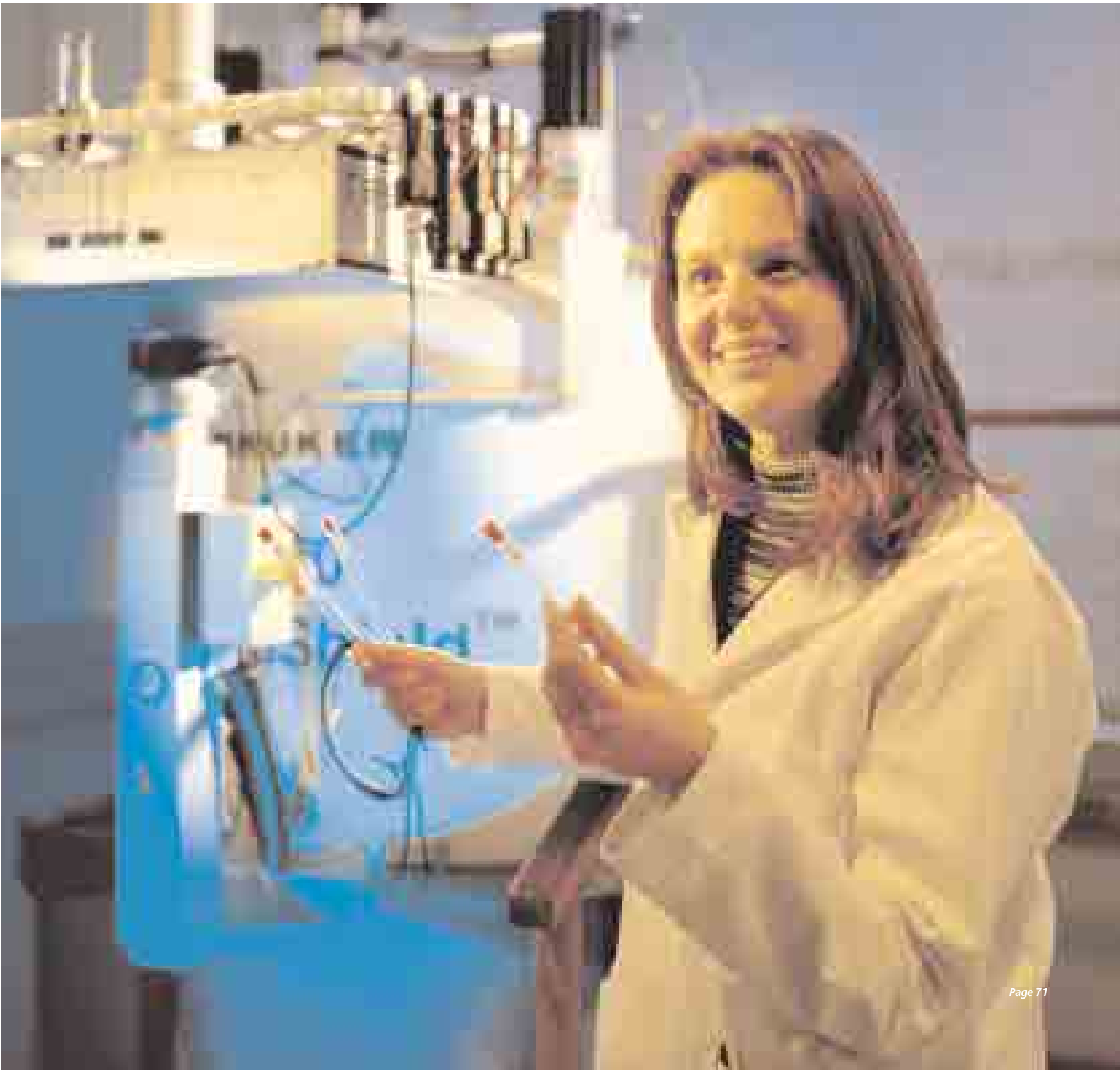
Profile *Sasol Technology is a highly skilled Group business partner in the fields of research and development, technology and innovation, new business development, business optimisation, engineering services and project management. Through its integrated, multidisciplinary approach, the company fulfils a key strategic role in helping Sasol to unlock new business value and to sustain its growth and competitive advantage.*

Business review *Sasol is undergoing a notably vigorous phase of growth and diversification. The magnitude of the Group's combined capital projects and their sophisticated technological requirements is bringing new challenges and opportunities to Sasol Technology. Sasol is committed to its largest capital investment programme since completing the giant Secunda synfuels and petrochemical operations almost 20 years ago.*

Sasol is executing, planning and reviewing 165 major capital expansion and optimisation projects. These projects could entail an investment of R27 billion. Significant projects include:

- *the development of the field facilities and pipeline to transport natural gas from the Temane field in Mozambique to Secunda;*
- *the conversion of Sasolburg and Secunda plant to process natural gas;*
- *the Nigerian and Qatari gas-to-liquids plants, which have entered their front-end engineering and design phase;*
- *the Natref oil refinery expansion at Sasolburg;*
- *new plants and expansion projects for SCI, including Sasol Olefins and Surfactants, Sasol Polymers and Sasol Solvents; and*
- *plant expansion and process optimisation projects for SSF at Secunda.*

Investments for growth maintained *On the strength of the year's many achievements, Sasol Technology remains well placed to conceptualise, develop and manage sophisticated projects, along with new-generation research, design and other value-adding technological programmes. The company continues to expend substantial sums on developing cutting-edge human capital, management systems, infrastructure and other vital technological resources to empower Sasol's longer-term growth ambitions.*





Highlights

- Group enters largest capex programme since completing Secunda petrochemical facilities
- Successfully completed projects include third hexene train and ethyl acetate plant at Secunda and Durban South gas distribution expansion
- Ninth Sasol Advanced Synthol reactor commissioned

This growing commitment will enable the Group to remain at the forefront of the scientific, engineering and technological disciplines that form the foundation of Sasol's drive to sustain technological excellence and global competitiveness in the new century.

The year's many gratifying scientific and technological achievements were reflected in all critical functional areas, including research and development, process innovation, design and optimisation, new business development, environmental engineering and support services, risk management, business optimisation, engineering and project management.

Advancing Fischer-Tropsch technology *The large projects to develop Sasol's first two international gas-to-liquids (GTL) ventures have entered their front-end engineering design (FEED) phase. Chevron Nigeria Limited is building a GTL plant in Nigeria utilising Sasol Slurry Phase Distillate (SPD) technology; Sasol Synfuels International (SSI) and Qatar Petroleum will build a GTL plant in Qatar. Foster Wheeler Energy in the United Kingdom is executing FEED under Sasol Technology's project management expertise. The GTL plants will incorporate Sasol's unique SPD process.*

The Group envisages further growth opportunities by developing other GTL plants in some of the world's gas-rich regions. Considerable resources therefore continue to be invested into the Group's SPD and other Fischer-Tropsch technologies. Sasol Technology is developing improved Fischer-Tropsch processes, including more effective catalysts.

The cobalt catalyst for the SPD process and the iron catalyst for the Sasol Advanced Synthol (SAS) process were both improved substantially during the year. Once refined further, these improved catalysts will form crucial elements of Sasol's next generations of SPD and SAS technologies.

Sasol Technology has also progressed considerably in identifying new opportunities to reduce the capital and operating costs of GTL plants, while improving their yields and efficiencies. Such advances will help Sasol to secure the long-term competitiveness of its GTL technology against other emergent Fischer-Tropsch processes.

Catalyst development will remain one of the strategic priorities of future research and development (R&D) programmes. Besides its proven



capabilities in developing new-generation catalysts, Sasol Technology continues to work in beneficial partnership with catalysis research specialists at the University of Cape Town. The company also collaborates with other major universities in other specialised research programmes.

To complement such centres of excellence, Sasol Technology is helping to establish a catalyst research programme at Saint Andrews University in Scotland. Sasol Technology's co-establishment of a specialised process technology facility at Twente University near Enschede in the Netherlands, along the lines of the Scottish initiative, is also well advanced.

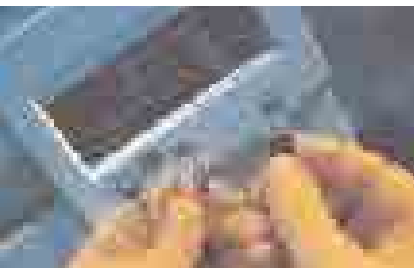
In another initiative to facilitate Sasol's GTL ambitions, the new Sasol and Engelhard joint-venture production facility at De Meeren in the Netherlands will commence production in the year ahead. The plant will produce the Sasol Fischer-Tropsch catalyst for the GTL plants under development.

Pivotal role in bringing gas to South Africa Sasol Technology is progressing with the multibillion-rand Group project to transport natural gas from the Temane and Pande fields to customers in Mozambique and South Africa. A project team completed the comprehensive feasibility study ahead of Sasol's decision to proceed with the project. Basic engineering for the design and construction of the field facilities and the gas pipeline will be completed in the year ahead.

Sasol Technology is working closely with Sasol Petroleum International (SPI), Sasol Gas, SSF and SCI. The Mozambican pipeline will be routed directly to Secunda, where natural gas will be used as a supplementary feedstock for SSF's synfuels and chemical production facilities.

Sasol Technology is working with SSF to install or modify the plant and infrastructure needed to reform natural gas. The front end of the SCI Sasolburg factory will be converted to accommodate natural gas as its sole hydrocarbon feedstock. The Sasolburg coal gasifiers will be decommissioned once the SCI factory converts to natural gas. The SSF and SCI conversion projects will be completed in 2004.

Unlocking new chemical opportunities The Sasol Solvents and Sasol Olefins and Surfactants divisions have exciting growth plans in South Africa. Sasol Technology continues to work in fruitful value-adding partnerships



with these and other SCl divisions to establish new production capacity, improve established assets and develop new products that enable further beneficiation of the Sasol treasure chest.

The third Sasol Olefins and Surfactants hexene train was commissioned successfully during the year. As with the other Secunda alpha olefin production units, the new train incorporates highly competitive Sasol process technology. The fourth hexene train and the second octene train are now in their early conceptual design phases.

Sasol Technology is also advancing the development of the next generation of proprietary process technology to extract hexene and octene from the Secunda olefins pool. To complement this programme, Sasol Technology is exploring alternative processes to produce additional volumes of hexene for international polyethylene customers once Sasol Olefins and Surfactants is extracting hexene at full capacity from the Secunda alpha olefins pool.

Sasol Solvents' Secunda ethyl acetate plant was brought into operation successfully, yielding product on specification. It enables Sasol to add great value to much of the ethanol extracted from the fuel alcohol pool. The ethyl acetate plant incorporates novel process technology developed by Kvaerner Process Technology and Sasol Technology.





Sasol Technology is assisting Sasol Solvents with its two biggest projects to date: the n-butanol plant and the complex for the production of acrylic acid and acrylates. These facilities will use competitive technology licensed from Mitsubishi Chemical Corporation of Japan. Basic engineering has commenced for these two Sasolburg projects, which will entail a combined investment of about R3 billion. Sasol Technology will manage both projects through to final commissioning.

Business optimisation creates more wealth *The successful business optimisation function continues to contribute tangibly to the bottom-line performance of Sasol businesses. The Group has a stronger focus on sweating existing assets and, during the year, higher returns were achieved from many of the established plants and related assets at Sasolburg and Secunda. In the previous year, an estimated R280 million of new value was added to the Group's bottom line. A further R300 million was added during the year.*

Working in partnership with Group businesses, Sasol Technology will continue to focus on new business optimisation opportunities to unlock large amounts of new business value without incurring large capital investments.

Below: Pushing the envelope . . . *A scientist at one of Sasol Technology's Sasolburg pilot-plants. The company invests substantially in developing skilled people and research facilities to keep Sasol competitive.*



*focused portfolio
expansion augurs well*

**Sasol Petroleum
International
strategic business unit**

Profile Sasol Petroleum International (SPI) co-ordinates the Group's upstream oil and gas exploration and production (E&P) interests. These interests are concentrated in high-potential onshore and offshore areas in West Africa and Southern Africa. It is active in the Congo, Gabon, Equatorial Guinea, Mozambique and South Africa. SPI invests in partnership with experienced international petroleum companies to ensure maximum benefits flow to all stakeholders. The company has three primary areas of focus:

- gas reserves that are synergistic with Sasol's other South African operations;
- resources that can be monetised elsewhere through the Group's unique Fischer-Tropsch gas conversion technology; and
- other attractive oil and gas provinces where it can create competitive advantage.

Business review Sasol Petroleum International (SPI) continued its successful growth in developing its promising exploration and production portfolios in West Africa and Southern Africa. SPI's greatest highlight was its establishment of additional natural gas reserves in Mozambique. The enlarged reserve base will enable the company to move forward with development of the Temane and Pande gas fields and commence gas production in late 2003.

Further breakthroughs in Mozambique The signing of a petroleum production agreement in October 2000 with the Government of Mozambique for the commercial development of the Temane and Pande gas fields was a significant advance for the Group. Sasol also signed a pipeline agreement with that government to transport natural gas to customers in Mozambique and South Africa.

The Temane and Pande fields will be developed in a 70:30 production-sharing partnership with CMH, a subsidiary of Mozambique's national oil company, Empresa Nacional de Hidrocarbonetos de Moçambique.

Following successful fieldwork over the last three years, SPI is starting to deliver substantially on its potential to become a key player in helping Southern Africa to harness natural gas reserves. On the strength of SPI's Mozambican successes, Sasol has formalised a coherent natural gas development and marketing strategy. A multidisciplinary Sasol project team is now co-ordinating and implementing the practical facets of this new strategy.

All applicable agreements with the governments of Mozambique and South Africa and Sasol's gas partners for the final production, distribution and marketing of natural gas are likely to be finalised before the end of 2001 (see natural gas project report on page 67).

During the year SPI acquired sole ownership of the gas exploration and production rights in the onshore exploration acreage adjacent to the Pande and Temane gas fields.



The company also retained its 90% share in the offshore Sofala Bay block in partnership with Zarara Petroleum Resources (10%).

Two Sofala Bay exploration wells were drilled in September and October 2000. Unfortunately, while one of these had substantial gas shows, neither well was considered worthy of testing. The wells were plugged and abandoned. SPI now needs to fully interpret these drilling results before determining its future action. There will be no further drilling in this area in the year ahead.

West African opportunities increase *Over the last decade, offshore West Africa has emerged as one of the world's most promising regions for establishing major new reserves of oil and gas. SPI has thus intensified its efforts in Gabon, the People's Republic of the Congo (the Congo) and Equatorial Guinea. Nigeria, Angola and other countries are also under review as future exploration regions.*

SPI is expanding its activities in Gabon where it is well placed to further develop competitive advantage. Its Gabonese interests are expected to generate a vital future stream of international revenue for the Group.

SPI increased its share from 10% to 30% in Gabon's promising offshore Etame oilfield. This move followed the withdrawal of the major shareholder, Baker Hughes Incorporated. Baker Hughes, a major oil and gas service company, withdrew because it considers its equity participation in exploration and production to be in conflict with its core business of providing services to this industry.

Promising results had been indicated through state-of-the-art three-dimensional seismic modelling technology. SPI and its partners, Vaalco

Below: Finding the right vibrations . . . *A Sasol Petroleum International geologist analysing seismic data gathered through three-dimensional seismic modelling. The company is using this technology in West Africa.*





Highlights

- Agreements signed with the Government of Mozambique to enable commercial production of the Temane and Pande gas fields
- Increased ownership followed by exploration success off the coast of Gabon
- Entering a promising exploration partnership with Chevron and Triton off the coast of Equatorial Guinea

Gabon (Etame) (30,35%, operator), PanAfrican Energy (32,5%), PetroEnergy Resources (4,525%) and Nissho Iwai Corporation (2,625%), subsequently drilled a successful third well in the Etame field in February 2001. This was followed by the drilling of an even more successful well, Etame 4V, which was completed in June. The exploration partners are confident that commercial development of the Etame oilfield can commence in the year ahead.

SPI (22%), BHP Petroleum (40%, operator) and Triton (38%) retained their interests in Gabon's deep-water Tolo and Otit blocks. Drilling of an exploration well in this region, using a new-generation drill ship, is planned for September 2001.

To the south in offshore Congo, SPI (13%) continued to produce small volumes of crude oil with its partners, Agip Recherches Congo (52%) and Société Nationale des Pétroles du Congo (35%), in the Marine VI block. In view of the declining production in this area, SPI opted to exit from this permit at financial year-end. An exploration well in Congo Marine X is planned for the third quarter of 2001.

SPI also became a partner in another promising area, marine Block L, off the coast of Equatorial Guinea. Exploration is progressing well with seismic data already being acquired. An exploration well is likely to be drilled during 2002. SPI (10%) is working in partnership with Chevron Equatorial Guinea (65%) and Triton Equatorial Guinea (25%).

South African focus shifts westwards Following disappointing drilling results, SPI withdrew from its exploration partnership in Blocks 17/18 off South Africa's east coast. The region is considered to offer less potential than the west coast. The company is now concentrating its South African exploration in Block 3A/4A off the west coast. The one-year technical co-operation agreement announced last year has since been converted into a prospecting lease with the Petroleum Agency of South Africa.

SPI will be searching for natural gas in what has become an exciting and emergent gas province. Formal gathering of seismic data from this block will commence during 2002. Should the acquired data show promise, exploration drilling could commence in 2003.

Prospects On the strength of its skilled and motivated people, as well as the encouraging advances achieved during the year, SPI remains superbly positioned to achieve further successes in Africa. With the commercial production of oil from Gabon's Etame field scheduled for 2002 and Mozambican natural gas scheduled to start in the 2004 financial year, SPI is expected to start contributing to Group profits in the future.

SPI will continue to concentrate most of its exploration and production interests in Gabon, Equatorial Guinea, Mozambique, South Africa and the Congo in the year ahead. SPI will also remain alert to other exciting opportunities as they appear.



promising GTL era now within sight

Profile *Sasol Synfuels International (SSI) develops and implements international ventures based on Sasol's Fischer-Tropsch synthesis technology, most notably the Slurry Phase Distillate (SPD) process. The company is currently managing design and engineering work in preparation for the construction of the first two international gas-to-liquids (GTL) plants that will incorporate SPD technology. Sasol is also investigating the merits of developing additional GTL plants in Latin America, Australasia, Asia-Pacific and the Middle East.*

Sasol Synfuels International (Proprietary) Limited

Business review *After several years of extensive groundwork by SSI, Sasol's new era of international synfuels ventures is now within reach. In July 2001 approval was given for the start of front-end engineering and design (FEED) for the Qatari and Nigerian GTL plants.*

Sasol Chevron joint venture established *The 50:50 Sasol Chevron global joint venture was finalised in October 2000 and an office has since been established in London. The joint venture's mission is to foster the development of a GTL industry and global markets for GTL fuels by designing, building and operating plants around the world to manufacture and market premium-grade, alternative fuels and their associated products.*

Sasol Chevron will pursue commercial applications of GTL technology for selected Chevron- and Sasol-held reserves of natural gas, as well as third-party gas reserves and those host countries seeking opportunities to monetise their gas reserves.

Nigerian venture advances *Foster Wheeler Energy in the United Kingdom has commenced full-scale FEED for the plant being developed in the Escravos Delta region of southern Nigeria. The plant, to be established on Chevron Nigeria's established production site, will have a daily GTL fuel and naphtha production capacity of about 34 000 barrels (bbl). The plant is due to be commissioned in 2005.*

The Nigerian project will cost about US\$1 300 million. The Nigeria GTL plant is a major natural gas initiative by the project asset owners, the Nigerian National Petroleum Corporation (NNPC) (25%) and Chevron



Highlights

- Escravos GTL project in Nigeria enters front-end engineering and design (FEED) phase
- Qatar Petroleum and Sasol sign a joint-venture agreement in July 2001 to implement a GTL plant in Qatar
- The Qatari GTL project at Ras Laffan enters FEED phase

Nigeria Limited (CNL) (75%). It will unlock significant environmental benefits by beneficiating, rather than flaring, the associated natural gas that accompanies the crude oil being produced by CNL and NNPC. CNL will operate the plant on behalf of its partners.

Established to take advantage of the parent companies' cutting-edge GTL capabilities, Sasol Chevron will provide the Nigerian GTL plant with licensed technology, operations management and technical services. The new joint venture will also market the GTL fuel, suitable for use in diesel engines, as well as the naphtha products. Daily production could increase from 34 000 bbl to 120 000 bbl within the first 10 years of operation.

Sasol is providing risk-based financing, based on project performance, to Chevron for about 50% of the capital costs of developing the new Nigerian plant.

Qatari venture progresses *The GTL plant at the port town of Ras Laffan in north-east Qatar will also have a daily production capacity of about 34 000 bbl: 24 000 bbl of GTL fuel suitable for use in diesel engines, 9 000 bbl of naphtha and 1 000 bbl of liquefied petroleum gas (LPG). The plant will use natural gas from Qatar's huge North Field reserves at a rate of about 330 million standard cubic feet per day. This plant is also due to be commissioned in 2005.*

Qatar Petroleum and Sasol are executing the US\$30 million FEED phase with Foster Wheeler Energy as the selected FEED contractor. FEED will take about nine months to complete. It will be followed by a five-month bidding phase for the engineering, procurement and construction (EPC) contract. The project has an instantaneous cost of about US\$800 million, including site, pre-production and contingency costs. Qatar Petroleum (51%) and Sasol (49%) are seeking project finance for a significant portion of the project's capital requirements.

Infrastructure and project integration benefits offered by Qatar Petroleum's Ras Laffan site, as well as improvements made to the SPD process, have added significant value to the project since the exploratory discussions began between the joint-venture partners in 1996.



Other opportunities under review Beyond the Qatari project and Sasol Chevron's extensive scope as a new global joint venture, SSI continues to investigate the viability of establishing other international Fischer-Tropsch ventures based on alternative hydrocarbon feedstocks such as coal, petroleum coke and heavy residues.

The new Sasol and Engelhard joint-venture catalyst plant at De Meeren in the Netherlands has been completed on schedule and within budget. Engelhard Corporation, the manufacturing partner, will in the year ahead commence production of the high-performance Fischer-Tropsch catalyst for the Sasol Slurry Phase reactors that will be used in the GTL plants in Nigeria and Qatar.

Prospects SSI, working closely with Qatar Petroleum, will continue to advance the development of the GTL plant at Ras Laffan in the year ahead. Sasol Chevron will continue to progress the development of the GTL plant at Escravos. The extensive Qatari and Nigerian investments are likely to start contributing to Group profits as from the 2006 financial year. Sasol Chevron is also expected to advance its exploratory discussions and feasibility studies in Australia with a view to developing another GTL project.

Below: FEED for thought...

Members of the Sasol Synfuels International management team discussing aspects of the front-end engineering and design (FEED) for the gas-to-liquids plant to be built in Nigeria.



funding global growth ambitions

Sasol Financing (Proprietary) Limited

Profile Sasol Financing operates as in-house bank and centralised treasury for the Sasol Group. The company is responsible for Group cash and liquidity management, in-house banking, domestic and international financing arrangements, foreign exchange management, treasury risk management and other general treasury matters. The company is funded by own reserves, loans from Sasol Limited and internal and external borrowings.

Business review In a year of significant growth in the Sasol Group, Sasol Financing fulfilled its objectives and mandate successfully and helped to bring to fruition many vital solutions needed to fund the Group's global expansion ambitions.

The acquisition of Sasol Chemie (formerly Condea) increased the Group's funding requirements significantly. External debt increased from R1 501 million on 25 June 2000 to R8 449 million on 25 June 2001. Sasol Financing arranged a combination of local capital market funding, offshore revolving credit facilities, a local commercial paper issue, normal bank credit facilities and asset-based financing to fund Group requirements.

Stringent treasury risk management measures are in place. The treasury operations committee and the Sasol Financing board of directors, which meets quarterly, govern all treasury activities.

DMTN programme raises R900 million Sasol Financing issued a R900 million senior three-year bond on 30 June 2000, which is due on 30 June 2003. The Sasol Financing bond (SFL1) was the first issue from Sasol Financing's domestic medium term-note (DMTN) programmes and is also one of the first bonds issued in the South African market from DMTN programmes. The total DMTN programme size is R2 billion.

The SFL1 was placed with a wide range of domestic institutional investors and was oversubscribed more than three times. The SFL1 was launched at a spread of 85 basis points above the equivalent Government funding rate. Secondary market activity has since driven this margin down to 56 basis points at year end.



Offshore revolving credit facility established A syndicated dual-tranche revolving credit facility of US\$400 million, at market related prices, was concluded on 9 November 2000 in the form of three-year and five-year tranches with an option to extend the three-year tranche to five years. Twenty-eight banks (including a number of South African banks) participated in the syndication. The facility is for general corporate purposes of the Sasol Group and provides access to foreign funds for Sasol's offshore activity.

Commercial paper issue In a landmark deal, Sasol Financing issued one-year non-listed commercial paper for R1 100 million on 19 March 2001. This is one of the biggest single placements of commercial paper by a listed corporate in South Africa.

Asset-based finance A portion of the funding required for the acquisition of Condea, renamed Sasol Chemie, was financed by way of asset-based finance, which consists of a Euro 470 million and US\$165 million syndicated multi-currency term loan and revolving credit facilities. A total of 28 banks (international and local) participated in the syndication, which was more than two times oversubscribed.

A very competitive traded yield has been obtained at a level significantly cheaper than normal commercial bank funding.

Prospects Sasol Financing will continue to play an integral role as arranger and provider of Sasol's global funding requirements. The bedding down of Sasol Chemie and the emergent projects such as the Mozambique natural gas project and the gas-to-liquids projects in Nigeria and Qatar, among many other capital-intensive growth initiatives, will require high level expertise in the field of local and foreign fund-raising, where Sasol Financing is already well positioned.

rising to meet new workplace challenges

Human Resources

The Group's current phase of strong growth, spurred by an increasing globalisation programme, is bringing many new opportunities and challenges to the Group Human Resources team. Group Human Resources and human resources practitioners in all Sasol businesses continued to progress significantly in line with the mandate to develop and maintain a strong, competent and productive base of human capital.

Increasingly, human capital is being harnessed to strengthen the Group's pursuit of its five primary growth drivers and, therein, to unlock new value for shareholders and all other Sasol stakeholders. This is especially significant against the backdrop of:

- *the increasing globalisation of business and culture;*
- *the rapid advances in technology, including electronic commerce;*
- *the emergence of new legislation and socioeconomic priorities in South Africa; and*
- *the growing emergence of sustainable development guidelines.*

Sasol is in the process of developing a set of Group-wide values through a comprehensive consultative process with employees. Five draft values are being considered and emphasise the importance of business and operational excellence, customer focus, continuous improvement, integrity and winning with people. These values support the Group's vision, culture and its major strategic growth drivers.

Quest for wider world-class skills base *The core of Sasol's people has for decades boasted many world-class scientists, engineers, technologists and other functional specialists. The drive in more recent years, however, has been towards stimulating all employees to expand on current skills and knowledge in order to keep track of world trends and to focus on benchmarking and improving of own performance.*

Such challenges have intensified in recent years as a result of disappearing trade, communication and other barriers in a world economy that is becoming more open and competitive. The pace at which business transactions are conducted has accelerated over the last decade.





Sasol's formation of strategically considered joint ventures and acquisition of key new businesses – including the former Condea operations, as well as Schumann Sasol, Merisol, Sasol DHB and Sasol Southwest Energy– have greatly emphasised the importance of maintaining and developing a strong foundation of highly skilled and superbly motivated people to serve a growing global network of customer-centric businesses that support the Group's growth objectives.

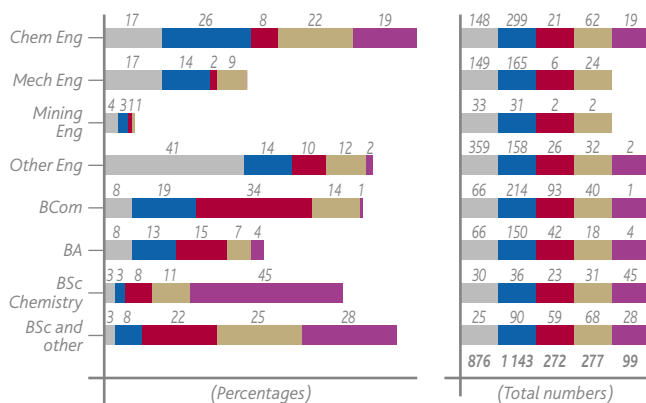
Skills enrichment initiatives progress In the case of Sasol, a complementary effort has been intensified to improve succession planning and to ensure that the Group can identify and develop its future leaders. There is a structured drive to ensure that people can continue to be developed to support aggressive and focused growth.

Sasol spent about R115 million on various skills development, training and associated competency-driven initiatives (excluding the Condea operations acquired with effect from March 2001). This includes in-house technical training, the further funding of self-learning centres and the stronger commitment to a continuing undergraduate bursary programme.

In South Africa, Sasol is sponsoring bursaries for 450 undergraduate students for the 2001 academic year at a total investment of R18 million. Most of the students are studying sciences, engineering and related technological and human sciences disciplines at various universities and technikons around the country.

A state-of-the-art, senior executive development programme to provide top leadership with skills for managing mergers and acquisitions, among other critical leadership issues, has been implemented with the assistance of the Group's learning alliance partner, the Gordon Institute of Business Science (GIBS).

Fifty percent of current bursaries have been allocated to people from designated groups in keeping with Sasol's commitment to promoting workplace diversity and



Training and development

Education levels of professional and managerial staff

- Diploma
- B-degree
- Hons
- Masters
- PhD



progressing employment equity. Under South Africa's Employment Equity Act, designated groups cover black people (Africans, Coloureds and Indians), women and people with disabilities.

Diversity management advances The Group has progressed satisfactorily in its employment equity undertakings. Despite the magnitude of the task, Sasol remains on track to have more than 40% of all Group leadership and professional positions held by people from designated groups.

Integral to the drive to maximise diversity, employment equity, intellectual capital and leadership development, the Group's new Accelerated Leadership Development Programme gained significant impetus during the year. This initiative is being undertaken to fast-track the development of high-potential senior black employees to fill executive managerial positions with distinction.

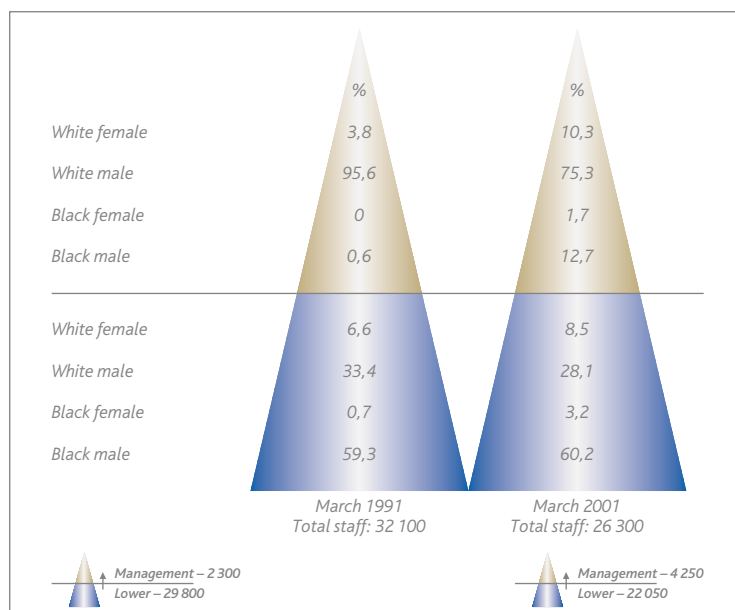
Industrial relations in the South African operations remained stable and constructive throughout the year. The Group maintains constructive and open dialogue with trade unions and other recognised employee representative bodies. Group morale and productivity remain high.

Helping to manage the HIV/Aids pandemic

Sasol continues to engage constructively in concerted workplace and community initiatives aimed at countering the HIV/Aids pandemic. In the light of the latest actuarial surveys conducted in South Africa, Sasol has established a more definitive understanding of the pandemic's potential impact on business operations.

The maintenance of a continuing employee HIV/Aids information and awareness programme in the workplace is at the core of the Group's comprehensive strategy to combat the impact of the pandemic.

Progress in achieving employee diversity



The 2001 percentages exclude the newly acquired employees of Sasol Chemie.

commitment to sustainable development

Safety, health and the environment

Introduction *The Sasol Safety, Health and Environmental Centre published the Sasol Safety, Health and Environmental Report 2000 (SHE report), the third biennial SHE report. This edition formally confirmed the Group's commitment to sustainable development, which is now integral to Sasol's corporate values, governance, business development strategies and daily business operations.*

Sasol has been a Responsible Care™ signatory since 1994 and continues to participate in Responsible Care programmes around the world. The Group has committed itself to uphold the Sustainability Reporting Guidelines™ of the Global Reporting Initiative (GRI™), which aim to provide an internationally acceptable framework for reporting on the social, economic and environmental performances of businesses with a view to promoting sustainable development.

Since March 2001, when Sasol acquired Condea (now Sasol Chemie), substantial effort has been devoted to integrating the newly acquired businesses. In the team established to facilitate the integration is a group focusing on safety, health and environmental issues. As part of the integration exercise, best practice is being identified and leveraged throughout the Group. The Sasol corporate governance model on safety, health and the environment is being adapted to apply to all businesses.

The fourth biennial SHE report, which will be a sustainable development report along the lines of the GRI, will cover these new operations, as well as the established businesses, when published in 2002.

Operational highlights *The feasibility stage of the strategic environmental assessment of the Vaal Triangle is progressing with key stakeholders, including the Gauteng and Free State provincial and local governments, supporting the process. Nine more business operations have attained ISO 14001 certification for their environmental management systems.*

Sasol Chemie maintained a pleasing safety performance during the first four months of reporting. This is attributable to a strong commitment to Responsible Care and the timely establishment of a comprehensive



baseline on safety, health and environmental issues, which helped to identify SHE priorities.

Mines reduce accidents *Sasol Mining's operations achieved an overall improvement (see graph on page 36). The lowlight, however, was the five deeply regretted fatal accidents. Six of the eight relevant Sasol Mining operational areas have been ISO 14001-certified, a gain on the four reported a year ago.*

State authorities approved the environmental management programmes developed for Sigma Colliery, near Sasolburg, and the Syferfontein operations, near Secunda. Sasol Mining is to execute a R260 million project to construct an evaporator crystalliser water treatment facility to further improve water management at Secunda.

Noscar 27 for SCI *At the Sasolburg Sasol One site, SCI worked one-million hours without a disabling injury on four occasions. It received its 27th Noscar from the National Occupational Safety Association (NOSA), making SCI one of only two companies in South Africa to have achieved this distinction, NOSA's highest award for excellence in safety. The Sasol Ammonia and Schumann Sasol operations at the Sasol One site were ISO 14001-certified.*

All South African operations of SCI's Sasol Solvents division are now ISO 14001 certified.

Below: Managing a valuable resource . . .
Sasol employees testing the pH levels of water samples taken from the Secunda dams. Stringent water management is integral to Sasol's Responsible Care™ commitment.





Outstanding Polymers performance Sasol Polymers performed well as a result of more dedicated application of the behaviour-based safety approach. NOSA Noscars were presented to three operations: the Monomers and Polypropylene businesses at Secunda and the Sasolburg Midland site, the site of the Chemicals, Polythene and Vinyls businesses. The Midland factory received the National Association for Clean Air Award in September 2000. A major chlorine leak occurred at the Umbogintwini site in September 2000. Despite the absence of further escapes, the plant was closed in March 2001.

Fire mars good Natref record Natref at Sasolburg achieved its fifth Noscar, as well as the NOSA Regional Housekeeping Award for excellence in managing occupational safety and hygiene. Unfortunately, two people died in a fire which damaged the crude distillation unit in June 2001. The damage is being repaired and measures taken to prevent a recurrence of this tragedy.

The ISO 14001-certified Natref operation remains committed to reducing emissions and waste in line with the Natref 2000 emission reduction plan. The company undertook further investments into technology and systems in an effort to further reduce accidents, pollution and waste.

Noscar 10 for SSF SSF achieved one-million man-hours worked without a disabling injury on four occasions and two-million man-hours without a disabling injury on one occasion. It also received its 10th consecutive Noscar. The Sasol Agri operations at Secunda, regrettably, reported three fatalities.

SSF and its business partners completed the strategic environmental assessment (SEA) for the Secunda complex. The information generated by the SEA is being used to prepare indicators of sustainability against which proposed projects can be measured. The Integrated Water Management Programme of the Secunda operations continues to advance. A further R11 million will be invested in the year ahead as part of a long-term programme to improve water management, with a twofold objective of reducing waste and costs.



Excellence for Oil and Gas Sasol Oil's Motor Fuels division maintained its NOSA five-star grading. Sasol Gas has consistently achieved a NOSA five-star safety management grading over the past seven years. All Sasol Gas pipeline installations and modifications continue to be constructed and operated according to the American National Standard for Gas Transmission and Distribution Piping Systems.

Sasol Oil played a key role in a Government-facilitated process to establish a new diesel standard to reduce the maximum sulphur content from 5 500 ppm to 3 000 ppm from January 2002. This agreement will greatly reduce diesel-engine particulate and sulphur oxide emissions. The company proposed the introduction of an ultra-low-sulphur diesel. This will be regulated with effect from January 2002.

The permitted sulphur levels in unleaded petrol are also likely to be reduced in 2003 in conjunction with the introduction of mandatory emission standards for new vehicles. Sasol is well positioned to supply to these more exacting requirements due to its advanced manufacturing and refining processes. Sasol Oil also introduced through its Blue Pump network the groundbreaking unleaded petrol, Sasol Formula 100 Dual Fuel™. This fuel reduces metal airborne emissions by 98%. All Sasol Oil operating and affiliate divisions are now ISO 14001-certified.

Beneficial technological commitment The Sasol Technology Research and Development group continues to undertake comprehensive life-cycle assessments of Sasol products in line with Responsible Care™. Other Sasol Technology groups continue to harness new opportunities to improve the energy-efficiency, water conservation and emissions aspects of Sasol's current and future generations of petrochemical plants.

empowering a nation for greater prosperity

Corporate Social Investment

The South African socioeconomic environment, compared with the standards of the world's developed economies, remains underdeveloped, yet rich with growth and development opportunities.

Compared with the world's most affluent nations, such as the Scandinavian countries, per-capita income in South Africa stands at 10% of the Scandinavian average (World Bank statistics of 1997: US\$32 430 for Denmark, Norway and Sweden, combined, versus US\$3 210 for South Africa). These developed nations enjoy total adult literacy and a higher life expectancy, as well as adequate and highly efficient social services in such fields as education, healthcare, welfare and public transport.

Meeting socioeconomic challenges *For as long as South Africa remains underdeveloped and deeply affected by poverty, disease, illiteracy and unemployment, among other maladies, responsible corporate citizens such as Sasol will continue to contribute substantially to a definitive spectrum of social upliftment and economic development programmes.*

These initiatives are orchestrated through corporate and company-specific teams working in dynamic and constructive partnerships with local communities, educational institutions, non-governmental organisations (NGOs) and other capacity-building role players.

During the year Sasol allocated R25 million to corporate social investment programmes. The same amount has been budgeted for the 2002 financial year.

Keen focus on education and job creation *In the previous financial year Sasol committed R10,1 million for the development of two new primary schools in local communities: the Maphala Gulube Primary School near Secunda; and the Credo Primary School near Sasolburg. The schools were opened to their first intake of learners in August and September 2000, respectively, and have become valuable community assets.*

The Group sponsored the popular annual national science and technology festival, Sasol SciFest 2001, at Grahamstown in March 2001. The company again sponsored the annual Expo for Young Scientists. Both events are supported in line with a wider commitment to enriching the country's future scientific and technological resources. Sasol undertook during the year to sponsor a special edition of the Oxford English Dictionary for use in schools in underresourced communities.



Sasol continued to support several other education facilities and programmes, including the two award-winning community education and upliftment centres pioneered by the Group: Boitjhorisong Resource Centre at Sasolburg; and the Osizweni Community Development Centre near Secunda. Both centres continue to impact favourably on thousands of learners and hundreds of school teachers.

Since 1984 and 1998, respectively, Sasol has been a proud sponsor of the Free State and Northern Cape School Festival and the Mpumalanga School Festival. During the year the company sponsored for the first time the Gauteng School Festival. These festivals are dynamic, interactive educational and cultural events for learners. For the Free State and Northern Cape series, Sasol was nominated for the Business Day / Business Arts South Africa long-term development category award for social investment.

The Group continues to support various university and technikon facilities and programmes in South Africa. Sasol remains one of the country's major sponsors of tertiary education students. The Group is sponsoring bursaries for 450 undergraduate students for the 2001 academic year at a cost of R18 million.

Most of the students are studying sciences, engineering and related technological and business disciplines. Half of the students are from historically disadvantaged groups – that is, black people (Africans, Coloureds and Indians), women and people with disabilities.

Below: A cheerful note
... Musicians participating in the Unisa Tuition Programme at the Ochrim Music School, Soshanguve, near Pretoria. This is one of many community upliftment initiatives sponsored by Sasol.





The Fedmis Phalaborwa business unit of Sasol Agri remained active in the greater Phalaborwa community in the Northern Province. Besides sponsoring 11 new classrooms at a community school near Phalaborwa, the business assisted with various HIV/Aids and other essential community welfare and support programmes.

On the employment and entrepreneurial front, Sasol maintained its enthusiastic support for the independent Wonderwater and Esparanza farming projects at Sasolburg and Secunda, respectively. Both farming projects continue to keep community members gainfully employed.

Promoting arts, culture and sport The Group retained its keen interest in promoting arts and culture. Sasol again sponsored the annual Sasol Schools Choir Competition, the South African National Youth Orchestra, the Klein Karoo Nasionale Kunstefees (National Arts Festival), the Aardklop Kunstefees at Potchefstroom, the eMbalenhle Sports, Youth and Women Development Centre near Secunda, the Soweto Dance Theatre and other cultural and recreational activities.

On the sporting front, Sasol Oil recommitted itself to a four-year, multimillion-rand sponsorship of Amaglug-glug™, the South African Under 23 soccer squad. This undertaking, along with continuing focused investments into Sasol-branded taxi ranks in select communities, has elevated brand awareness while promoting community relations.

In keeping with Sasol's tradition of supporting environmental and nature conservation initiatives, various nature-related publications, projects and programmes were again supported. The Group also allocated funds to various charitable and welfare organisations.

Vital support for HIV/Aids The Group donated R616 000 to the Topsy Foundation towards the running costs of an Mpumalanga HIV/Aids sanctuary for Aids orphans and children whose parents have died from Aids-related ailments. A five-year budget of R1,14 million, commencing in 1999, has been allocated for HIV/Aids counselling and educational initiatives orchestrated by the Centre for the Study of HIV/Aids. A five-year budget of R250 000, effective from 2000, has been allocated to the South African Business Council on HIV/Aids, among other initiatives.



online systems unlock new opportunities

Information management continues to evolve Group Information Management's mandate to develop and maintain a world-class, Group-wide information technology (IT) platform continues to progress. Sasol's strategic expenditure on IT increased significantly during the year. Further expenditure on IT will be made in the year ahead. This commitment is part of a strategic thrust to keep all Sasol businesses at the forefront of efficient and effective information management and communication systems.

The Group is well advanced in implementing cutting-edge online procurement systems and optimisation of its SAP enterprise business systems. Sasol's Internet portal has been redesigned and improved to ensure improved communication and collaboration between business units, customers, suppliers and other stakeholders.

Substantial procurement cost savings Through Group Procurement and Supply Management, Sasol launched the NetGain Materials Management system in the 1999 financial year. NetGain provides better tools and systems, such as the total-cost-of-ownership approach, to identify and capture financial opportunities in the commodity supply chain across business division borders. In another valuable programme, initiated in the 2000 financial year, the Group is successfully applying the Commerce One BuySite™ online procurement system.

The NetGain system, now bedded down across all South African businesses, enables the Group to save tens of millions of rands on its annual procurement costs. The system enabled Sasol to achieve annual procurement cost savings of more than R100 million in the 2000 financial year. The Group stands to achieve future annual savings of R500 million on the baseline procurement costs reported for the 1998 financial year. Net Gain is being implemented across the Group's international subsidiary companies.

Other key group functions

fuelling sustainable empowerment

Black economic empowerment

The Group continues to progress satisfactorily in building a meaningful and sustainable black economic empowerment (BEE) programme. Highlights of Sasol's BEE commitment include the Group's involvement with, and support for, businesses and other initiatives such as Exel Petroleum, ChemCity, PQ Africa, Macadam Franchise Company and various new independent chemical companies. The Mozambique natural gas project will, in time, also entail a significant BEE component (see natural gas project report on page 67).

These and other positive developments are complemented by a Group-wide affirmative procurement and supply management initiative focused on opportunities to purchase a greater percentage of goods and services from organisations owned and operated by people from historically disadvantaged groups.

Sasol's commitment to affirmative procurement has grown considerably since the 1997 financial year when the Group purchased, in value, R93,3 million of all its goods and services from BEE and related empowerment enterprises. By the close of the 2000 financial year the value had grown to R341,4 million. By midyear for the year under review, the value had increased to R594,2 million (annualised).

Exel Petroleum gathers impetus *Besides the multifaceted entrepreneurial development initiatives that have long been supported by Sasol through its well-established corporate social investment programmes, the Group's BEE commitment commenced in earnest in February 1997 when it was instrumental in the formation of Exel Petroleum. Exel is controlled by black groups and Sasol holds a minority 22,5% stake. This company has shown tremendous growth over the last four years and operates more than 100 service stations countrywide. It already has a 2% national petrol market share and a 4,6% national diesel market share. The company plans to significantly expand this market share over the next five years.*

ChemCity seeks 51% BEE component *ChemCity International was reported under SCI in the previous two annual reports. ChemCity has since been repositioned as a BEE initiative with the ultimate aim of achieving a 51% BEE ownership. Sasol and its joint-venture partner, Gensec Bank, have*

since secured an additional partner, Real Africa, one of South Africa's largest and most promising BEE companies.

Tosas creates promising new businesses Tosas, the Sasol/Total South Africa bitumen production and marketing joint-venture company, has facilitated the establishment of promising joint ventures with extensive BEE participation. Sasol and Tosas facilitated the shareholdings of Exel and BT Sec in Black Top Holdings, resulting in control of this successful road construction company with an annual turnover of about R300 million.

In a collaborative venture with PHR Partnership, Tosas has established Macadam Franchise Company (MFC), which participates in public-sector road construction and maintenance contracts. MFC specialises in labour-intensive road construction activities through BEE franchises.

Unlocking other downstream opportunities Sasol Technology, on behalf of the Group, operates a downstream chemical industry development (DCID) initiative. To date, this programme has been instrumental in establishing 12 new chemically oriented businesses, four of which have a BEE component. These businesses, combined, manufacture or blend and then market and support products such as water-treatment chemicals, industrial cleaning chemicals, zirconium chemicals, lime sulphur, anhydrous sodium sulphate, hair-care products and plant extracts such as essential oils.

To date, these businesses have created 283 new jobs. Established and prospective entrepreneurs continue to approach the Sasol Technology DCID team with new business plans and ideas with a view to establishing other downstream chemical businesses.

Another promising initiative Sasol gas is currently establishing new partnerships with BEE groups for the future marketing and distribution of pipeline gas in KwaZulu-Natal and Mpumalanga. The first-step partnership in Durban South will involve sales of around R150 million per annum. The company has also signed a long-term supply contract with Egoli Gas, the Johannesburg-based utility joint venture owned by BEE groupings and the US-based utility group, CINErgy.

key capital projects

<i>Key Group projects for growth and operational improvement</i>	<i>Total investment envisaged / approved</i>	<i>Scheduled ready-for-operation date</i>
Key SSF projects		
Synthol light oil capacity expansion	R345 million	Sep 2001
Skeletal isomerisation plant	R280 million	Sep 2002
Sasol Advanced Synthol reactor nine	R220 million	July 2001
Tubular reverse osmosis plant	R167 million	Feb 2001
CRO upgrade	R78 million	June 2003
Gas pipeline compressor for KZ-Natal	R58 million	June 2001
Subtotal	R1 773 million	
Key SCI projects		
Detergent alcohols plant	R998 million	June 2002
Ethyl acetate plant, Secunda	R258 million	April 2001
n-Butanol plant, Sasolburg	R1 159 million	Jan 2003
Acrylic acid/acrylates plant, Sasolburg	R1 697 million	Sep 2003
Subtotal	R4 099 million	
Other key Group projects		
Natref expansion (63% JV), Sasolburg	R790 million	June 2002
SMI expansion, Cape Town and Bronkhorstspruit	R58 million	Commissioned
Catalyst plant (Sasol/Engelhard), The Netherlands (Sasol Share 19,4)	1 19,4 million	Sep 2001
Subtotal	R848 million (1 19,4 million)	
Proposed new SCI projects		
Hexene 4, Secunda	R410 million	
Octene train two, Secunda	R630 million	—
Global projects		
Natural gas from Mozambique		
Pipeline	US\$549 million	Feb 2004
Field	US\$195 million	Nov 2003
Central processing facilities	US\$294 million	Dec 2003
SSF	R281 million	Feb 2004
SCI	R1 048 million	May 2004
Gascor	R319 million	May 2004
Gas-to-liquids (GTL) plants		
Nigerian GTL plant	US\$1 220 million	1st quarter 2005
Qatari GTL plant (Sasol: 49%)	US\$885 million	March 2005



financial statements

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forward-looking statement

Sasol has made certain forward-looking statements in its annual report and financial statements relating to volume growth, increases in market share, total shareholder return and cost reductions, among others.

These forward-looking statements represent challenging goals for Sasol and are based on certain assumptions and estimates regarding the South African and worldwide economies, technological innovation, competitive introductions, government action and growth in certain markets.

Key factors necessary to achieve Sasol's goals include the:

- *ability to improve results despite unusual levels of competitiveness;*
- *ability to maintain key customer relations in important markets;*
- *continuation of substantial growth in significant developing markets;*
- *ability to continue technology innovation; and*
- *successful outcomes in regulatory matters.*

If Sasol's assumptions and estimates are incorrect or if all key factors are not achieved, then actual performance could vary materially from the forward-looking statements made in this report.

shareholders' affairs

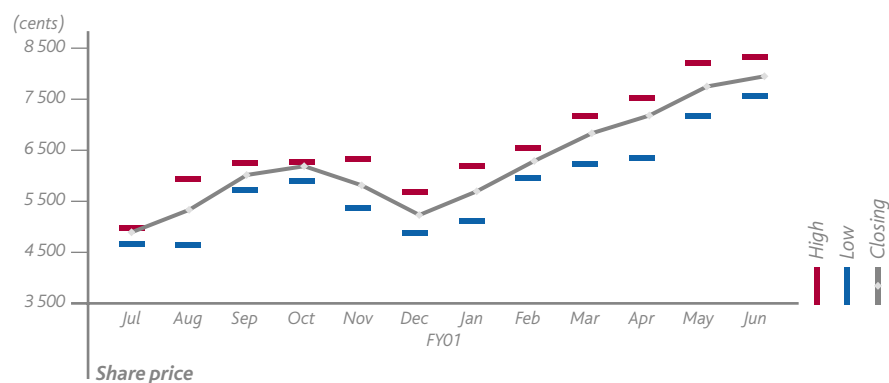
Shareholders' diary

Financial year end	25 June 2001
Annual general meeting	3 December 2001
Dividends	
<i>Interim dividend (current year)</i>	
– SA cents per share	140 c
– last date for registration	23 March 2001
– paid	26 April 2001
<i>Final dividend (current year)</i>	
– SA cents per share	180 c
– declared	3 September 2001
– last date for registration	21 September 2001
– payable	25 October 2001

Statistics

		2001	2000	1999	1998	1997
Number of shareholders		11 273	13 245	15 018	14 577	15 230
Number of shares in issue*	– million	665,0†	606,8	606,1	605,1	604,7
Number of shares repurchased	– million	47,1	27,8	—	—	—
Net number of shares in issue**	– million	617,9	579,0	606,1	605,1	604,7
Number of debentures in issue	– million	—	56,4	56,4	56,4	56,4
Weighted average number of shares in issue**	– million	627,3	604,4	605,8	605,0	604,1
Volume of shares traded‡	– million	317,7	265,6	292,2	217,5	118,7
Volume traded to issued	– %	47,8	43,8	48,2	35,9	19,6
Market price per share						
year end	– SA cents	7 600	4 665	4 190	3 480	5 700
	– US cents	947	673	692	637	1 264
high	– SA cents	8 100	5 500	4 400	6 650	6 000
	– US cents	1 010	794	727	1 218	1 331
low	– SA cents	4 320	3 400	2 040	2 825	4 300
	– US cents	538	491	337	517	954
Number of share transactions		88 599	56 740	48 946	44 562	27 605
Value of share transactions	– R million	19 073	12 001	6 835	6 865	6 274
	– USD million	2 494	1 911	1 128	1 408	1 417
Average value per share transaction	– Rand	215 273	211 509	139 644	154 055	227 278
	– USD	28 149	33 680	23 046	31 596	51 331

*Before share buyback programme **After share buyback programme †Includes conversion of 56,4 million debentures into shares with effect from 26 June 2000
‡Includes share buyback programme





	Compound growth* %	2001 USDm	2001 Rm	2000 Rm	1999 Rm	1998 Rm	1997 Rm	1996 Rm
Balance sheet								
Property, plant and equipment	19,3	3 483	27 925	18 798	16 048	14 981	13 163	11 547
Non-current assets		289	2 314	1 846	908	645	598	446
Current assets		2 455	19 689	9 021	7 300	7 893	7 231	6 631
Total assets	21,8	6 227	49 928	29 665	24 256	23 519	20 992	18 624
Total shareholders' equity	17,1	2 772	22 217	17 715	15 131	13 025	11 778	10 077
Convertible debentures		—	—	—	1 028	1 028	1 028	1 028
Interest-bearing liabilities		1 020	8 176	777	1 123	2 145	1 146	1 317
Interest-free liabilities		2 435	19 535	11 173	6 974	7 321	7 040	6 202
Total equity and liabilities	21,8	6 227	49 928	29 665	24 256	23 519	20 992	18 624
Income statement								
Sales	25,0	5 399	41 289	25 762	19 180	16 666	15 810	13 545
Operating profit	27,4	1 409	10 773	6 292	3 701	3 121	3 900	3 213
Financial (charges)/income		(35)	(265)	(189)	75	165	331	281
Income before taxation	24,6	1 374	10 508	6 103	3 776	3 286	4 231	3 494
Taxation		(454)	(3 467)	(1 994)	(1 203)	(1 225)	(1 592)	(1 226)
Income after taxation	25,4	920	7 041	4 109	2 573	2 061	2 639	2 268
Income from associates		1	11	6	—	—	—	—
Minority interest		(4)	(27)	(19)	(32)	(28)	(33)	(34)
Equalisation reserve transfer		—	—	—	—	100	—	(100)
Earnings attributable to shareholders	26,9	917	7 025	4 096	2 541	2 133	2 606	2 134
Cash flow statement								
Cash from operations	28,8	1 889	14 508	8 793	5 063	4 301	4 869	4 097
Investment income		32	253	204	384	269	445	436
Increase in working capital		(70)	(426)	(1 010)	(895)	(318)	(414)	(25)
Cash generated by operating activities	26,0	1 851	14 335	7 987	4 552	4 252	4 900	4 508
Finance costs paid		(66)	(509)	(387)	(309)	(104)	(114)	(155)
Taxation paid		(397)	(2 972)	(1 267)	(1 105)	(1 211)	(998)	(1 241)
Cash available from operating activities	28,4	1 388	10 854	6 333	3 138	2 937	3 788	3 112
Dividends and debenture interest paid		(211)	(1 655)	(1 114)	(980)	(978)	(901)	(236)
Cash retained from operating activities	26,2	1 177	9 199	5 219	2 158	1 959	2 887	2 876
Acquisition of property, plant and equipment		(477)	(3 657)	(1 817)	(2 348)	(2 927)	(2 617)	(1 998)
Acquisition of intangible assets		(54)	(438)	(354)	—	—	—	—
Acquisition of businesses		(1 041)	(8 350)	(2 827)	(346)	(148)	—	—
Other movements		(42)	(291)	242	8	130	(101)	60
(Increase)/decrease in funding requirements		(437)	(3 537)	463	(528)	(986)	169	938

†Figures prior to 2000 have not been restated to comply with International Accounting Standards.

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

summary of statistics

		2001	2000	1999	1998	1997	1996
Share performance							
Number of shareholders		11 273	13 245	15 018	14 577	15 230	15 455
Attributable earnings per share	– SA cents	1 120	620	409	326	422	367
	– US cents	146	99	67	67	95	94
Headline earnings per share	– SA cents	1 236	666	402	324	420	365
	– US cents	161	106	66	66	95	93
Dividends per share	– SA cents	320	220	151	147	147	123
	– US cents	39	30	25	30	33	31
Dividend cover	– times	3,5	3,2	2,7	2,2	2,9	2,8
Net worth per share	– SA cents	3 596	3 060	2 496	2 151	1 948	1 671
	– US cents	449	442	412	441	440	428
Cash flow attributable per share	– SA cents	1 716	939	491	461	604	500
	– US cents	224	149	81	95	136	128
Cash equivalent earnings per share	– SA cents	1 543	891	634	538	582	499
	– US cents	202	142	105	110	131	128
Returns and productivity							
Gross margin	– %	37,7	31,9	29,0	23,2	26,0	24,0
Operating margin	– %	26,1	24,4	19,3	18,7	24,7	23,7
Return on:							
Total shareholders' equity	– %	35,2	24,4	16,8	15,9	21,8	20,2
Total assets	– %	27,7	23,9	17,1	15,2	21,9	20,5
Net assets	– %	55,2	38,6	29,0	27,3	39,8	33,1
Effective rate of taxation	– %	33,0	32,7	31,9	37,3	37,6	35,1
Net asset turn	– times	2,1	1,6	1,4	1,3	1,4	1,2
Inventory turn	– times	4,7	5,4	5,1	5,2	5,5	6,4
Solvency and liquidity							
Total liabilities to total shareholders' equity	– %	124,7	67,5	30,0	41,7	37,8	41,6
Total borrowings to total shareholders' equity	– %	38,0	8,5	5,9	13,9	7,7	10,4
Net borrowings to total shareholders' equity*	– %	27,4	5,6	0,9	—	—	—
Interest cover	– times	21,7	16,8	10,3	17,6	21,4	15,0
Current ratio	– :1	1,4	1,7	1,7	1,5	1,8	1,8
Stock exchange performance							
Market capitalisation	– R million	50 540	28 307	25 396	21 071	34 468	28 346
	– USD million	6 300	4 085	4 194	3 859	7 646	6 518
Premium over total shareholders' equity	– R million	28 323	10 592	10 265	8 046	22 690	18 269
	– USD million	3 528	1 525	1 695	1 474	5 033	4 201
Earnings yield	– %	14,7	13,3	9,8	9,4	7,4	7,8
Dividend yield	– %	4,2	4,7	3,6	4,2	2,6	2,6
Price : Earnings ratio	– :1	6,8	7,5	10,2	10,7	13,5	12,8
JSE all share index		134	112	102	98	108	100
JSE chemicals, oils and plastics index		147	97	85	73	114	100
Sasol share price index		162	99	89	74	121	100
Employee statistics							
Number of employees		30 800	26 300	24 300	24 900	24 700	25 000
Paid to employees	– R million	4 957	3 943	3 265	2 948	2 668	2 326
	– USD million	648	628	539	605	602	595
Average paid to employees	– Rand	160 942	149 924	134 362	118 394	108 016	93 040
	– USD	21 039	23 878	22 181	24 297	24 372	23 800
Other							
Weighted average derived crude oil price	– USD/bbl	26,41	19,33	10,30	14,60	18,30	19,30
Average crude oil price (Brent)	– USD/bbl	28,38	24,03	12,60	16,15	20,92	17,81

*For 1998, 1997 and 1996 the result is a net cash surplus

definitions



Headline earnings per share Earnings attributable to shareholders, adjusted for the after taxation effect of items that are capital in nature, divided by the weighted average number of shares in issue after the share buyback programme.

Dividend cover Earnings attributable to shareholders divided by dividends paid.

Net worth per ordinary share Total shareholders' equity divided by the total number of shares in issue after the share buyback programme.

Cash flow attributable per share Cash available from operating activities, less minority participation, divided by the weighted average number of shares in issue after the share buyback programme.

Cash equivalent earnings per share Earnings attributable to shareholders, after adjusting for attributable non-cash items, divided by the weighted average number of shares in issue after the share buyback programme.

Gross margin Gross profit expressed as a percentage of sales.

Operating margin Operating profit expressed as a percentage of sales.

Return on total shareholders' interest Earnings attributable to shareholders expressed as a percentage of average total shareholders' equity.

Net assets Total assets less total liabilities.

Return on total assets and net assets Net income before interest paid and taxation expressed as a percentage of average total and average net assets.

Effective rate of taxation Taxation expressed as a percentage of net income before taxation.

Net asset turn Sales divided by average net assets.

Inventory turn Cost of sales divided by average inventories.

Total liabilities Long-term liabilities plus total current liabilities.

Total borrowings Long-term liabilities (excluding long-term provisions) plus short-term loans.

Net borrowings Total borrowings less cash funds.

Interest paid Represents the gross amount paid.

Interest cover Net income before interest paid and taxation divided by interest paid.

Current ratio Current assets divided by current liabilities.

Indices Indices are based on the JSE Securities Exchange South Africa all share index, chemicals, oils and plastics index and the Sasol Limited market price at each financial year end, using an adjusted base of 1996 equals 100.

With effect from the 2001 financial year, the Group changed from South African statements of Generally Accepted Accounting Practice to International Accounting Standards. The 2000 comparative figures have been restated, however, figures prior to 2000 have not been adjusted.

share ownership

at 25 June 2001 before share buyback programme

Registered ownership	Number of shareholders	% of shareholders	Number of shares	% of shares
Holdings				
1 – 1 000 shares	10 019	88,9	2 296 222	0,4
1 001 – 5 000 shares	995	8,8	1 926 375	0,3
5 001 – 10 000 shares	105	0,9	766 623	0,1
10 001 – 50 000 shares	103	0,9	2 127 873	0,3
50 001 – 100 000 shares	13	0,1	962 324	0,1
100 001 – 1 000 000 shares	18	0,2	6 013 228	0,9
Over 1 000 000 shares	20	0,2	650 886 880	97,9
	11 273	100,0	664 979 525	100,0
Category				
Companies	208	1,8	101 332 173	15,2
Insurance companies	5	0,1	230 789	0,1
Pension funds	9	0,1	3 987 366	0,6
Nominee companies	349	3,1	554 023 100	83,3
Private individuals	10 702	94,9	5 406 097	0,8
	11 273	100,0	664 979 525	100,0
South African	10 720	95,1	664 734 379	100,0
Foreign	553	4,9	245 146	—
	11 273	100,0	664 979 525	100,0

Major individual holdings

The register of shareholders does not reflect, nor have the directors been informed of, any beneficial shareholdings at 25 June 2001 which represent 5% or more of the total issued shares of the company other than the following:

	Number of shares	% of shares
Standard Bank Nominees (Tvl) (Pty) Limited	89 214 083	13,4
Nedcor Bank Nominees Limited	77 492 174	11,7
CMB Nominees (Pty) Limited	54 880 718	8,3
Konoil (Pty) Limited	53 542 194	8,1
Sasol International Holdings (Pty) Limited	47 074 900	7,1
First National Nominees (Pty) Limited	41 108 785	6,2
Absa Nominees (Pty) Limited	40 873 758	6,1
Old Mutual Nominees (Pty) Limited	36 659 818	5,5

Beneficial holding disclosures

Pursuant to the provisions of Section 140A of the Companies Act of 1973, the following beneficial shareholdings exceeding 2% in aggregate, as at 30 June 2001, were disclosed by the above nominee companies or established from enquiries:

	Number of shares	% of shares
Public Investment Commissioner	79 664 521	12,0
Industrial Development Corporation	53 492 394	8,0
Sasol Limited	47 074 900	7,1
Urd Beleggings	20 046 151	3,0
Old Mutual Life Assurance Company SA Limited	17 853 799	2,7
Absa Trust	17 691 867	2,7
Europacific Growth Fund	16 794 100	2,5
Liberty Life Association of Africa	14 718 628	2,2
Old Mutual Sub-Companies	14 162 313	2,1

statement of value added

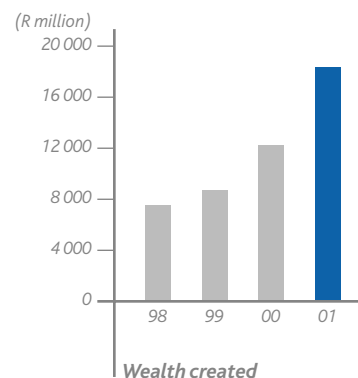
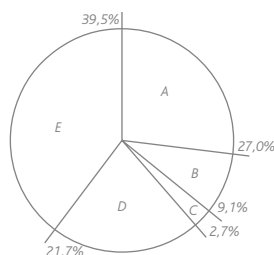


at 25 June

	2001 USDm	2001 Rm	2000 Rm	1999 Rm	1998 Rm				
Sales	5 399	41 289	25 762	19 180	16 666				
Less purchased materials and services	3 029	23 152	13 754	10 860	9 417				
Value added	2 370	18 137	12 008	8 320	7 249				
Investment income	32	255	204	384	269				
Total wealth created	2 402	18 392	12 212	8 704	7 518				
Wealth distribution	%		%	%	%				
Employees	27,0	648	4 957	32,3	3 943	37,5	3 265	39,2	2 948
Providers of equity capital	9,1	215	1 682	9,2	1 123	10,9	947	12,2	918
Providers of loan capital	2,7	66	509	3,2	396	4,6	398	2,6	193
Government	21,7	522	3 988	17,4	2 125	12,2	1 063	11,0	829
Reinvested in the Group	39,5	951	7 256	37,9	4 625	34,8	3 031	35,0	2 630
Total wealth distribution	100,0	2 402	18 392	100,0	12 212	100,0	8 704	100,0	7 518
Value added statistics									
Number of employees at year end	30 800	30 800	26 300	24 300	24 900				
	USD	Rand	Rand	Rand	Rand				
Sales per employee	175 292	1 340 552	979 544	789 300	669 317				
Value added per employee	76 948	588 864	456 578	342 387	291 124				
Wealth created per employee	77 987	597 143	464 335	358 189	301 928				

Wealth distribution

- A Employees
- B Providers of equity capital
- C Providers of loan capital
- D Government
- E Reinvested in the Group



monetary exchanges with government

	2001 USDm	2001 Rm	2000 Rm	1999 Rm	1998 Rm
Direct taxes	522	3 988	2 125	1 063	829
Employees' tax	130	995	790	637	577
Customs and excise duty	103	786	778	800	692
Property tax	2	15	14	13	7
RSC levies	9	66	51	37	35
VAT paid	135	1 032	1 180	907	626
Other	4	31	33	30	32
	905	6 913	4 971	3 487	2 798
VAT received	(167)	(1 279)	(1 289)	(1 195)	(1 081)
Other	—	—	—	(2)	(1)
Net monetary exchanges with Government	738	5 634	3 682	2 290	1 716

corporate governance

Corporate governance structures and mechanisms have been in place at Sasol since its inception. These structures and mechanisms are constantly reviewed to reflect internal corporate changes, legislative changes and national and international developments in relation to corporate governance. In particular, the company is studying the Code of Corporate Practices and Conduct contained in the draft King II Committee report on corporate governance in South Africa, in anticipation of the new code coming into effect on 1 January 2002.

All the key principles underlying responsible and effective corporate governance practices and conduct are reflected in Sasol's corporate governance structures and practices.

The Board of Directors The company has a unitary board of directors comprising seven non-executive directors and five executive directors. The offices of chairman and deputy chairman/chief executive are separated and are filled respectively by a non-executive director (P du P Kruger) and an executive director (P V Cox).

A resolution of the board can only be passed by a quorum of five directors, three of whom must be non-executive.

The board meets at least four times a year, retains the strategic direction of the company, as well as full and effective control over the company, and monitors the executive management through a structured approach to reporting and accountability. The company, however, adopts a decentralised approach to the day-to-day running of the businesses of the Sasol Group.

The non-executive directors are chosen for their business skills and acumen and bring independent, experienced judgments to bear on issues of strategy, performance and resources, including key appointments, standards of conduct, protection of shareholders' interests and setting company policy.

In terms of the company's articles of association, four directors are obliged to retire at the annual general meeting and are eligible for re-election.

All directors have access to the advice and services of the company secretary, whose appointment is in accordance with the provisions of the Companies Act, and who is responsible to the board for ensuring the proper administration of board proceedings. The company secretary also provides guidance to the directors in regard to their responsibilities within the prevailing regulatory and statutory environment and the manner in which such responsibilities, including non-dealing in the company's shares during restricted periods, should be discharged. A report on directors' dealings in the company's shares is tabled at each board meeting and disclosed to the JSE Securities Exchange South Africa in accordance with the applicable regulations.

The directors are entitled to seek independent professional advice concerning the affairs of the company and have access to any information they may require.

Board committees To assist the board in discharging its responsibilities, a number of committees have been established. These committees all have specific terms of reference and are accountable to the board.

The company's subsidiaries, as well as their operating divisions, have established committee structures to ensure the maintenance of high standards and best practices throughout the Group.

The Group Executive Committee The group executive committee consists of the company's five executive directors, the managing directors of the company's main operating subsidiaries and certain members of the company's general management with group functional responsibility for finance, legal, procurement and supply management, human resources and technology management. The group executive committee is responsible to the board and meets approximately fortnightly to deal with a wide range of matters concerning the management of the Group. The focus of the committee is on the formulation of Group strategy and policy and the alignment of initiatives and activities in the Group.

The Compensation Committee The compensation committee was established in 1989 and comprises three members, all of whom are non-executive directors. The members are P du P Kruger (chairman), W A M Clewlow and E le R Bradley.

The compensation committee meets regularly to discuss and determine the Group's human resources policy and strategy and the remuneration packages of all directors and senior management.

Directors' emoluments and other relevant remuneration, required to be disclosed in accordance with applicable legislation and regulations, are disclosed in the financial statements.

The Audit Committee The audit committee was established in 1988 and is an important element of the board's system of monitoring and control and overseeing the practice of good corporate governance. The audit committee meets at least three times a year. The members of the audit committee, all of whom are non-executive directors, are W A M Clewlow (chairman), B P Connellan and C B Strauss.

The audit committee meets periodically with the Group's external and internal auditors and executive management to consider risk assessment and management, to review the audit plans of the external auditors and to review accounting, auditing, financial reporting, corporate governance and compliance matters. Interim and annual results of the Group are reviewed by the audit committee before publication.

The audit committee usually makes recommendations and refers matters, for noting or approval, to the board. The minutes of the audit committee's meetings are also submitted to the board for noting.



Internal control The directors are ultimately responsible for the company's system of internal control, which is designed to provide reasonable assurance against material misstatement and loss. The Group maintains a system of internal financial control which is designed to provide assurance regarding:

- the safeguarding of assets against unauthorised use or disposition;
- the maintenance of proper accounting records and the reliability of financial information used within the business for publication; and
- effective accounting systems.

The system contains self-monitoring mechanisms and actions are taken to correct deficiencies as they are identified. The internal control system includes:

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

The company's insurance services and business unit operational risk management staff undertake regular risk control audits, which are applied against international standards, of all the company's plants and operations. The Group participates in an international insurance programme which provides, at competitive costs, insurance cover for losses above acceptable deductibles.

The Group has an independent audit function which assists executive management and the audit committee in the execution of their responsibilities, monitors the effectiveness of the accounting system and related internal controls on a continuing basis and interacts with the external audit function. The internal audit department conducts regular audits at all operations and units in the Group.

Procedures exist to identify key business risks timeously, to determine the likelihood of the risks occurring and to determine the significance of the consequential financial impact on the business. Any weaknesses or lapses in internal control, which are identified by the internal auditors, are brought to the attention of senior management and the directors.

Sasol's Safety, Health and Environment (SHE) Corporate Governance committee, comprising executives and senior management of the Group's business units, formulates and monitors the implementation of SHE policies for the Group and acts in an advisory capacity on SHE issues for the Group's business units. Sasol's SHE centre at Rosebank provides guidance, as the Group's centre of excellence, for knowledge, support and risk management on SHE issues and co-ordinates the Group's resources in SHE management.

Worker participation and employment equity The Group has established participative structures on issues which affect

employees directly and materially and is committed to providing equal opportunities for its employees regardless of their ethnic origin or gender. A number of programmes, to ensure practical application of the company's commitment to worker participation and employment equity while maintaining the company's high standards and statutory compliance, have been implemented.

Code of ethics Sasol's business conduct guide commits the Group to the highest standards of compliance with laws and regulations, integrity, behaviour and ethics in dealing with all its stakeholders. The guide also sets out commercial policies and procedures required to be followed in the conduct of all aspects of the Group's business dealings. In every case where ethical standards are called into question, or where unethical conduct is reported, the circumstances are investigated and acted upon by the appropriate executive or member of senior management.

An ethics "HotLine" operated by one of the reputable international accounting firms will be established early in the new financial year. The "HotLine" provides an independent facility for stakeholders of the company to anonymously report fraud and other crimes, deviations from the procurement policy and other irregularities.

Insider trading The company secretary regularly disseminates a written notice to all directors, senior employees, management and executives, throughout the Group, informing them of the provisions of the Insider Trading Act and that dealing in Sasol shares, during certain restricted periods, may not be undertaken.

Investor relations and shareholder communication The company's deputy chairman/chief executive as well as investor relations management and senior financial management conduct regular presentations on the Group's performance and strategy to analysts, institutional investors and the media in South Africa, the United States of America, Europe and the United Kingdom.

The company's investor relations management maintains regular contact with the investment community and analysts.

In order to ensure that the company communicates with its smaller shareholders and its stakeholders who may not have access to the electronic media, the company publishes details of its corporate actions and performance, including its interim and final results as well as the chairman's statement, in the main daily newspapers circulating in South Africa. The annual report is sent to every registered shareholder of the company.

The company's communications department also maintains regular contact with the media in the dissemination of relevant information. In addition, the company maintains a website (<http://www.sasol.com>) at which access is available to the company's latest financial, operational and historical information.

sasol limited group approval of the financial statements

The directors are responsible for the preparation and integrity of the consolidated annual financial statements and related financial information included in this report. The Group's external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. The directors are of the opinion, based on the information and explanations given by management, the internal auditors and the external auditors, that the system of internal control provides reasonable assurance that the financial records may be relied on for the

preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The consolidated annual financial statements, set out on pages 110 to 166, which have been prepared on the going concern basis, were approved by the board of directors on 3 September 2001 and were signed on their behalf by:



Director



Director

Johannesburg
3 September 2001

certificate of the company secretary

In my capacity as the Company Secretary, I hereby confirm, in terms of the Companies Act, 1973, that for the year ended 25 June 2001, Sasol Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Company Secretary

3 September 2001



To the members of Sasol Limited

We have audited the consolidated annual financial statements of Sasol Limited set out on pages 110 to 166 for the year ended 25 June 2001. These financial statements are the responsibility of the directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion In our opinion, the consolidated annual financial statements fairly present, in all material respects, the financial position of the Group at 25 June 2001, and the results of its operations and cash flows for the year then ended in accordance with International Accounting Standards and in the manner required by the South African Companies Act.

KPMG Inc.

Registered Accountants and Auditors
Chartered Accountants (SA)

Johannesburg
3 September 2001

sasol limited group directors' report

(Company registration number 1979/003231/06)

The directors have pleasure in presenting their report for the year ended 25 June 2001.

Nature of business The main business of the Group is the production (from coal and crude oil) and marketing of liquid fuels, pipeline gas, waxes, detergent range alcohols, solvents, petrochemicals, plastics, fertilisers and mining explosives and the marketing and mining of coal. The nature of the businesses of the significant operating subsidiaries and incorporated jointly controlled entities is set out on pages 164 to 166.

Financial results The consolidated earnings, attributable to the shareholders of Sasol Limited, amounted to R7 025 million for the year compared with R4 096 million for the previous year, an increase of 71,5%. Headline earnings per share, after the share buyback programme, increased by 85,6% from 666 cents to 1 236 cents.

During the year, the directors approved the implementation of the accounting standards issued by the International Accounting Standards Committee. The consolidated annual financial statements have been prepared as if they had always been prepared in accordance with these standards, effective for the period of first time application. Comparative figures have been restated where appropriate.

The directors approved the reclassification of the general and equalisation reserves to accumulated profit.

Full details of the financial results are disclosed in the financial statements.

Subsidiaries and incorporated jointly controlled entities With effect from 26 June 2000, the remaining 50% of Fedmis Phalaborwa was acquired and with effect from 1 March 2001 the entire chemical business of RWE-DEA Aktiengesellschaft für Mineraloel und Chemie of Germany, now called Sasol Chemie. During the year, the minority interests in Sasol Mining Initiators (Pty) Limited, SMI Technology (Pty) Limited and Polyfos (Pty) Limited were acquired. During the year, a dormant subsidiary, Carl Bechem Africa (Pty) Limited was disposed of.

Share capital During the year 19 275 300 shares of Sasol Limited were purchased by the wholly owned subsidiary, Sasol International Holdings (Pty) Limited, at a total cost of R1 119 million. This brings the total shareholding of Sasol

International Holdings (Pty) Limited to 47 074 900 shares representing 7,1% of Sasol Limited's issued share capital. Shareholders' equity has been reduced by the cost of these shares. There is no intention to trade these shares and no dividends are paid in respect of these shares outside the Group. These shares are classified as treasury shares.

In terms of the Sasol Share Incentive Scheme 25 693 300 shares (2000 – 27 459 300 shares) are under the control of the directors for purposes of enabling Sasol Limited to allot shares and to grant options in respect of shares to present and future employees, including executive directors, of Sasol Limited, its subsidiaries and jointly controlled entities. Note 22 to the financial statements gives further details regarding the shares of Sasol Limited.

Convertible debentures With effect from 26 June 2000, the 56 382 400 8,5% unsecured automatically convertible subordinated debentures were converted into ordinary shares on the basis of one ordinary share per debenture.

Domestic medium-term note programme During the year, a wholly owned subsidiary, Sasol Financing (Pty) Limited, issued R900 million domestic medium-term notes. Sasol Limited has irrevocably bound itself to the domestic medium-term bond holders as surety for and co-principal debtor in solidum with Sasol Financing (Pty) Limited for the due and punctual fulfilment and performance of all the note obligations. Page 149 of the financial statements gives further details regarding the domestic medium-term note programme.

Commercial paper Sasol Financing (Pty) Limited issued one-year non-listed commercial paper for R1 100 million on 19 March 2001.

Offshore revolving credit facility A syndicated dual-tranche revolving credit facility of United States dollars 400 million was concluded on 9 November 2000 in the form of three-year and five-year tranches with an option to extend the three-year tranche to five years.

Dividends An interim dividend of 140 cents per share (2000 – 83 cents per share) was paid on 26 April 2001. A final dividend in respect of the year ended 25 June 2001 of 180 cents per share (2000 – 137 cents per share) was declared on 3 September 2001. As the final dividend was



declared subsequent to the financial year end, in terms of the provisions of International Accounting Standards, no provision has been recognised in the annual financial statements in respect of this final dividend. The total dividend for the year amounted to 320 cents per share (2000 – 220 cents per share). This total dividend is covered approximately three times by earnings.

Dividend policy The dividend policy is to distribute increasing dividends, on a regular basis, covered approximately three times by earnings. Dividends for the year increased by 100 cents per share. The average dividend cover over the last five years is 2,9 times.

Property, plant and equipment Capital expenditure authorised less expenditure incurred to 25 June 2001 amounted to R7 549 million (2000 – R6 682 million). The capital expenditure relates mainly to the Sasol Polymers Far East projects, a detergent-range alcohols plant at Sasol Alpha Olefins, an n-Butanol plant at Sasol Solvents, a skeletal isomerisation project at Sasol Synthetic Fuels, the Natref 2000 expansion project, the Global Joint Venture projects, exploration projects for the Sasol Petroleum International group as well as normal replacements, renewals and plant optimisation.

The acrylonitrile, acid recovery and crotonaldehyde plants at Sasol Chemical Industries and mining activities in Sasolburg were impaired during the year.

Principal foreign currency conversion rates One unit of foreign currency equals:

At 25 June	2001	2000
	Rand	Rand
Euro	6,8921	6,5429
Pound sterling	11,3366	10,4313
United States dollar	8,0225	6,9288

Average for the year ended

25 June	2001	2000
	Rand	Rand
Euro	6,7870	6,3488
Pound sterling	11,0552	10,0968
United States dollar	7,6485	6,2815

Directors With effect from 9 May 2001, TS Munday was appointed an executive director. The composition of the board of directors is given on pages 6 and 7. The directors' emoluments of Sasol Limited are set out on pages 162 and 163.

Terms of contracts There are no long-term service contracts with executive or non-executive directors.

Special resolutions

Sasol Limited Allow the company or any of its subsidiaries to repurchase its shares up to a maximum of 10% of the issued share capital.

Issue 175 000 share options to non-executive directors in terms of the Sasol Share Incentive Scheme.

Subsidiaries National Petroleum Refiners of South Africa (Pty) Limited increased its issued share capital by registering 770 variable rate redeemable preference shares of R1 each at a premium of R999 999 each.

Merichem Sasol (RSA) (Pty) Limited changed its name to Merisol RSA (Pty) Limited.

The South African Gas Distribution Corporation changed its name to Sasol Gas Limited.

Post-balance sheet events

Change of year end As part of Sasol's globalisation process, the board approved that the financial year end be changed from 25 June to 30 June with effect from the 2002 financial year.

Redeemable preference share issue A subsidiary company, National Petroleum Refiners of South Africa (Pty) Limited, issued 455 variable rate redeemable preference shares of R1 each at a premium of R999 999 each.

Secretary The Company Secretary of Sasol Limited is Dr N L Joubert. His business and postal addresses appear on page 172.

Sasol Limited is a company domiciled in the Republic of South Africa. The consolidated annual financial statements of the Group for the year ended 25 June 2001 comprise the company, its subsidiaries and the Group's interest in associates and jointly controlled entities.

Statement of compliance The consolidated annual financial statements have been prepared in accordance with the accounting standards issued by the International Accounting Standards Committee (IASC), interpretations issued by the Standing Interpretations Committee of the IASC and the requirements of South African law.

Basis of preparation The consolidated annual financial statements are prepared on the historical cost basis except for commodity derivative financial instruments and open foreign exchange contracts, which are presented at fair value.

The consolidated annual financial statements have been prepared for the first time in accordance with the accounting standards and interpretations issued by the IASC. The consolidated annual financial statements have been prepared as if they had always been prepared in accordance with these standards and interpretations, effective for the period of first time application. Comparative figures have been restated where appropriate.

The consolidated annual financial statements are prepared using uniform accounting policies. Where applicable, adjustments are made where the accounting policies of subsidiaries, jointly controlled entities and associates are different to those of the holding company.

Basis of consolidation The consolidated annual financial statements incorporate the assets, liabilities, revenue, expenses and cash flows of the holding company and its subsidiaries and the proportionate interest in the assets, liabilities, revenue, expenses and cash flows of jointly controlled entities and the Group's interest in associates.

All significant inter company transactions, balances and unrealised gains and losses within the Group are eliminated on consolidation.

Subsidiaries Entities in which the Group can exercise effective voting control, at either equity or board level, are regarded as subsidiaries. Control exists where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. The results

of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the date control commences until the date that control ceases.

Jointly controlled entities Jointly controlled entities are those entities over which the Group exercises joint control under a contractual arrangement. The Group's share of the assets, liabilities, revenue, expenses and cash flows of jointly controlled entities are proportionately consolidated on a line by line basis from the date that joint control commences until the date that joint control ceases.

Associates An associate is an entity other than a subsidiary or jointly controlled entity in which the Group holds a long-term investment and exercises significant influence on the financial and operating policies. The results of associates are accounted for according to the equity method. The investment in an associate is written down when there is considered to be a diminution in value. Associates that have years ending other than 25 June are included in the consolidated annual financial statements using their most recently audited annual financial statements. Adjustments are made to the associate's results for material transactions and events between the Group and the associate in the intervening period.

Translation of foreign entities and operations **Foreign entities** A foreign entity is a foreign operation whose activities are not an integral part of the Group. The assets and liabilities of foreign entities are converted to South African rand at rates of exchange ruling at the balance sheet date. Fair value adjustments are effected in the foreign entity and are translated at rates of exchange ruling at the balance sheet date. Income and expenditure are converted at the average rates of exchange for the period. Differences arising from the conversion of a foreign entity are classified as a translation reserve.

Integrated foreign operations An integrated foreign operation's activities are integral to that of the Group. Transactions are translated at rates of exchange ruling at the transaction date. Differences arising from the conversion of a foreign operation are recognised as income or expenses in the period in which they arise.

Property, plant and equipment Property, plant and equipment is stated at cost to the company which first acquired the asset, less accumulated depreciation and impairment losses. Land is not depreciated.



The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of overheads. Cost also includes site rehabilitation costs that are recognised as a liability on the date the asset is brought into use. The cost of plant includes interest capitalised during the construction period where financed by external borrowings. Major expenditure on plant renewal is capitalised when additional future economic benefits are created. The book value of assets replaced during plant renewal is written off.

Property, plant and equipment is depreciated on the straight-line method over the expected useful life of the asset.

Expenditure on geographic expansion at the existing mines and on certain minor assets is written off.

Assets acquired under finance lease agreements are capitalised, at the lower of fair value and the present value of the minimum lease payments at the inception of the lease, with the equivalent amount being shown as a liability. Lease payments are allocated between a reduction in the liability to the lessor and interest charged to income on the effective interest rate method.

Intangible assets Intangible assets are carried at cost to the company which first acquired or developed the asset, less accumulated amortisation and impairment losses.

Software Package software and the direct costs associated with the development and installation thereof are capitalised. Software is amortised on the straight-line basis over three years from the date of commission.

Patents and trademarks Where patents and trademarks are acquired from third parties, the costs are capitalised and amortised on the straight-line basis over their expected useful lives. Expenditure incurred to extend the life of the patents or trademarks is capitalised if it increases the future economic benefits to be derived from the assets. This capitalised expenditure is amortised over the remaining useful life of the assets.

Research and development expenditure Research and development expenditure is written off in the period in which it is incurred. Where development expenditure relates to a new or substantially improved product or process it is capitalised if the product or process is technically and commercially feasible.

Capitalised development expenditure not related to a specific item of property, plant and equipment is stated at

cost less accumulated amortisation and impairment losses. This capitalised expenditure is written off over a period not exceeding five years.

Exploration expenditure The successful efforts method is applied in accounting for exploration expenditure. Unsuccessful exploration expenditure is written off in the period in which it is incurred. The success or failure of each exploration effort is judged regularly on a site-by-site basis. Once proven reserves have been identified, any additional expenditure is capitalised and written off over the expected useful life of the reserves, not exceeding twenty-five years.

Impairment of assets The book value of the assets, other than inventories and deferred taxation, is reviewed at each balance sheet date to determine if there is any indication of impairment. An impairment loss is recognised in the income statement when the book value exceeds the recoverable amount. The recoverable amount is the greater of net realisable value and value in use. In determining the value in use, expected future cash flows are discounted to their estimated present values.

A previously recognised impairment loss will be reversed in so far as estimates change, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised as income.

Township land and residential buildings Land is stated at cost less accumulated impairment losses. Buildings are stated at cost less accumulated depreciation and impairment losses. Buildings are depreciated on the straight-line method over their expected useful lives.

Business combinations The excess of the cost of acquisition over the fair value of the Group's interest in the net assets of subsidiaries and jointly controlled entities at the date of acquisition is treated as goodwill. Goodwill is amortised on the straight-line method over the expected useful life of the asset, not exceeding twenty years.

Negative goodwill is recognised where the fair value of the Group's interest in the net assets of the entity exceeds the cost of acquisition. It is taken to income immediately in the case of an expectation of future losses or in respect of monetary assets. To the extent that negative goodwill relates to depreciable assets, it is recognised as income over the useful life of those assets.

Goodwill is stated at cost less accumulated amortisation and impairment losses.

Long-term investments Long-term investments are shown at cost less provisions and amounts written off. The directors review investments on an annual basis for any possible diminution in value.

Inventories Inventories are valued at the lower of cost and net realisable value. Crude oil and raw materials are valued at purchase price according to the first in first out (FIFO) method. Process, maintenance and other materials are valued at weighted average purchase price. Manufactured products are valued at production cost (excluding administrative costs), according to the FIFO method. Redundant items are written off and adequate provision is made in respect of slow-moving items.

Trade and other receivables Bad debts are written off and provision is made for doubtful debts.

Provisions A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event and it is probable that it will be required to settle the obligation.

Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

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

Taxation The current taxation charge is based on the results for the year after adjusting for disallowed expenditure. The charge is calculated using rates applicable at balance sheet date.

Deferred taxation is provided for using the balance sheet liability method, at tax rates applicable at balance sheet date, providing for temporary differences between the book value of assets and liabilities for accounting purposes and the amounts used for taxation purposes with the exception of goodwill.

Deferred taxation assets are not raised unless it is probable that future taxable profits will be available against which the deferred taxation asset can be realised in the foreseeable future. Deferred taxation assets are reduced to the extent

that it is no longer probable that the related tax benefit will be realised.

Revenue Revenue comprises the sale of products, services rendered, licence fees, royalties, dividends and interest, excluding value-added tax, excise duty and levies and including tariff protection where applicable.

Revenue from:

- The sale of products is recognised when the significant risks and rewards of ownership are transferred;
- The rendering of services is based on the stage of completion in relation to the total project;
- Licence fees and royalties is recognised on an accrual basis;
- Dividends is recognised when it is probable that payment will be received; and
- Interest is recognised on a time proportion basis.

Transactions in foreign currencies Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Transactions in foreign currencies are recognised initially at cost.

Realised and unrealised gains and losses on forward exchange contracts entered into as hedges are recognised as income and expenses on the same basis and over the same period as the hedged assets or liabilities, when the contracts are entered into with the intention to hedge another transaction which has a high degree of correlation with the hedging instrument.

Open foreign exchange contracts are marked to market at year end, and resulting gains or losses are recognised in the income statement. Monetary assets and liabilities in foreign currency are translated at the rate of exchange ruling at the balance sheet date.

Any foreign exchange differences are dealt with in the income statement in the period in which the difference occurs.

Dividends payable Dividends payable are recognised as a liability in the period in which they are declared.

Derivative instruments Derivative instruments are entered into for the primary purpose of reducing exposure to fluctuations in foreign exchange rates and to manage the Group's exposure to changes in crude oil prices. Derivative instruments are recognised initially at cost.



All derivatives held for managing commodity risk are marked to market and all gains and losses are recognised in the income statement in the period in which they are incurred.

Fair value represents the approximation of current market values but these may differ from the values that will finally be realised.

Employee benefits *Defined contribution plans*

Contributions to defined contribution pension plans are recognised as expenditure in the period in which they are incurred.

Defined benefit plans The Group's net obligation in respect of defined benefit pension plans is calculated separately for each defined benefit plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

This future benefit is discounted to determine its present value from which the fair value of any assets of each plan is deducted. The discount rate is the yield at balance sheet date on AAA credit rated bonds that have maturity dates approximating the terms of the Group's net obligations. Actuaries perform this calculation every two years using the projected unit credit method. In the intervening periods the calculation is updated based on information received from the actuaries.

When the benefits of a plan increase, the portion relating to past service is written off on the straight-line method over the employees' average remaining working period until the benefits become vested. Once the benefits vest, the expense is written off.

To the extent that any actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of the assets of each plan, the Group's obligation is recognised in the income statement over the expected average remaining working period of the participating employees.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the net total of actuarial losses and past service costs and the present value of any future refunds or reductions in future contributions.

Long-term service benefits The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have

earned in return for their service in the current and prior periods. The net obligation is calculated using the projected unit credit method and is discounted to its present value at the rate applicable to high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

Equity and equity-related compensation benefits The Sasol Share Incentive Scheme allows Group employees the option to acquire shares in Sasol Limited over a prescribed period. The exercise price of these options equals the market price of the underlying shares on the trading day immediately preceding the granting of the option. Consequently no compensation cost or obligation is recognised. When the options are exercised, stated capital is increased by the proceeds received.

Share buyback programme When Sasol Limited's shares are repurchased by a subsidiary, the amount paid, including directly attributable costs, is disclosed as a deduction from Group equity. Shares repurchased are classified as treasury shares.

Comparative figures Comparative figures have been reclassified or restated where necessary to afford a proper comparison.

Segmental reporting Segment information is reported using the accounting policies adopted by the Group. Business segments based on product lines form the basis of the primary segmental analysis. In terms of the secondary, geographical segmental analysis, income statement items and trade receivables are reported by location of customer, other assets by the location of the operating activities and liabilities by source.

Conversion to United States dollars The conversion to United States dollars was performed as follows:

- Stated capital and the general and equalisation reserves were translated at applicable historical rates of exchange;
- Convertible debentures were translated at the rate of exchange ruling on date of issue;
- Accumulated profit at 26 June 1999 was translated at the closing rate of exchange at that date;
- Assets and liabilities were translated at the closing rate of exchange at each year end;
- Income, expenses and cash flows were translated at average exchange rates for those years except for significant transactions which were translated at rates ruling on transaction date; and
- The resulting translation differences were included in total shareholders' equity.

sasol limited group balance sheet

at 25 June

2000 USDm	2001 USDm		Note	2001 Rm	2000 Rm
ASSETS					
2 714	3 483	Property, plant and equipment	1	27 925	18 798
84	134	Intangible assets	2	1 071	590
19	14	Township land and residential buildings	3	110	125
20	(65)	Goodwill	4	(523)	141
39	105	Investments	5	845	265
105	101	Long-term loans and debtors	6	811	725
2 981	3 772	Non-current assets		30 239	20 644
532	899	Inventories	7	7 210	3 686
697	1 260	Trade and other receivables	8	10 109	4 829
73	296	Cash and cash equivalents		2 370	506
1 302	2 455	Current assets		19 689	9 021
4 283	6 227	TOTAL ASSETS		49 928	29 665
EQUITY AND LIABILITIES					
2 560	2 772	Total shareholders' equity		22 217	17 715
15	13	Minority interest		107	106
63	620	Long-term liabilities	9	4 970	445
364	531	Long-term provisions	10	4 249	2 526
501	584	Deferred taxation	11	4 689	3 477
928	1 735	Non-current liabilities		13 908	6 448
152	434	Short-term loans	12	3 479	1 056
1	73	Short-term provisions	13	592	4
170	275	Taxation payable		2 206	1 176
457	925	Trade and other payables	14	7 419	3 160
780	1 707	Current liabilities		13 696	5 396
4 283	6 227	TOTAL EQUITY AND LIABILITIES		49 928	29 665



for the year ended 25 June

2000 USDm	2001 USDm		Note	2001 Rm	2000 Rm
4 101	5 399	Sales	15	41 289	25 762
(2 791)	(3 363)	Cost of sales		(25 720)	(17 534)
1 310	2 036	Gross profit		15 569	8 228
(308)	(627)	Selling and administrative expenditure		(4 796)	(1 936)
1 002	1 409	Operating profit	16	10 773	6 292
31	31	Non-trading income	17	244	198
(61)	(66)	Finance costs	18	(509)	(387)
972	1 374	Net income before taxation		10 508	6 103
(318)	(454)	Taxation	19	(3 467)	(1 994)
654	920	Income after taxation		7 041	4 109
1	1	Income from associates	20	11	6
(3)	(4)	Minority interest		(27)	(19)
652	917	Earnings attributable to shareholders		7 025	4 096
660,8	627,3	Weighted average number of shares (million)		627,3	660,8
		Earnings per share (cents)	21		
99	146	– attributable earnings basis		1 120	620
106	161	– headline earnings basis		1 236	666
		Dividends per share (cents)			
14	18	– final (prior year)		137	86
12	17	– interim (current year)		140	83
18	22	– final (current year)*		180	137

*Declared subsequent to 25 June 2001 and has been presented for information purposes only. No provision regarding this final dividend has been recognised.

sasol limited group statement of changes in equity

for the year ended 25 June

2000 USDm	2001 USDm		Note	2001 Rm	2000 Rm
Share capital					
1 405	1 408	Balance at beginning of year	22	1 559	1 543
3	6	Issued during year		43	16
—	355	Conversion of debentures		1 028	—
1 408	1 769	Balance at end of year		2 630	1 559
Convertible debentures					
355	—			—	1 028
Accumulated profit					
2 063	2 545	Balance at beginning of year		15 504	12 495
652	917	Earnings attributable to shareholders		7 025	4 096
(160)	(211)	Dividends paid		(1 655)	(1 025)
(85)	(103)	– final (prior year)		(785)	(521)
(75)	(108)	– interim (current year)		(870)	(504)
(10)	—	Net debenture interest		—	(62)
—	517	Transfer from other reserves		772	—
2 545	3 768	Balance at end of year		21 646	15 504
Translation reserve					
(1 711)	(2 060)	Balance at beginning of year	23	142	74
(349)	(354)	Movement for year		208	68
(2 060)	(2 414)	Balance at end of year		350	142
General reserve					
355	355			340	340
Equalisation reserve					
162	162			432	432
517	517			772	772
—	(517)	Transfer to accumulated profit		(772)	—
517	—	Balance at end of year		—	772
Share buyback programme					
—	(205)	Balance at beginning of year	24	(1 290)	—
(205)	(146)	Repurchased during year		(1 119)	(1 290)
(205)	(351)	Balance at end of year		(2 409)	(1 290)
2 560	2 772	Total shareholders' equity		22 217	17 715
Summary					
1 408	1 769	Share capital		2 630	1 559
355	—	Convertible debentures		—	1 028
2 545	3 768	Accumulated profit		21 646	15 504
(2 060)	(2 414)	Translation reserve		350	142
355	—	General reserve		—	340
162	—	Equalisation reserve		—	432
(205)	(351)	Share buyback programme		(2 409)	(1 290)
2 560	2 772	Total shareholders' equity		22 217	17 715

sasol limited group cash flow statement



for the year ended 25 June

2000 USDm	2001 USDm		Note	2001 Rm	2000 Rm
1 398	1 889	Cash flow from operations	25	14 508	8 793
32	32	Investment income	26	253	204
(167)	(70)	Increase in working capital	27	(426)	(1 010)
1 263	1 851	Cash generated by operating activities		14 335	7 987
(61)	(66)	Finance costs paid		(509)	(387)
(216)	(397)	Taxation paid	28	(2 972)	(1 267)
986	1 388	Cash available from operating activities		10 854	6 333
(173)	(211)	Dividends and debenture interest paid	29	(1 655)	(1 114)
813	1 177	Cash retained from operating activities		9 199	5 219
(303)	(477)	Acquisition of property, plant and equipment		(3 657)	(1 817)
(52)	(54)	Acquisition of intangible assets		(438)	(354)
10	15	Long-term assets sold	30	112	72
(408)	(1 041)	Acquisition of businesses	31	(8 350)	(2 827)
13	19	Cash acquired on acquisition of businesses	31	154	89
(1)	(67)	Increase in investments		(532)	(2)
13	(9)	Movement in long-term loans and debtors		(25)	83
(728)	(1 614)	Cash utilised in investing activities		(12 736)	(4 756)
85	(437)	(Increase)/decrease in funding requirements		(3 537)	463
3	6	Share capital issued		43	16
(205)	(146)	Share buyback programme		(1 119)	(1 290)
(1)	(4)	Distributed to minority shareholders		(27)	(10)
(3)	515	Increase/(decrease) in long-term liabilities		4 097	(27)
80	302	Increase in short-term loans		2 379	546
(126)	673	Cash effect of financing activities		5 373	(765)
(41)	236	Increase/(decrease) in cash and cash equivalents		1 836	(302)
73	296	Cash and cash equivalents	32	2 370	506
19	13	– at end of year		(28)	—
(133)	(73)	– arising on translation (see note 23)		(506)	(808)
(41)	236	– at beginning of year		1 836	(302)
		Increase/(decrease) in cash and cash equivalents		1 836	(302)

sasol limited group segment report – business segmentation

	Sasol Mining		Sasol Synthetic Fuels		Sasol Oil [†]		Sasol Chemie		Alpha Olefins	
	2001 Rm	2000 Rm	2001 Rm	2000 Rm	2001 Rm	2000 Rm	2001 Rm	2000 Rm	2001 Rm	2000 Rm
Sales										
– External	784	472	12 257	8 568	7 078	5 421	6 102	—	1 271	820
– Intergroup	2 988	2 871	3 639	2 347	112	60	—	—	1	—
Total	3 772	3 343	15 896	10 915	7 190	5 481	6 102	—	1 272	820
Operating profit*										
Operating profit*	531	317	7 787	3 931	1 309	808	204	—	318	245
Impairment loss recognised	45	—	—	68	—	—	—	—	—	—
Attributable earnings	394	233	5 250	2 678	950	756	161	—	210	174
Total assets										
Total assets	4 149	3 858	6 677	6 965	3 607	2 558	15 387	—	1 976	1 413
Total liabilities*										
Total liabilities*	995	897	1 561	1 402	1 196	645	8 193	—	72	49
Capital commitments										
Capital commitments	234	292	1 119	642	879	808	1 737	—	633	1 064
Additions to property, plant and equipment										
Additions to property, plant and equipment	440	159	769	325	363	185	358	—	415	301
Cash flow from operations										
Cash flow from operations	949	739	8 599	4 657	1 575	990	576	—	348	284
Depreciation										
Depreciation	346	392	630	586	153	169	373	—	49	35
USDm										
	2001 USDm	2000 USDm	2001 USDm	2000 USDm	2001 USDm	2000 USDm	2001 USDm	2000 USDm	2001 USDm	2000 USDm
Sales										
– External	103	75	1 603	1 364	925	863	798	—	166	131
– Intergroup	391	457	476	374	15	10	—	—	—	—
Total	494	532	2 079	1 738	940	873	798	—	166	131
Operating profit*										
Operating profit*	69	50	1 018	626	171	129	27	—	42	39
Impairment loss recognised	6	—	—	11	—	—	—	—	—	—
Attributable earnings	52	37	686	426	124	120	21	—	27	28
Total assets										
Total assets	518	557	833	1 005	450	369	1 918	—	247	204
Total liabilities*										
Total liabilities*	124	129	195	202	149	93	1 021	—	9	7
Capital commitments										
Capital commitments	29	42	139	93	110	117	217	—	79	154
Additions to property, plant and equipment										
Additions to property, plant and equipment	58	27	101	54	47	31	47	—	54	49
Cash flow from operations										
Cash flow from operations	124	118	1 124	741	205	158	75	—	45	45
Depreciation										
Depreciation	45	62	82	93	20	27	49	—	6	6

Intersegmental pricing is entered into under terms that are no less favourable than those arranged with third parties, that being at arms length. The primary segments for the Group are Sasol Mining, Sasol Synthetic Fuels, Sasol Oil and Sasol Chemical Industries. Intersegment sales within the Sasol Chemical Industries business unit have been eliminated in this report.

[†] Sasol Oil includes Sasol Gas in this report.

* After write-off of capital items and goodwill.

* Excluding taxation and deferred taxation.

□ Sasol Chemical Industries strategic business unit.



Sasol Solvents South Africa		Nitrogen businesses		Sasol Polymers		Other chemicals		Sasol Financing		Other Group companies		Group	
2001 Rm	2000 Rm	2001 Rm	2000 Rm	2001 Rm	2000 Rm	2001 Rm	2000 Rm	2001 Rm	2000 Rm	2001 Rm	2000 Rm	2001 Rm	2000 Rm
2 248	1 364	3 351	2 073	4 866	4 464	3 307	2 557	—	—	25	23	41 289	25 762
145	13	52	35	38	23	946	838	—	—	524	439	8 445	6 626
2 393	1 377	3 403	2 108	4 904	4 487	4 253	3 395	—	—	549	462	49 734	32 388
384	245	263	145	863	864	(654)	(15)	74	8	(306)	(256)	10 773	6 292
117	32	—	17	—	—	466	—	—	—	35	153	663	270
279	177	187	107	588	571	(477)	(30)	(176)	(137)	(341)	(433)	7 025	4 096
2 281	1 383	2 982	2 329	3 967	3 492	6 170	6 907	840	389	1 892	371	49 928	29 665
110	34	721	497	637	503	2 172	1 956	3 557	752	1 495	456	20 709	7 191
990	1 953	33	64	684	605	183	164	—	—	1 057	1 090	7 549	6 682
435	190	126	161	411	218	183	252	—	—	157	26	3 657	1 817
548	320	407	271	1 201	1 194	462	364	74	8	(231)	(34)	14 508	8 793
49	40	113	98	247	256	364	300	—	—	15	58	2 339	1 934
2001 USDm	2000 USDm	2001 USDm	2000 USDm	2001 USDm	2000 USDm	2001 USDm	2000 USDm	2001 USDm	2000 USDm	2001 USDm	2000 USDm	2001 USDm	2000 USDm
294	217	438	330	636	710	433	407	—	—	3	4	5 399	4 101
19	2	7	6	5	4	124	133	—	—	69	70	1 106	1 056
313	219	445	336	641	714	557	540	—	—	72	74	6 505	5 157
51	39	35	24	113	138	(87)	(3)	10	1	(40)	(41)	1 409	1 002
16	6	—	3	—	—	60	—	—	—	4	23	86	43
36	28	24	18	77	91	(62)	(5)	(23)	(22)	(45)	(69)	917	652
285	200	372	336	494	504	769	997	105	57	236	54	6 227	4 283
14	5	90	72	79	73	271	282	444	109	187	65	2 583	1 037
123	282	4	9	85	87	23	23	—	—	132	157	941	964
57	32	16	27	53	36	24	41	—	—	20	6	477	303
71	50	53	43	157	190	59	57	9	1	(33)	(5)	1 889	1 398
6	6	15	16	32	41	48	47	—	—	2	10	305	308

	Republic of South Africa		Rest of Africa		Europe	
	2001 Rm	2000 Rm	2001 Rm	2000 Rm	2001 Rm	2000 Rm
Sales						
– External	25 829	19 237	1 773	1 198	6 476	2 234
Operating profit*	9 354	6 023	100	(290)	442	91
Impairment loss recognised	628	117	35	153	—	—
Attributable earnings	6 187	3 969	(95)	(83)	259	(87)
Total assets	28 405	26 170	1 011	603	11 739	1 558
Total liabilities*	8 436	5 345	52	12	7 692	1 513
Capital commitments	4 386	6 104	743	—	1 336	2
Additions to property, plant and equipment	2 975	1 735	44	—	184	47
Cash flow from operations	12 260	8 221	230	(115)	888	189
Depreciation	1 558	1 856	95	—	433	49

	2001	2000	2001	2000	2001	2000
	USDm	USDm	USDm	USDm	USDm	USDm
Sales						
– External	3 377	3 062	231	191	847	356
Operating profit*	1 223	959	13	(46)	58	14
Impairment loss recognised	81	19	5	24	—	—
Attributable earnings	809	632	(12)	(13)	33	(14)
Total assets	3 541	3 777	126	87	1 463	225
Total liabilities*	1 052	771	7	2	959	218
Capital commitments	547	881	93	—	167	—
Additions to property, plant and equipment	389	288	6	—	24	8
Cash flow from operations	1 597	1 309	30	(18)	116	30
Depreciation	204	295	12	—	56	8

* After write-off of capital items and goodwill.

* Excluding taxation and deferred taxation.



Middle East		Far East		North America		South America		Southeast Asia and Australasia		Group	
2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
737	403	703	204	4 170	1 545	521	210	1 080	731	41 289	25 762
135	110	206	101	447	171	56	21	33	65	10 773	6 292
—	—	—	—	—	—	—	—	—	—	663	270
131	91	139	57	331	102	42	17	31	30	7 025	4 096
234	72	33	50	7 856	1 054	216	27	434	131	49 928	29 665
224	1	—	—	4 067	278	—	—	238	42	20 709	7 191
214	—	—	—	405	27	—	—	465	549	7 549	6 682
7	—	—	—	209	27	10	—	228	8	3 657	1 817
147	110	239	101	647	200	62	21	35	66	14 508	8 793
12	—	33	—	200	28	6	—	2	1	2 339	1 934

2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
USDm	USDm	USDm	USDm	USDm	USDm	USDm	USDm	USDm	USDm	USDm	USDm
96	64	92	32	545	246	69	33	142	117	5 399	4 101
18	18	27	16	58	27	7	3	5	11	1 409	1 002
—	—	—	—	—	—	—	—	—	—	86	43
17	14	18	9	43	16	5	3	4	5	917	652
30	10	5	8	980	153	27	4	55	19	6 227	4 283
28	—	—	—	507	40	—	—	30	6	2 583	1 037
27	—	—	—	50	4	—	—	57	79	941	964
1	—	—	—	27	5	1	—	29	2	477	303
19	17	31	16	84	31	8	3	4	10	1 889	1 398
2	—	4	—	26	5	1	—	—	—	305	308

for the year ended 25 June

2000 USDm	2001 USDm		2001 Rm	2000 Rm
		1. Property, plant and equipment		
2 714	3 483	Total book value	27 925	18 798
		For further details of property, plant and equipment, see pages 142 and 143.		
		2. Intangible assets		
84	134	Total book value	1 071	590
		For further details of intangible assets, see pages 144 and 145.		
		3. Township land and residential buildings		
4	3	Undeveloped and developed land	23	26
1	—	Development of leasehold property	2	4
14	11	Residential buildings	85	95
19	14		110	125
		Depreciation rates		
		Buildings		2,5 – 4,9%
		Residential buildings		2,0 – 2,5%
		4. Goodwill		
		Cost		
16	23	Balance at beginning of year	160	97
9	7	Acquisition of businesses (see note 31)	53	60
(2)	(1)	Arising on translation of foreign entities (see note 23)	16	3
23	29	Balance at end of year	229	160
		Amortisation		
1	3	Balance at beginning of year	19	9
2	2	Current (see note 16)	15	10
—	(1)	Arising on translation of foreign entities (see note 23)	1	—
3	4	Balance at end of year	35	19
20	25	Book value at end of year	194	141



2000 USDm	2001 USDm		2001 Rm	2000 Rm
4. Goodwill (continued)				
Negative goodwill				
Cost				
—	(98)	Acquisition of businesses (see note 31)	(783)	—
—	1	Arising on translation of foreign entities (see note 23)	7	—
—	(97)	Balance at end of year	(776)	—
Amortisation				
—	(8)	Current (see note 16)	(59)	—
—	1	Arising on translation of foreign entities (see note 23)	—	—
—	(7)	Balance at end of year	(59)	—
—	(90)	Book value at end of year	(717)	—
20	(65)	Net book value of goodwill at end of year	(523)	141
Comprising				
—	(84)	Sasol Chemie	(674)	—
7	9	Schumann Sasol International Aktiengesellschaft	71	47
9	9	Sasol Southwest Energy LLC	70	63
—	(5)	Fedmis Phalaborwa	(43)	—
4	6	Other – not considered significant in aggregate	53	31
20	(65)		(523)	141
5. Investments				
Investments in associates				
1	1	At cost	10	4
1	3	Equity accounted	28	4
Unlisted shares				
38	102	At cost	817	261
38	102	Directors' valuation	821	261
As the Group has more than five investments, a register is maintained in terms of paragraph 27 of Schedule 4 of the South African Companies Act, 1973.				
For further details of investments, see page 148.				

2000 USDm	2001 USDm		2001 Rm	2000 Rm
6. Long-term loans and debtors				
60	45	Post-employment benefits – pension asset	362	413
17	18	Long-term interest-bearing loans	147	120
28	38	Long-term interest-free loans	302	192
105	101		811	725
7. Inventories				
121	225	Crude oil and other raw materials	1 806	838
22	42	Process material	337	155
108	114	Maintenance and other materials	911	747
281	518	Manufactured products	4 156	1 946
532	899		7 210	3 686
<i>Included in the above are inventories carried at net realisable value</i>				
—	21	Crude oil and other raw materials	167	—
1	1	Process material	11	10
7	8	Maintenance and other materials	65	51
—	—	Manufactured products	3	—
8	30		246	61
<i>Inventories to the value of R2 804 million (USD350 million) have been pledged as security over long-term liabilities (see page 149).</i>				
8. Trade and other receivables				
623	1 012	Trade receivables	8 122	4 315
(16)	(31)	Less provision for doubtful debts	(251)	(110)
607	981	Net trade receivables	7 871	4 205
—	3	Current portion of long-term loans and debtors	21	—
90	276	Other receivables	2 217	624
697	1 260		10 109	4 829
<i>Other receivables include insurance debtors, employee loans, prepayments and VAT receivable.</i>				
61	53	Average debtors' collection period (days)	53	61



2000 USDm	2001 USDm		2001 Rm	2000 Rm
9. Long-term liabilities				
84	669	Total long-term liabilities	5 364	590
(21)	(49)	Portion repayable within one year included in short-term loans (see note 12)	(394)	(145)
63	620		4 970	445
<i>For further details of long-term liabilities see page 149.</i>				
10. Long-term provisions				
365	604	Total long-term provisions	4 841	2 530
(1)	(73)	Portion repayable within one year included in short-term provisions (see note 13)	(592)	(4)
364	531		4 249	2 526
<i>For further details of long-term provisions see pages 150 and 151.</i>				
11. Deferred taxation				
<i>The deferred taxation liability arises from the following temporary differences:</i>				
565	639	Property, plant and equipment	5 124	3 914
(7)	(8)	Intangible assets	(65)	(47)
6	6	Prepayments	52	45
(50)	(36)	Provisions	(289)	(345)
(13)	(16)	Assessed losses	(126)	(89)
—	(1)	Other	(7)	(1)
501	584		4 689	3 477
Reconciliation of movement:				
449	501	Balance at beginning of year	3 477	2 720
(25)	(68)	Per the income statement (see note 19)	(521)	(158)
132	221	Effect of businesses acquired (see note 31)	1 770	913
(55)	(70)	Arising on translation of foreign entities (see note 23)	(37)	2
501	584	Balance at end of year	4 689	3 477
12. Short-term loans				
21	49	Short-term portion of long-term liabilities (see note 9)	394	145
39	229	Bank loans	1 835	272
—	129	Trade finance	1 036	—
92	27	Other	214	639
152	434		3 479	1 056

2000 USDm	2001 USDm		2001 Rm	2000 Rm
13. Short-term provisions				
1	73	Short-term portion of long-term provisions (see note 10)	592	4
For further details of short-term provisions see pages 150 and 151.				
14. Trade and other payables				
221	492	Trade payables	3 945	1 528
236	433	Other payables	3 474	1 632
457	925		7 419	3 160
Other payables include and insurance loss reserve, bonuses, leave pay, VAT payable and accruals,				
41	45	Average creditors' settlement period (days)	45	41
15. Sales				
4 019	5 314	Sale of products	40 641	25 247
82	85	Other trading income	648	515
4 101	5 399		41 289	25 762
3 062	3 377	Local sales	25 829	19 237
682	899	Export sales	6 873	4 281
357	1 123	Foreign sales	8 587	2 244
4 101	5 399		41 289	25 762
Local sales are defined as sales of products manufactured and sold in the Republic of South Africa.				
Export sales are sales of products manufactured in the Republic of South Africa and sold elsewhere in the world.				
Foreign sales are sales of products manufactured outside the Republic of South Africa, regardless of where they are sold.				



2000 USDm	2001 USDm		2001 Rm	2000 Rm
16. Operating profit				
<i>Operating profit is arrived at after taking into account:</i>				
<i>Amortisation of</i>				
2	2	– goodwill	15	10
—	(8)	– negative goodwill	(59)	—
3	6	– intangible assets	53	18
<i>Amounts written off less recovered on township land and residential buildings</i>				
—	—		(2)	5
<i>Auditors' remuneration</i>				
2	2	– audit fees	15	10
—	1	– other consulting and financial services	4	3
308	305	Depreciation of property, plant and equipment	2 339	1 934
628	648	Employee costs (see page 152)	4 957	3 943
13	24	Exploration expenditure	185	84
<i>Impairment of</i>				
24	4	– intangible assets	35	153
19	82	– property, plant and equipment	628	117
<i>Loss on disposal of</i>				
—	—	– intangible assets	1	—
2	16	– property, plant and equipment	119	11
<i>Movement in provisions</i>				
38	91	– increase during year	710	237
<i>Operating lease charges</i>				
7	9	– buildings	69	44
4	4	– plant and equipment	34	23
(11)	(24)	Profit on foreign exchange transactions	(182)	(69)
(1)	(2)	Profit on translation of foreign operations	(17)	(9)
8	—	Provision for loss on disposal of businesses	—	50
37	35	Research and development expenditure	268	230
—	14	Scrapping of property, plant and equipment	116	—
5	10	Technical and other fees	79	33
—	17	Write-down of investment in businesses	132	—
17. Non-trading income				
<i>Dividends received</i>				
—	1	– foreign	11	—
31	30	Interest received	233	198
27	18	– Republic of South Africa	141	170
4	12	– foreign	92	28
31	31		244	198

2000 USDm	2001 USDm		2001 Rm	2000 Rm
18. Finance costs				
29	39	Republic of South Africa	299	185
32	27	Foreign	210	202
61	66		509	387
19. Taxation				
324	471	Republic of South Africa normal taxation	3 599	2 031
326	471	– current year	3 601	2 045
(2)	—	– prior years	(2)	(14)
16	28	Secondary taxation on companies (STC)	211	102
(25)	(68)	Deferred taxation	(521)	(158)
(31)	(60)	– current year	(459)	(193)
6	(8)	– prior years	(62)	35
3	23	Foreign taxation	178	19
318	454	Net taxation for the year	3 467	1 994
%	%	Reconciliation of taxation rate	%	%
30,0	30,0	Normal taxation rate	30,0	30,0
1,7	2,0	Increase in rate of taxation due to:		
0,8	0,7	– secondary taxation on companies	2,0	1,7
2,9	1,1	– different foreign tax rates	0,7	0,8
		– disallowed expenditure	1,1	2,9
35,4	33,8		33,8	35,4
(2,0)	(0,6)	Decrease in rate of taxation due to:		
(0,3)	(0,2)	– prior years	(0,6)	(2,0)
(0,4)	—	– utilisation of assessed losses	(0,2)	(0,3)
		– exempt income	—	(0,4)
32,7	33,0	Effective rate of taxation	33,0	32,7
<p>The reason for the difference in the effective rate of taxation over the two years is due mainly to the increased secondary taxation on companies and the reduction in prior year adjustments offset by the reduction in disallowed expenditure.</p>				
USDm	USDm	Estimated taxation losses	Rm	Rm
69	114	Estimated taxation losses available for set-off against future taxable income amount to approximately	911	479
43	52	Utilised to reduce the deferred taxation balance	420	297
1	—	Available STC credits at year end	1	7



2000 USDm	2001 USDm		2001 Rm	2000 Rm
20. Income from associates				
—	—	Share of associates after tax income	2	—
1	1	Dividends received	9	6
1	1		11	6
21. Earnings per share				
<i>Earnings per share is based on earnings attributable to shareholders of the company and the weighted average number of shares in issue during the year after taking the share buyback programme into account.</i>				
660,8	627,3	Weighted average number of shares (million)	627,3	660,8
99	146	Attributable earnings per share (cents)	1 120	620
<i>Headline earnings is determined as follows:</i>				
652	917	Earnings attributable to shareholders	7 025	4 096
<i>Adjusted for:</i>				
53	133	– capital items	1 029	336
2	2	– goodwill amortised	15	10
—	(8)	– negative goodwill amortised	(59)	—
(6)	(34)	– tax effect on above items	(258)	(40)
701	1 010		7 752	4 402
106	161	Headline earnings per share (cents)	1 236	666
—	9	Effect of share buyback programme on headline earnings (cents)	69	2

22. Share capital

Authorised

1 175 000 000 ordinary shares of no par value

Issued

664 979 525 (2000 – 606 831 125) ordinary shares of no par value

As the total dividend declared per share for the financial year ended 25 June 2000 exceeded the total interest payable per debenture, the debentures were automatically converted into shares on the basis of one share per debenture with effect from 26 June 2000. 56 382 400 shares were issued in this regard.

2000 USDm	2001 USDm	2001 Rm	2000 Rm
22. Share capital (continued)			
<i>Held in reserve</i>			
25 693 300 (2000 – 27 459 300) unissued ordinary shares are at the disposal of the directors for the Sasol Share Incentive Scheme.			
484 327 175 (2000 – 484 327 175) shares are under the control of the directors. The directors are authorised to issue these shares upon such terms and conditions as they deem fit.			
The Sasol Share Incentive Scheme			
Shares allotted – 14 306 700 (2000 – 12 540 700)			
Options granted – 19 945 900 (2000 – 16 052 700)			
Available for allocation – 5 747 400 (2000 – 11 406 600)			
		Number of shares	Number of shares
<i>Movements in the number of options granted to eligible persons are as follows:</i>			
		16 052 700	9 831 500
		6 085 000	7 203 900
		(1 766 000)	(721 600)
		(425 800)	(261 100)
		19 945 900	16 052 700
<i>The options outstanding at the end of the year vest during the following periods:</i>			
		3 485 800	2 253 600
		3 902 800	3 070 900
		9 177 500	6 372 500
		3 379 800	4 355 700
		19 945 900	16 052 700
<i>Should the option holder resign from the Group prior to the option maturity date, the shares will not be issued. Payment will therefore not be required, and options will be forfeited.</i>			
<i>It is Group policy that employees who have access to price sensitive information should not deal in shares or exercise share options of Sasol Limited for the periods from 15 December for half year end and 15 June for year end until publication of these results.</i>			



2000 USDm	2001 USDm		2001 Rm	2000 Rm
23. Translation reserve				
(1 711)	(2 060)	Opening balance	142	74
(326)	(346)	Property, plant and equipment	213	60
(8)	(10)	Intangible assets	—	—
(3)	(3)	Township land and residential buildings	—	—
(2)	—	Goodwill	15	3
—	—	Negative goodwill	7	—
(6)	(6)	Investments	4	—
(15)	(15)	Long-term loans and debtors	43	2
(64)	(78)	Inventories	113	17
(87)	(106)	Trade and other receivables	149	47
(19)	(13)	Cash and cash equivalents	28	—
2	2	Minority interest	(3)	(6)
10	8	Long-term liabilities	(27)	(14)
47	37	Provisions	(89)	(7)
55	70	Deferred taxation	37	(2)
10	20	Short-term loans	(44)	(14)
6	23	Taxation payable	—	(2)
51	63	Trade and other payables	(238)	(16)
(2 060)	(2 414)		350	142
Comprising				
		Sasol Chemie	68	—
		Merichem Sasol LP	67	48
		Sasol DHB Holdings Inc	68	43
		Sasol Trading International Limited	125	65
		Sasol Southwest Energy LLC	28	6
		Other	(6)	(20)
			350	142
24. Share buyback programme				
		Held by the wholly owned subsidiary, Sasol International Holdings (Pty) Limited	Number of shares	Number of shares
		Balance at beginning of year	27 799 600	—
		Repurchased during year	19 275 300	27 799 600
		Balance at end of year	47 074 900	27 799 600

2000 USDm	2001 USDm		2001 Rm	2000 Rm
25. Cash flow from operations				
1 002	1 409	Operating profit	10 773	6 292
		Adjusted for:		
		– amortisation of		
2	2	– goodwill	15	10
—	(8)	– negative goodwill	(59)	—
3	6	– intangible assets	53	18
—	—	– amounts written off less recovered on township land and residential buildings	(2)	5
308	305	– depreciation of property, plant and equipment	2 339	1 934
		– impairment of		
24	4	– intangible assets	35	153
19	82	– property, plant and equipment	628	117
		– loss on disposal of		
—	—	– intangible assets	1	—
2	16	– property, plant and equipment	119	11
		– movement in provisions		
38	91	– increase	710	237
—	(65)	– utilisation	(497)	—
6	15	– doubtful debts	141	51
8	—	– loss on sale of businesses	—	50
(14)	1	– post-employment benefits – pension asset	4	(85)
—	14	– scrapping of property, plant and equipment	116	—
—	17	– write-down of investment in businesses	132	—
1 398	1 889		14 508	8 793
26. Investment income				
—	1	Dividends received	11	—
31	30	Interest received	233	198
1	1	Dividends received from associates	9	6
32	32		253	204



2000 USDm	2001 USDm		2001 Rm	2000 Rm
27. Increase in working capital				
<i>Increase in inventories</i>				
(63)	(367)	<i>Per the balance sheet</i>	(3 524)	(844)
44	377	<i>Effect of businesses acquired (see note 31)</i>	3 020	307
1	—	<i>Reclassification of township land and residential buildings</i>	—	7
—	(10)	<i>Write-down of investment in businesses</i>	(77)	—
(64)	(78)	<i>Arising on translation of foreign entities (see note 23)</i>	113	17
(82)	(78)		(468)	(513)
<i>Increase in trade and other receivables</i>				
(92)	(563)	<i>Per the balance sheet</i>	(5 280)	(1 167)
46	426	<i>Effect of businesses acquired (see note 31)</i>	3 414	316
(6)	(15)	<i>Movement in provision for doubtful debts</i>	(141)	(51)
—	(7)	<i>Write-down of investment in businesses</i>	(55)	—
(87)	(106)	<i>Arising on translation of foreign entities (see note 23)</i>	149	47
(139)	(265)		(1 913)	(855)
<i>Increase in trade and other payables</i>				
50	468	<i>Per the balance sheet</i>	4 259	695
(39)	(258)	<i>Effect of businesses acquired (see note 31)</i>	(2 066)	(271)
(8)	—	<i>Provision for loss on sale of businesses</i>	—	(50)
51	63	<i>Arising on translation of foreign entities (see note 23)</i>	(238)	(16)
54	273		1 955	358
(167)	(70)	<i>Increase in working capital</i>	(426)	(1 010)
28. Taxation paid				
(48)	(170)	<i>Amounts unpaid at beginning of year</i>	(1 176)	(291)
(343)	(522)	<i>Per the income statement (see note 19)</i>	(3 988)	(2 152)
(4)	(3)	<i>Effect of businesses acquired (see note 31)</i>	(14)	(25)
6	23	<i>Arising on translation of foreign entities (see note 23)</i>	—	(2)
3	—	<i>Taxation relief on convertible debenture interest</i>	—	27
(386)	(672)		(5 178)	(2 443)
170	275	<i>Amounts unpaid at end of year</i>	2 206	1 176
(216)	(397)		(2 972)	(1 267)
<i>Comprising</i>				
(200)	(369)	<i>Normal taxation paid</i>	(2 761)	(1 165)
(16)	(28)	<i>Secondary taxation on companies paid</i>	(211)	(102)
(216)	(397)		(2 972)	(1 267)

2000 USDm	2001 USDm		2001 Rm	2000 Rm
29. Dividends and debenture interest paid				
(160)	(211)	Dividends paid	(1 655)	(1 025)
(85)	(103)	– final (prior year)	(785)	(521)
(75)	(108)	– interim (current year)	(870)	(504)
(10)	—	Net debenture interest	—	(62)
(170)	(211)		(1 655)	(1 087)
(3)	—	Taxation relief on convertible debenture interest	—	(27)
(173)	(211)		(1 655)	(1 114)
30. Long-term assets sold				
8	13	Property, plant and equipment	95	53
2	2	Township land and residential buildings	17	19
10	15		112	72
31. Acquisition of businesses				
(490)	(1 068)	Property, plant and equipment	(8 554)	(3 395)
—	(16)	Intangible assets	(132)	—
(1)	(5)	Investments	(42)	(4)
(1)	(3)	Long-term loans and debtors	(22)	(7)
(44)	(377)	Inventories	(3 020)	(307)
(46)	(426)	Trade and other receivables	(3 414)	(316)
(13)	(19)	Cash and cash equivalents	(154)	(89)
—	50	Long-term liabilities	401	—
20	250	Provisions	2 009	140
132	221	Deferred taxation	1 770	913
1	—	Short-term loans	—	4
4	3	Taxation payable	14	25
39	258	Trade and other payables	2 066	271
(399)	(1 132)		(9 078)	(2 765)
—	—	Less minority interest	(2)	(2)
(399)	(1 132)		(9 080)	(2 767)
(9)	(7)	Goodwill	(53)	(60)
—	98	Negative goodwill	783	—
(408)	(1 041)	Total purchase price	(8 350)	(2 827)



2000 USDm	2001 USDm		2001 Rm	2000 Rm
31. Acquisition of businesses (continued)				
<i>The following businesses were acquired during the year:</i>				
—	(1 020)	Sasol Chemie	(8 178)	—
—	(13)	Fedmis Phalaborwa	(103)	—
(394)	—	Polifin Limited	—	(2 731)
(13)	—	Sasol Southwest Energy LLC	—	(92)
(1)	(8)	Other – not considered significant in aggregate	(69)	(4)
(408)	(1 041)	Total purchase price	(8 350)	(2 827)
32. Cash and cash equivalents				
49	237	Cash on deposit	1 900	342
24	59	Cash and bank balance	470	164
73	296		2 370	506
<i>Comprising</i>				
(3)	(18)	Republic of South Africa funds	(148)	(19)
76	314	Foreign funds	2 518	525
73	296		2 370	506
54	268	<i>The aggregate amount of cash and cash equivalents not available for use by the Group at 25 June amounted to</i>	2 153	375
<i>The funds are not available as they are held in jointly controlled entities or have been set aside for specific financial commitments.</i>				
33. Financial instruments				
<i>The Group has a treasury function that manages the financial risks relating to the Group's operations. The Group's liquidity, credit, currency, interest rate and commodity risks are being monitored continually.</i>				
<i>Approved policies exist for managing these risks.</i>				
<i>Throughout the period under review, it has been and remains the Group's policy that no speculative trading in derivative instruments be undertaken.</i>				
<i>Financial instruments as shown in the balance sheet include long and short-term liabilities, investments, cash resources, trade receivables and trade payables. The estimated fair value of these instruments approximate their carrying amounts.</i>				
<i>For further details of financial instruments, see page 153.</i>				

2000 USDm	2001 USDm		2001 Rm	2000 Rm
34. Guarantees and contingent liabilities				
		<i>Guarantees in favour of financial institutions for housing loans granted to employees of Group companies</i>	48	56
8	6	<i>Letters of credit</i>	119	15
2	15	<i>Other guarantees and claims</i>	10 102	680
98	1 259			
108	1 280		10 269	751
<i>The total amount of unutilised borrowing facilities available for future use by the Group amounted to</i>				
2 482	2 713		21 766	17 195
<i>Sasol Limited has guaranteed the fulfilment of various subsidiaries' obligations in terms of contractual agreements. In respect of the guarantees of R10 102 million (USD1 259 million) issued by the Group, the total current outstanding exposure is R6 905 million (USD861 million). Sasol Limited has guaranteed the unutilised borrowing facilities.</i>				
35. Capital commitments				
		<i>Capital expenditure authorised and contracted for at 25 June 2001</i>	5 815	2 397
346	725	<i>Less expenditure to 25 June 2001</i>	(2 431)	(200)
(29)	(303)			
317	422		3 384	2 197
<i>Capital expenditure authorised but not yet contracted for at 25 June 2001</i>				
647	519		4 165	4 485
964	941		7 549	6 682
Comprising				
960	936	<i>Subsidiary companies</i>	7 504	6 651
4	5	<i>Proportionate share of jointly controlled entities</i>	45	31
964	941		7 549	6 682
Estimated expenditure				
511	664	<i>Within one year</i>	5 329	3 542
453	277	<i>Thereafter</i>	2 220	3 140
964	941		7 549	6 682
<i>Capital expenditure will be financed out of existing cash funds, funds generated out of normal business operations and existing borrowing facilities.</i>				



2000 USDm	2001 USDm		2001 Rm	2000 Rm
36. Commitments under operating leases				
<i>Subsidiaries and jointly controlled entities rent buildings under long-term non-cancellable operating leases.</i>				
<i>The Group also rents office and other equipment under operating leases but these are cancellable at various short-term notice periods by either party and are excluded from future commitments under non-cancellable operating leases presented below.</i>				
Minimum future lease payments				
9	24	<i>Within 1 year</i>	189	62
9	21	<i>1 to 2 years</i>	165	63
29	49	<i>2 to 5 years</i>	390	199
—	11	<i>More than 5 years</i>	85	2
47	105		829	326

37. Related party transactions

During the year, Group companies in the ordinary course of business, entered into various purchase and sale transactions with associates and jointly controlled entities. These transactions occurred under terms that are no less favourable than those arranged with third parties, that being at arm's length.

38. Hyperinflation reporting

The financial statements have not been restated to a current cost basis as the Group does not operate in a hyperinflationary economy. Economic data relating to inflation are as follows:

<i>Consumer price index – Republic of South Africa (%)</i>	6,9	6,2
Inflation adjusted for the consumer price index		
<i>Sales</i>	38 624	24 258
<i>Operating profit</i>	10 078	5 925
<i>Dividends</i>	(1 548)	(965)

39. Comparative figures

Where appropriate, comparative figures have been restated to facilitate improved disclosure.

2000 USDm	2001 USDm		2001 Rm	2000 Rm
40. Changes in accounting policy				
<p>The Group adopted International Accounting Standards (IAS) for the first time during the current financial year. The financial statements have been prepared and presented as if they had always been prepared in accordance with the standards and interpretations effective for the year of first time application.</p> <p>The aggregate effect of the changes in accounting policies on the annual financial statements for the year ended 25 June 2000 is as follows:</p>				
Earnings attributable to shareholders				
647		Prior year accounting policy		4 065
(3)		Business combinations		(17)
(10)		Rehabilitation		(61)
(2)		Provisions and renewal		(14)
(4)		Post-retirement medical provision		(22)
14		Post-employment benefits – pension asset		85
—		Unrealised profit on futures hedging		1
10		Secondary taxation on companies (net)		58
5				30
—		Effect on minority interest		1
652		International Accounting Standards		4 096



2000 USDm	2001 USDm		2001 Rm	2000 Rm
40. Changes in accounting policy (continued)				
Opening balance of accumulated profit				
2 103		<i>Prior year accounting policy</i>		12 735
5		<i>Business combinations</i>		30
(143)		<i>Rehabilitation</i>		(865)
29		<i>Provisions and renewal</i>		173
(74)		<i>Post-retirement medical provision</i>		(449)
47		<i>Post-employment benefits – pension asset</i>		287
1		<i>Unrealised profit on futures hedging</i>		6
94		<i>Dividends declared in prior years and secondary taxation on companies thereon</i>		569
(41)				(249)
1		<i>Effect on minority interest</i>		9
2 063		<i>International Accounting Standards</i>		12 495
Dividends				
(178)		<i>Prior year accounting policy</i>		(1 289)
(85)		<i>Dividends paid in current year</i>		(521)
103		<i>Reversal of dividends declared after year end</i>		785
(160)		<i>International Accounting Standards</i>		(1 025)

sasol limited group property, plant and equipment

	Land, buildings and improvements Rm	Plant, equipment and vehicles Rm	Capital work in progress Rm	Coal mining assets Rm	Total Rm
Cost					
Balance at 25 June 2000	877	25 680	1 598	4 647	32 802
Acquisition of businesses	2 281	12 393	1 002	—	15 676
Translation differences	73	534	35	—	642
Additions					
to maintain existing operations	15	133	1 483	16	1 647
to expand operations	3	176	1 831	—	2 010
Transfers from capital work in progress	15	1 805	(2 133)	313	—
Disposals and scrapping	(58)	(484)	(56)	(131)	(729)
Balance at 25 June 2001	3 206	40 237	3 760	4 845	52 048
Depreciation and amounts written off					
Balance at 25 June 2000	400	11 342	—	2 262	14 004
Acquisition of businesses	763	6 359	—	—	7 122
Translation differences	53	376	—	—	429
Current year charge	72	1 942	—	325	2 339
Impairment of assets	—	613	—	15	628
Disposals and scrapping	(18)	(252)	—	(129)	(399)
Balance at 25 June 2001	1 270	20 380	—	2 473	24 123
Book value at 25 June 2001	1 936	19 857	3 760	2 372	27 925
Book value at 25 June 2000	477	14 338	1 598	2 385	18 798
Estimated replacement cost at 25 June 2001	4 378	160 857	3 760	3 061	172 056
Book value of assets held under finance leases at 25 June 2001	—	143	—	—	143

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

The Acrylonitrile, acid recovery and crotonaldehyde plants at Sasol Chemical Industries and mining activities in Sasolburg to the value of R628 million – USD82 million were impaired during the year.

The book value of the Sasol Fibres plant, R116 million – USD14 million, was scrapped during the year.

Property, plant and equipment with a value of R7 992 million – USD998 million (2000 – R128 million – USD18 million) have been pledged as security for liabilities incurred by the Group.

In respect of finance leases, the future minimum sublease payments expected to be received under non-cancellable sub-leases at 25 June 2001 amounted to R6 million – USD1 million (2000 – Nil).

The total cost of fully depreciated assets still in use at 25 June 2001 amounted to R1 838 million – USD229 million (2000 – R1 575 million – USD228 million).

Included in coal mining assets are costs in respect of front-end-engineering-and-design and the sinking of shafts amounting to R1 600 million – USD199 million. These costs are excluded from the estimated replacement cost of R3 061 million – USD382 million.

Depreciation rates

Buildings and improvements	—	3 – 5%
Plant	—	4 – 25%
Equipment	—	10 – 33%
Vehicles	—	25%
Coal mining	—	7%



	<i>Land, buildings and improvements</i>	<i>Plant, equipment and vehicles</i>	<i>Capital work in progress</i>	<i>Coal mining assets</i>	<i>Total</i>
	<i>USDm</i>	<i>USDm</i>	<i>USDm</i>	<i>USDm</i>	<i>USDm</i>
Cost					
<i>Balance at 25 June 2000</i>	127	3 706	231	671	4 735
<i>Acquisition of businesses</i>	285	1 546	125	—	1 956
<i>Translation differences</i>	(8)	(449)	(34)	(93)	(584)
<i>Additions</i>					
<i>to maintain existing operations</i>	2	17	194	2	215
<i>to expand operations</i>	—	23	239	—	262
<i>Transfers from capital work in progress</i>	2	236	(279)	41	—
<i>Disposals and scrapping</i>	(8)	(63)	(7)	(17)	(95)
<i>Balance at 25 June 2001</i>	400	5 016	469	604	6 489
<i>Depreciation and amounts written off</i>					
<i>Balance at 25 June 2000</i>	58	1 637	—	326	2 021
<i>Acquisition of businesses</i>	95	793	—	—	888
<i>Translation differences</i>	(2)	(191)	—	(45)	(238)
<i>Current year charge</i>	9	254	—	42	305
<i>Impairment of assets</i>	—	80	—	2	82
<i>Disposals and scrapping</i>	(2)	(33)	—	(17)	(52)
<i>Balance at 25 June 2001</i>	158	2 540	—	308	3 006
<i>Book value at 25 June 2001</i>	242	2 476	469	296	3 483
<i>Book value at 25 June 2000</i>	69	2 069	231	345	2 714
<i>Estimated replacement cost at 25 June 2001</i>	546	20 051	469	382	21 448
<i>Book value of assets held under finance leases at 25 June 2001</i>	—	18	—	—	18

	Software Rm	Patents and trademarks Rm	Capitalised development costs Rm	Capitalised exploration costs Rm	Total Rm
Cost					
Balance at 25 June 2000	59	21	245	458	783
Acquisition of businesses	—	—	353	—	353
Translation differences	—	—	4	—	4
Additions					
to maintain existing operations	32	1	48	—	81
to expand operations	—	—	105	252	357
Disposals and scrapping	—	—	(1)	—	(1)
Balance at 25 June 2001	91	22	754	710	1 577
Amortisation and amounts written off					
Balance at 25 June 2000	12	11	170	—	193
Acquisition of businesses	—	—	221	—	221
Translation differences	—	—	4	—	4
Current year change	11	3	39	—	53
Impairment of assets	—	—	35	—	35
Balance at 25 June 2001	23	14	469	—	506
Book value at 25 June 2001	68	8	285	710	1 071
Book value at 25 June 2000	47	10	75	458	590

During the year, the remaining capitalised development cost of R35 million – USD4 million in respect of the Djambala fields in the Republic of the Congo's Marine VI permit was impaired.

Amortisation rates

Software	—	33%
Patents and trademarks	—	20%
Capitalised development costs	—	20%
Capitalised exploration costs	—	4%



	Software USDm	Patents and trademarks USDm	Capitalised development costs USDm	Capitalised exploration costs USDm	Total USDm
Cost					
<i>Balance at 25 June 2000</i>	9	3	35	66	113
<i>Acquisition of businesses</i>	—	—	44	—	44
<i>Translation differences</i>	(2)	—	(4)	(8)	(14)
<i>Additions</i>					
<i>to maintain existing operations</i>	4	—	6	—	10
<i>to expand operations</i>	—	—	13	31	44
<i>Disposals and scrapping</i>	—	—	—	—	—
Balance at 25 June 2001	11	3	94	89	197
Amortisation and amounts written off					
<i>Balance at 25 June 2000</i>	2	2	25	—	29
<i>Acquisition of businesses</i>	—	—	28	—	28
<i>Translation differences</i>	—	—	(4)	—	(4)
<i>Current year charge</i>	1	—	5	—	6
<i>Impairment of assets</i>	—	—	4	—	4
Balance at 25 June 2001	3	2	58	—	63
Book value at 25 June 2001	8	1	36	89	134
<i>Book value at 25 June 2000</i>	7	1	10	66	84

sasol limited group interest in jointly controlled entities

	Schumann Sasol Rm	Merichem Sasol Rm	Sasol Southwest Energy Rm	Sasol DHB Holdings Rm	Other*	2001 Total Rm	2000 Total Rm
Balance sheet							
Property, plant and equipment	604	185	15	292	12	1 108	1 093
Investments	61	3	4	—	—	68	62
Other non-current assets	249	20	70	5	—	344	257
Current assets	909	336	38	65	33	1 381	1 160
	1 823	544	127	362	45	2 901	2 572
Shareholders' equity	(135)	316	114	166	33	494	378
Long-term liabilities	907	110	—	21	4	1 042	1 117
Long-term provisions	274	3	—	—	—	277	255
Other non-current liabilities	13	12	—	—	—	25	21
Current liabilities	764	103	13	175	8	1 063	801
	1 823	544	127	362	45	2 901	2 572
Income statement							
Sales	2 211	506	137	383	37	3 274	2 643
Operating profit	106	47	4	9	4	170	90
Other (charges)/income	(22)	(3)	1	(11)	2	(33)	(20)
Net income before taxation	84	44	5	(2)	6	137	70
Taxation	(65)	(23)	—	1	(2)	(89)	(25)
Income after taxation	19	21	5	(1)	4	48	45
Minority interest	(3)	—	—	—	—	(3)	(5)
Earnings attributable to shareholders	16	21	5	(1)	4	45	40
Cash flow statement							
Cash flow from operations	209	58	12	15	9	303	116
Movement in working capital	95	(5)	2	(1)	(16)	75	(24)
Taxation paid	(1)	(24)	—	4	—	(21)	(72)
Other (charges)/income	(22)	(3)	—	(11)	2	(34)	(22)
Cash available from operations	281	26	14	7	(5)	323	(2)
Dividends paid	—	(8)	(12)	—	—	(20)	(34)
Cash retained from operations	281	18	2	7	(5)	303	(36)
Acquisition of property, plant and equipment	(35)	(33)	(2)	(3)	(1)	(74)	(130)
Decrease/(increase) in funding requirements	246	(15)	—	4	(6)	229	(166)

*Includes African Amines (Pty) Limited, Sealene Investments (Pty) Limited and ChemCity (Pty) Limited.

Sasol Fibres was previously accounted for as a jointly controlled entity. During the year the total investment was written off and consequently proportionate consolidation was discontinued. Sasol Fibres results have thus been excluded from this schedule for the current and prior year.

Fedmis Phalaborwa was previously accounted for as a jointly controlled entity. During the year it became a wholly owned subsidiary and has been excluded from this schedule for the current and prior year.

At 25 June 2001 the Group's share total capital commitments of jointly controlled entities in the Group amounted to R45 million – USD5 million (2000 – R31 million – USD4 million).



	Schumann	Merichem	Sasol Southwest	Sasol DHB		2001	2000
	Sasol	Sasol	Energy	Holdings	Other*	Total	Total
	USDm	USDm	USDm	USDm	USDm	USDm	USDm
Balance sheet							
Property, plant and equipment	75	23	2	36	1	137	158
Investments	8	—	—	—	—	8	9
Other non-current assets	31	2	9	1	—	43	37
Current assets	113	42	5	9	4	173	167
	227	67	16	46	5	361	371
Shareholders' equity	(17)	39	14	21	4	61	54
Long-term liabilities	113	14	—	3	—	130	161
Long-term provisions	34	—	—	—	—	34	37
Other non-current liabilities	2	1	—	—	—	3	3
Current liabilities	95	13	2	22	1	133	116
	227	67	16	46	5	361	371
Income statement							
Sales	289	66	18	50	5	428	421
Operating profit	14	6	1	1	1	23	14
Other charges	(3)	—	—	(1)	—	(4)	(3)
Net income before taxation	11	6	1	—	1	19	11
Taxation	(8)	(3)	—	—	—	(11)	(4)
Income after taxation	3	3	1	—	1	8	7
Minority interest	—	—	—	—	—	—	(1)
Earnings attributable to shareholders	3	3	1	—	1	8	6
Cash flow statement							
Cash flow from operations	27	8	2	2	1	40	18
Movement in working capital	12	(1)	—	—	(2)	9	(4)
Taxation paid	—	(3)	—	1	—	(2)	(11)
Other charges	(3)	—	—	(1)	—	(4)	(4)
Cash available from operations	36	4	2	2	(1)	43	(1)
Dividends paid	—	(1)	(2)	—	—	(3)	(5)
Cash retained from operations	36	3	—	2	(1)	40	(6)
Acquisition of property, plant and equipment	(5)	(4)	—	—	—	(9)	(21)
Decrease/(increase) in funding requirements	31	(1)	—	2	(1)	31	(27)

sasol limited group investments

2000 USDm	2001 USDm		2001 Rm	2000 Rm		
Investments in associates						
<i>Investment in shares</i>						
1	1	Cost	10	4		
—	—	Share of reserves arising since acquisition	2	—		
1	1		12	4		
—	2	Loans to associates	16	—		
1	3		28	4		
<i>Analysis of financial information</i>						
51	59	Total assets	470	350		
40	50	Total liabilities	402	274		
8	2	Operating profit	13	48		
<i>List of associates</i>						
Directors' valuation	Carrying value	Name	Nature of business	Interest %	Carrying value	Directors' valuation
3	3	FFS Refiners (Pty) Ltd	Refining and blending of oil	49	27	27
—	—	Konchem (Pty) Ltd	Investment	50	1	1
—	—	Naledi Petroleum Holding (Pty) Ltd	Investment	23	—	—
2000 USDm	2001 USDm		2001 Rm	2000 Rm		
Other unlisted investments						
38	102	Cost	817	261		
38	102	Fair value	821	261		
Fair value	Carrying value	Name	Country of incorporation	Interest %	Carrying value	Fair value
—	—	Business Partners Ltd	Republic of South Africa	Minimal	1	3
59	59	Optimal Olefins Malaysia Sdn. Bhd	Malaysia	12	472	472
23	23	Richards Bay Coal Terminal	Republic of South Africa	5	182	182
2	2	Wesco China Ltd	Hong Kong	10	18	18
18	18	Other – not considered significant in aggregate			144	146



The Group's borrowing powers are limited by its Articles of Association to twice the sum of the stated capital and reserves.

Terms of repayment	Interest rate at 25 June 2001	2001 Rm	2000 Rm	2001 USDm	2000 USDm
Secured					
<i>Secured by foreign plant, equipment and inventories with a book value of R10 700 million – USD1 334 million (2000 – Rnil – USDnil)</i>					
– Repayable in tranches until December 2007	6,0 – 7,2	3 519	—	439	—
<i>Secured by a guarantee from Sasol Limited</i>					
– Repayable June 2003	14,0	890	—	111	—
<i>Secured in terms of a put option against the shareholders of National Petroleum Refiners of South Africa (Pty) Limited</i>					
– Repayable January 2004	9,2	175	—	22	—
<i>Secured by a guarantee from Sasol Limited</i>					
– Repayable over 5 years commencing 2002	5,0 – 7,0	160	—	20	—
<i>Secured by a guarantee from RWE-DEA AG</i>					
– Repayable at predetermined intervals until July 2006	2,0 – 7,8	112	—	14	—
<i>Secured in terms of a put option against the shareholders of National Petroleum Refiners of South Africa (Pty) Limited</i>					
– Repayable April 2004	9,3	94	—	12	—
<i>Secured by a mortgage over foreign plant with a book value of R133 million – USD17 million (2000 – R96 million – USD14 million)</i>					
– Repayable in 6 equal annual amounts commencing September 2001	5,0	70	77	9	11
Unsecured loans					
Repayable July 2002	14,7	75	—	9	—
Repayable July 2003	12,4	75	—	9	—
Repayable in 6 equal annual amounts commencing December 2001	4,4	70	78	9	11
Repayable December 2015	Nil	43	46	5	7
Repayable in monthly instalments over the following four years	6,5	20	22	2	3
Repayment terms not specified	8,0	14	48	2	7
Repayment terms not specified	Nil	9	—	1	—
Repayment terms not specified	Nil	6	10	1	1
Other	various	32	17	4	2
Repaid during year		—	292	—	42
		5 364	590	669	84
Less portion repayable within one year included in short-term loans		(394)	(145)	(49)	(21)
		4 970	445	620	63
Analysis					
Euro		2 200	139	275	20
United States dollar		1 379	25	172	3
South African rand		1 391	281	173	40
		4 970	445	620	63
Comprising					
Interest bearing		4 911	360	613	51
Non-interest bearing		59	85	7	12
		4 970	445	620	63

sasol limited group provisions

	Rehabilitation	Retirement	Post- retirement medical	Other	Total
	Rm	benefits	benefits	Rm	Rm
		Rm	Rm	Rm	Rm
<i>Balance at 25 June 2000</i>	1 530	214	786	—	2 530
<i>Acquisition of businesses</i>	371	475	345	818	2 009
<i>Increase for year</i>	132	10	155	400	697
<i>Utilised during year</i>	(22)	(22)	(54)	(399)	(497)
<i>Translation difference</i>	9	14	27	39	89
<i>Notional interest</i>	3	3	7	—	13
Balance at 25 June 2001	2 023	694	1 266	858	4 841
<i>Current portion</i>	11	4	21	556	592
<i>Non-current portion</i>	2 012	690	1 245	302	4 249
Balance at 25 June 2001	2 023	694	1 266	858	4 841
<i>Balance at 25 June 1999</i>	1 355	177	614	—	2 146
<i>Acquisition of businesses</i>	—	—	140	—	140
<i>Increase for year</i>	174	31	32	—	237
<i>Translation difference</i>	1	6	—	—	7
Balance at 25 June 2000	1 530	214	786	—	2 530
<i>Current portion</i>	4	—	—	—	4
<i>Non-current portion</i>	1 526	214	786	—	2 526
Balance at 25 June 2000	1 530	214	786	—	2 530

In accordance with the Group's published environmental policy and applicable legislation, a provision for rehabilitation is recognised. Further information in respect of retirement benefits is provided on page 152.

The Group provides post-retirement medical aid benefits to employees who remain in service until retirement age and have completed a minimum period of service. The provision was actuarially valued on 31 December 2000.

Other includes provisions in respect of personnel, rebates, discounts and bonuses.



	<i>Rehabilitation</i> USDm	<i>Retirement</i> <i>benefits</i> USDm	<i>Post- retirement</i> <i>medical</i> <i>benefits</i> USDm	<i>Other</i> USDm	<i>Total</i> USDm
<i>Balance at 25 June 2000</i>	221	31	113	—	365
<i>Acquisition of businesses</i>	46	59	43	102	250
<i>Increase for year</i>	17	1	20	52	90
<i>Utilised during year</i>	(3)	(3)	(7)	(52)	(65)
<i>Translation difference</i>	(29)	(1)	(12)	5	(37)
<i>Notional interest</i>	—	—	1	—	1
<i>Balance at 25 June 2001</i>	252	87	158	107	604
<i>Current portion</i>	1	—	3	69	73
<i>Non-current portion</i>	251	87	155	38	531
<i>Balance at 25 June 2001</i>	252	87	158	107	604
<i>Balance at 25 June 1999</i>	224	29	101	—	354
<i>Acquisition of businesses</i>	—	—	20	—	20
<i>Increase for year</i>	28	5	5	—	38
<i>Translation difference</i>	(31)	(3)	(13)	—	(47)
<i>Balance at 25 June 2000</i>	221	31	113	—	365
<i>Current portion</i>	1	—	—	—	1
<i>Non-current portion</i>	220	31	113	—	364
<i>Balance at 25 June 2000</i>	221	31	113	—	365

sasol limited group retirement benefits

2000 USDm	2001 USDm		2001 Rm	2000 Rm
		<i>The Group provides retirement benefits for all its permanent employees. A number of defined contribution funds and defined benefit funds exist. Republic of South African funds are governed by the Pension Funds Act of 1956. In respect of the defined contribution funds, the employer contributes at a fixed rate and for defined benefit funds, the employer contributes at a rate which is adequate to fully fund the benefits.</i>		
		<i>The defined benefit plans were actuarially valued during the 2000 financial year, provision has been made for all benefit obligations and no events have taken place which could have materially affected the funds.</i>		
		Obligations under defined benefit plans		
		<i>The Group obligation comprises</i>		
32	110	<i>Present value of funded obligations</i>	880	224
(1)	(73)	<i>Less fair value of plan assets</i>	(586)	(7)
31	37		294	217
—	55	<i>Present value of unfunded obligations</i>	438	—
—	(5)	<i>Unrecognised actuarial (losses)/gains</i>	(37)	1
—	—	<i>Unrecognised past service costs</i>	(1)	(4)
31	87		694	214
		Made up as follows		
32	165	<i>Liabilities</i>	1 318	225
(1)	(78)	<i>Assets</i>	(624)	(11)
31	87		694	214
		The principal actuarial assumptions applied in the determination of fair values include		
		<i>Discount rate – %</i>	5,0 – 8,0	5,0 – 7,0
		<i>Expected return on plan assets – %</i>	9,0 – 11,0	9,0 – 11,0
		<i>Expected future salary increases – %</i>	3,0 – 4,0	2,5 – 4,0
		Employee costs		
		Employee costs charged against income comprise		
598	621	<i>Current service costs</i>	4 745	3 757
—	—	<i>Notional interest</i>	3	—
—	—	<i>Expected return on plan assets</i>	(1)	—
—	(1)	<i>Net actuarial losses</i>	(5)	—
—	1	<i>Past service costs</i>	6	1
598	621		4 748	3 758
30	27	<i>Contributions in respect of defined contribution plans</i>	209	185
628	648		4 957	3 943
26 300	30 800	<i>Number of employees at 25 June</i>	30 800	26 300



Liquidity risk

The Group manages liquidity risk by proper management of working capital and cash flows. Adequate banking facilities and reserve borrowing capacities are maintained. The Group has sufficient undrawn call/demand borrowing facilities which could be utilised to fund any potential shortfall in cash resources.

Credit risk

The Group has potential credit risk exposure on trade receivables, cash investments, term investments and derivative contracts. The exposure to credit risk with regard to trade receivables is not concentrated due to a large customer base. Adequate provision is made for doubtful debts.

The Group minimises its credit risk relating to financial instruments by only transacting with major financial institutions on listed exchanges. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary boards.

Credit risk exposure is analysed as follows:

	2001 %	2000 %
By business segment		
Sasol Mining	2	2
Sasol Synthetic Fuels	17	27
Sasol Oil	11	18
Sasol Chemie	34	—
Alpha Olefins	2	3
Sasol Solvents South Africa	6	9
Nitrogen businesses	10	13
Sasol Polymers	10	14
Other chemicals	8	14
	100	100
By geographic location		
Republic of South Africa	36	72
Rest of Africa	4	6
Europe	44	12
Middle East	2	2
Far East	—	2
North America	12	4
South America	1	1
Southeast Asia and Australasia	1	1
	100	100

Foreign exchange risk

The Group's objective in using financial instruments is to reduce the uncertainty over future cash flows arising from movements in currency, interest rates and commodity prices.

The Group has potential currency exposures in respect of items denominated in foreign currencies comprising transactional exposure in terms of imports and exports incurred in currencies other than rand and in respect of investments in overseas operations. These exposures are managed through approved policies utilising derivative instruments. The Group policy states that all local import exposures must be covered using forward exchange contracts whilst hedging of local export exposures is optional. Trade related exposures are also managed through the use of natural hedges. Financing of these transactions using foreign currency borrowings cause further potential currency exposures.

sasol limited group financial instruments (continued)

Foreign exchange risk (continued)

All forward exchange contracts are supported by underlying commitments or receivables.

The following forward exchange contracts were held at 25 June 2001:

Related to specific balance sheet items	Contract foreign	Average	Contract amount		Estimated fair	
	currency amount		rate	USDm	Rm	value gain/(loss)
	Million		USDm	Rm	USDm	Rm
Imports						
United States dollar – Republic of South Africa	76	8,1	76	613	(1)	(6)
United States dollar – foreign	5		5	40		
Pound sterling – Republic of South Africa	2	11,5	3	26	—	—
Euro – Republic of South Africa	11	7,1	10	77	—	(1)
Other currencies (USD equivalent)	1		1	6	—	—
Exports						
United States dollar – Republic of South Africa	105	8,1	105	855	1	6
United States dollar – foreign	30		30	238		
Pound sterling – Republic of South Africa	2	11,4	3	27	—	—
Pound sterling – foreign	3		4	34		
Euro – Republic of South Africa	23	7,0	20	161	—	4
Other currencies (USD equivalent)	—		—	1	—	—
Long-term liabilities						
United States dollar – Republic of South Africa	167	8,0	167	1 340	—	(4)
United States dollar – foreign	40		40	321		
Related to future commitments – imports						
United States dollar – Republic of South Africa	17	7,8	17	132	1	6
Pound sterling – Republic of South Africa	5	11,4	7	56	—	1
Euro – Republic of South Africa	49	7,2	44	351	—	(4)
Other currencies (USD equivalent)	4		4	34	—	(3)
Related to future commitments – exports						
United States dollar – foreign	1		1	8		
Interest rate derivative contracts						
	Nominal foreign	Expiry date	Fixed rate	Market value		
	currency amount			USDm	Rm	
	Million					
Interest rate swap						
Pay fixed rate, receive floating rate						
United States dollar – foreign	94	15 June 2005	5,4	—	—	
Euro – foreign	170	15 June 2005	4,7	—	(4)	
Interest rate cap						
Euro – foreign	33	15 June 2005	4,7	—	(1)	



Interest rate risk

Exposure to interest rate risk on liabilities and investments is monitored on a proactive basis. The financing of the Group is structured on a combination of floating and fixed interest rates. The benefits of fixing or capping interest rates on project financing to achieve improved predictability for cash flows are considered and implemented on a project-by-project basis. For further details on long and short-term liabilities refer to page 149.

Crude oil price risk

The Group manages the movement in crude oil prices on a proactive basis. The effect of the crude oil pricing strategy is that a daily average crude oil price for the financial year is attained.

As a result of the fire at the Natref Refinery there were no financial derivative instruments relating to the hedging of crude oil at 25 June 2001.

Maturity profile of financial instruments

	Total Rm	Within 1 year Rm	1 to 2 years Rm	2 to 5 years Rm	More than 5 years Rm
Financial assets					
Cash and cash equivalents	2 370	2 370	—	—	—
Trade and other receivables	10 109	10 109	—	—	—
Long-term loans and debtors	811	—	70	446	295
Financial liabilities					
Long and short-term liabilities	8 449	3 479	1 534	2 191	1 245
Trade and other payables	7 419	7 419	—	—	—
Derivative instruments – nominal value					
Forward exchange contracts					
Imports	1 335	1 331	4	—	—
Exports	1 324	1 324	—	—	—
	Total USDm	Within 1 year USDm	1 to 2 years USDm	2 to 5 years USDm	More than 5 years USDm
Financial assets					
Cash and cash equivalents	296	296	—	—	—
Trade and other receivables	1 260	1 260	—	—	—
Long-term loans and debtors	101	—	9	56	36
Financial liabilities					
Long and short-term liabilities	1 054	434	191	273	156
Trade and other payables	925	925	—	—	—
Derivative instruments – nominal value					
Forward exchange contracts					
Imports	166	166	—	—	—
Exports	165	165	—	—	—

sasol limited company balance sheet

at 25 June

	Note	2001 Rm	2000 Rm
ASSETS			
Investments	1	1	1
Interest in subsidiaries	2	12 980	10 146
Non-current assets		12 981	10 147
Trade and other receivables		116	75
Cash and cash equivalents		23	2
Current assets		139	77
TOTAL ASSETS		13 120	10 224
EQUITY AND LIABILITIES			
Total shareholders' equity		11 943	7 997
Long-term liabilities	3	1 119	1 119
Taxation payable		—	2
Trade and other payables		58	1 106
Current liabilities		58	1 108
TOTAL EQUITY AND LIABILITIES		13 120	10 224

sasol limited company income statement

for the year ended 25 June

	Note	2001 Rm	2000 Rm
Operating profit	4	—	—
Non-trading income	5	5 669	1 111
Net income before taxation		5 669	1 111
Taxation	6	(4)	(32)
Earnings attributable to shareholders		5 665	1 079

sasol limited company statement of changes in equity



for the year ended 25 June

	Note	2001 Rm	2000 Rm
Share capital	7		
Balance at beginning of year		1 559	1 543
Issued during year		43	16
Conversion of debentures		1 028	—
Balance at end of year		2 630	1 559
Convertible debentures		—	1 028
Accumulated profit			
Balance at beginning of year		5 410	5 418
Earnings attributable to shareholders		5 665	1 079
Dividends paid		(1 763)	(1 025)
Net debenture interest		—	(62)
Balance at end of year		9 312	5 410
Translation reserve		1	—
Total shareholders' equity		11 943	7 997

sasol limited company cash flow statement

for the year ended 25 June

	Note	2001 Rm	2000 Rm
Cash flow from operations		—	—
Investment income		5 669	1 111
Movement in working capital		(1 089)	800
Cash generated by operating activities		4 580	1 911
Taxation paid		(6)	(63)
Cash available from operating activities		4 574	1 848
Dividends and debenture interest paid	8	(1 763)	(1 114)
Cash retained from operating activities		2 811	734
Investment in subsidiaries		(2 833)	(1 254)
Share capital issued		43	16
Increase/(decrease) in cash and cash equivalents		21	(504)
Cash and cash equivalents	9		
– at end of year		23	2
– at beginning of year		2	506
Increase/(decrease) in cash and cash equivalents		21	(504)

for the year ended 25 June

	2001 Rm	2000 Rm
1. Investments		
<i>Unlisted shares</i>		
At cost	1	1
Directors' valuation	3	3
<i>For further details of investments, see page 148.</i>		
2. Interest in subsidiaries		
<i>Reflected as long-term assets</i>		
Shares at cost	1 184	1 184
Long-term loans to subsidiaries	11 796	8 962
	12 980	10 146
<i>Reflected as current assets</i>		
Short-term loans to subsidiaries	96	68
<i>Reflected as long-term liabilities</i>		
Long-term loans from subsidiaries	(1 119)	(1 119)
<i>Reflected as current liabilities</i>		
Short-term loans from subsidiaries	(18)	(1 061)
Total interest	11 939	8 034
<i>For further details of interest in significant operating subsidiaries see page 164.</i>		
3. Long-term liabilities		
Total long-term liabilities	1 119	1 119
<i>The long-term liabilities comprise interest free loans from subsidiaries for which there are no fixed terms of repayment.</i>		
4. Operating profit		
<i>Operating profit is arrived at after taking into account:</i>		
Directors' emoluments (see page 162)	5	4
Employee costs	119	83
Income from subsidiaries – fees	(164)	(127)
Operating lease charges		
– buildings	16	15
Technical and other fees	4	1



	2001 Rm	2000 Rm
5. Non-trading income		
<i>Dividends received</i>		
– subsidiaries	5 667	1 017
<i>Interest received</i>		
– subsidiaries	1	93
– other	1	1
	5 669	1 111
6. Taxation		
<i>Republic of South Africa normal taxation</i>		
– current year	4	32
<i>Net taxation per the income statement</i>	4	32
<i>Taxation relief on convertible debenture interest</i>	—	(27)
<i>Net taxation for the year</i>	4	5
Reconciliation of taxation rate	%	%
<i>Normal taxation rate</i>	30,0	30,0
<i>Increase in rate of taxation due to:</i>		
– disallowed expenditure	0,1	0,2
	30,1	30,2
<i>Decrease in rate of taxation due to:</i>		
– exempt income	(30,0)	(29,5)
<i>Effective rate of taxation</i>	0,1	0,7
<i>The reason for the difference in taxation rate over the two years is due to the increase in dividends received and the taxation relief on the convertible debenture interest no longer being available.</i>		
<i>Available STC credits at year end</i>	—	7

	2001 Rm	2000 Rm
7. Share capital		
<i>Authorised</i>		
1 175 000 000 ordinary shares of no par value		
<i>Issued</i>		
664 979 525 (2000 – 606 831 125) ordinary shares of no par value		
For further details of share capital refer to note 22 in the Group annual financial statements		
8. Dividends and debenture interest paid		
<i>Dividends paid</i>	(1 763)	(1 025)
– final (prior year)	(832)	(504)
– interim (current year)	(931)	(521)
<i>Net debenture interest</i>	—	(62)
	(1 763)	(1 087)
<i>Taxation relief on convertible debenture interest</i>	—	(27)
	(1 763)	(1 114)
9. Cash and cash equivalents		
<i>Cash and bank balance</i>	23	2



	2001 Rm	2000 Rm
10. Guarantees and contingent liabilities		
Guarantees and claims	10 102	680
Unutilised borrowing facilities guaranteed	21 766	17 195
<p>The Company has guaranteed the fulfilment of various subsidiaries' obligations in terms of contractual agreements.</p> <p>In respect of the guarantees of R10 102 million, the total current outstanding exposure is R6 905 million.</p> <p>The Company has guaranteed the borrowing facilities of certain Group companies.</p>		
11. Commitments under operating leases		
<p>The company rents buildings and equipment under long-term non-cancellable operating leases.</p>		
Minimum future lease payments		
<i>Buildings:</i>		
Within 1 year	13	16
1 to 2 years	14	27
	27	43
<i>Equipment:</i>		
Within 1 year	2	2
1 to 2 years	—	2
	2	4

	2001 Rm	2000 Rm
Directors' remuneration		
<i>For services as</i>		
<i>Non-executive directors</i>		
– fees	3	2
<i>Executive directors</i>		
– salary	6	5
– bonus	2	1
– retirement benefits	1	1
– other benefits	1	1
Total directors' emoluments	13	10
<i>Paid by subsidiaries</i>	(8)	(6)
	5	4
<i>Number of non-executive directors</i>	7	7
<i>Number of executive directors</i>	5	4
	2001 Number	2000 Number
Share options granted		
<i>Balance at beginning of year</i>	794 800	477 300
<i>Options granted</i>	517 500	349 300
<i>Options exercised</i>	(57 600)	(31 800)
Balance at end of year	1 254 700	794 800
<i>The options outstanding at the end of the year vest during the following periods:</i>		
<i>Within 1 year</i>	166 000	80 900
<i>1 to 2 years</i>	231 200	142 700
<i>2 to 5 years</i>	658 000	345 200
<i>More than 5 years</i>	199 500	226 000
	1 254 700	794 800
<i>Market value of share options granted at end of year (Rm)</i>	95	37



Options exercised

The total gains realised during the year by the directors from the exercise of their Sasol Limited share options were:

Number of shares	57 600	31 800
Offer period		
– from	31 August 1992	13 September 1990
– to	27 February 1995	27 February 1995
Average option price per share (cents)	2 245	1 855
Average market price per share (cents)	6 150	4 521
Total gain (Rm)	2	1

Directors' interest in shares

	Beneficial number	Non- beneficial number	Total number	Market value of shares Rm
2001				
Balance at beginning of year	328 740	15 195	343 935	
Net acquisition/(disposal) during year	54 768	(2 000)	52 768	
Balance at end of year	383 508	13 195	396 703	30
2000				
Balance at beginning of year	332 267	3 195	335 462	
Net acquisition/(disposal) during year	(3 527)	12 000	8 473	
Balance at end of year	328 740	15 195	343 935	16

sasol limited company interest in significant operating subsidiaries and incorporated jointly controlled entities

Name	Nature of business	Nominal issued share capital		Interest %	Investment at cost	
					2007 Rm	2006 Rm
SUBSIDIARIES						
Direct						
Sasol Mining (Pty) Limited	Coal mining activities	Rm	215	100	487	487
Sasol Synthetic Fuels (Pty) Limited	Production of liquid fuels, gases and chemical products	Rm	100	100	1 194	1 194
Sasol Technology (Pty) Limited	Engineering services, research and development and technology transfer	Rm	1	100	(61)	(61)
Sasol Chemical Industries Limited	Production and marketing of mining explosives, gases, petrochemicals, fertilisers and refining of tar acids	R	152	100	3 138	3 138
Sasol Financing (Pty) Limited	Management of cash resources, investment and procurement of loans	R	200	100	530	(20)
Sasol International Holdings (Pty) Limited	Investment	R	100	100	7 068	3 734
Sasol Oil (Pty) Limited	Marketing of fuels, lubricants and pipeline gas	R	1 000	100	374	374



Name	Nature of business		Nominal	Interest	Investment	
			issued share		%	at cost
			capital		2001	2000
					Rm	Rm
SUBSIDIARIES (continued)						
Indirect						
Sasol Trading International Limited ^a	Trading	USDm	7	100		
National Petroleum Refiners of South Africa (Pty) Limited	Refining of crude oil	Rm	128	64		
Polifin International Investments (Pty) Limited	Investments	R	200	100		
Sasol Chemicals Europe Limited ^b	Marketing and distribution of chemical products	GBP	20 000	100		
Sasol Chemicals Pacific Limited ^c	Marketing and distribution of chemical products	HKD	10 000	100		
Sasol Chemical Holdings International (Pty) Limited	Investment in the Sasol Chemie Group	R	100	100		
SasolChem Inc. (formerly Sasol North America, Inc.) ^{f and g}	Marketing and distribution of chemical products	USD	850 100	100		
Sasol Holding (Netherlands) B.V. ^d	Investment	NLG	18 242	100		
Sasol Holding in Germany GmbH ^e	Investment	DM	50 000	100		
Sasol Holdings (USA) (Pty) Limited	Investment	R	200	100		
Sasol Petroleum International (Pty) Limited	Exploration, production, marketing and distribution of petroleum and natural gases	R	1 000	100		
Sasol Synfuels International (Pty) Limited	Conversion and marketing of liquid fuels and chemical products	R	100	100		
Sasol Gas Limited (formerly The South African Gas Distribution Corporation Limited)	Marketing and distribution of gas for industrial purposes and letting of pipelines for the transportation of gas	R	1 000	100		
Tosas Holdings (Pty) Limited	Investment	R	20 000	70		

sasol limited company interest in significant operating subsidiaries and incorporated jointly controlled entities (continued)

Name	Nature of business	Nominal issued share capital	Interest %	Investment at cost	
				2001 Rm	2000 Rm
INCORPORATED JOINTLY CONTROLLED ENTITIES					
Indirect					
Schümann Sasol International Aktiengesellschaft ^e	Production, marketing and distribution of waxes and wax-related products	Euro m	33	67	
Merichem Sasol LP ^f	Production, marketing and distribution of phenolics	USDm	71	50	
Sasol DHB Holdings Inc. ^f	Production and marketing of explosives	USD	13	60	
Sasol Southwest Energy LLC ^f	Production and marketing of explosives and provision of related blasting services	USD	100	50	
Petlin (Malaysia) Sdn. Bhn ^h	Construction of a polyethylene plant in Malaysia	RMm	1	40	

Foreign registered companies

- (a) Registered in the Isle of Man. Share capital stated in United States dollars.
 (b) Registered in the United Kingdom. Share capital stated in Pound sterling.
 (c) Registered in Hong Kong. Share capital stated in Hong Kong dollars.
 (d) Registered in the Netherlands. Share capital stated in Dutch guilders.
 (e) Registered in Germany. Share capital stated in Deutschmark/Euro.
 (f) Registered in the United States of America. Share capital stated in United States dollars.
 (g) Sasol North America, Inc. changed its name to SasolChem Inc. with effect from 16 July 2001.
 (h) Registered in the Malaysia. Share capital stated in Malaysian ringits.

notice to members



Notice is hereby given that the 22nd Annual General Meeting of members of Sasol Limited will be held on Monday, 3 December 2001 at 09h00 in the Auditorium, Sasol Limited Corporate Head Office, 1 Sturdee Avenue, Rosebank, Johannesburg for the following purposes:

1. to receive and consider the annual financial statements of the company and of the Group for the year ended 25 June 2001, together with the reports of the directors and auditors;
2. to elect the following directors retiring, in terms of articles 75(d) and 75(e) of the company's articles of association, and who are eligible and offer themselves for re-election:
E le R Bradley, P V Cox, W A M Clewlow and B P Connellan;
3. to elect the following director appointed by the board of directors on 8 May 2001 but who is required, in terms of article 75(h) of the company's articles of association, to retire as a director at the annual general meeting of the company to be held on 3 December 2001 and who is eligible and offers himself for re-election at that annual general meeting:
T S Munday;
4. to reappoint the auditors, KPMG Inc.
5. to place the balance of the ordinary shares of the company not allotted nor issued as at 3 December 2001 (but excluding the shares for the issue of which specific authority is being requested in ordinary resolution number 1 for the purpose of the Sasol Share Incentive Scheme) under the control of the directors with general authorisation to allot and issue such shares at such prices and upon such terms and conditions as they deem fit subject to the provisions of the Companies Act of 1973, as amended, and the rules and requirements of the JSE Securities Exchange South Africa and of the Securities Regulation Panel, provided that no issue of such shares will be made which could effectively transfer the control of the company without prior approval of shareholders in general meeting;

6. to consider and, if approved, to pass with or without modification the following special resolutions:

"Special resolution number 1

THAT the directors of the company be and are hereby authorised to approve the purchase by the company, or by any of its subsidiaries, of the company's shares, subject to the provisions of the Companies Act and to the rules and requirements of the JSE Securities Exchange South Africa, provided that:

- a) the general authority granted to the directors shall be valid only until the company's next annual general meeting and shall not extend beyond 15 (fifteen) months from the date of this resolution;
- b) the general authority shall be limited to a maximum of 10% of the company's issued share capital of the shares in the applicable class at the time that the authority is granted;
- c) any acquisition must not be made at a price more than 5% above the weighted average of the market value of the share for the 5 (five) business days immediately preceding the date of such acquisition;
- d) the general authority may be varied or revoked, by special resolution, prior to the next annual general meeting of the company;
- e) should the company, or any of its subsidiaries, cumulatively repurchase 3% of the company's shares in terms of the general authority an announcement shall be made in accordance with the listings requirements of the JSE Securities Exchange South Africa.

Reason for and effect of the special resolution number 1

The reason for the special resolution is to enable the directors of the company, up to and including the date of the next annual general meeting of the company, to approve the acquisition by the company, or by any of its subsidiaries, of the company's shares, the effect of which shall be the following:

- the general authority to acquire the company's shares shall be limited to a maximum of 10% of the company's issued shares of that class at the time the authority is granted;

notice to members (continued)

- the general authority to acquire the company's shares replaces the lapsed authority to re-purchase up to 10% of the company's shares granted at the previous annual general meeting;
- shares re-purchased in terms of the authority granted at the annual general meeting of 27 November 2000 will not be taken into account for purposes of calculating the 10% maximum of the new authority to re-purchase the company's shares;
- any acquisition will not be made at a price more than 5% above the weighted average of the market value of the share for the 5 (five) business days immediately preceding the date of acquisition;
- the general authority shall be valid until the company's next annual general meeting but shall not extend beyond 15 (fifteen) months from the date of the special resolution;
- the general authority may be varied or revoked, by special resolution, prior to the company's next annual general meeting;
- the general authority is subject to the provisions of the Companies Act 61 of 1973 and any other ordinance or Act or law or legislation, with regard to companies, in effect from time to time and which affect the company, and to the rules and requirements of the JSE Securities Exchange South Africa."

It is the intention of the directors that they may use such authority should prevailing circumstances, including, inter alia, market conditions, in their opinion warrant it.

- The directors are of the opinion, after considering the effect of such acquisition of shares, if implemented and on the assumption that the maximum of 10% of the current issued share capital of the company will be purchased using the mechanism of the general authority at a maximum price at which the purchase may take place (a 10% premium above the weighted average of the market value for the securities for the 5 business days immediately preceding the date of the repurchase) and having regard to the current price of the shares of the company on the JSE Securities

Exchange South Africa at the last practical date prior to the date of this notice, that:

- the company will be able, in the ordinary course of business, to pay its debts;
- the consolidated assets of the company, fairly valued in accordance with Accounting Practice, will be in excess of the consolidated liabilities of the company;
- the company will have adequate capital; and
- the working capital of the company will be adequate for at least the next 12 months operations.

"Special resolution number 2

THAT the Company's Articles of Association be and are hereby amended by the insertion of a new article '97(c)(iii) to read as follows:

*97(c)(iii) 'n Vergadering van direkteure kan van tyd tot tyd en met die toestemming van 'n meerderheid van die direkteure gehou word deur middel van 'n konferensie-telefoon of soortgelyke kommunikasietoerusting, insluitende, maar nie beperk tot, 'n videokonferensie-fasiliteit deur middel waarvan alle persone wat aan die vergadering deelneem mekaar kan hoor en deelname aan 'n vergadering ooreenkomstig hierdie artikel 97(c)(iii) stel teenwoordigheid in persoon op so 'n vergadering daar.'*¹

Reason for and effect of the special resolution number 2

The reason for the new article 97(c)(iii) is to allow the directors the freedom of conducting meetings via telephone or video conferencing or other electronic means and the effect of which will be to permit directors who are unable to attend meetings, to participate in the proceedings of meetings."

"Special resolution number 3

*THAT article 75(a) of the Company's articles of association be and is hereby amended by the deletion of the figure and word '9 (nege)' and by substituting them with the figure and word '10 (tien).'*²

Reason for and effect of special resolution number 3

The reason for special resolution number 3 is to increase the minimum number of directors required



from nine to ten, the effect of which will be to ensure that, in circumstances where there is a minimum number of directors there will be a balance between executive and non-executive directors.”

"Special resolution number 4

THAT the following options be granted in terms of the Sasol Share Incentive Scheme for 35 000 ordinary no par value shares in aggregate at an offer price equal to the closing market price of the company's shares on the JSE Securities Exchange, South Africa on 3 December 2001 and that the allotment and issue in terms of section 223 of the Companies Act of 1973, as amended, to the non-executive directors referred to below of the number of shares set out opposite their respective names, insofar as they exercise such options in respect of those shares, be and is hereby approved:

Director's name	Number of option shares
E le R Bradley	5 000
W A M Clewlow	5 000
B P Connellan	5 000
P du P Kruger	5 000
S Montsi	5 000
J E Schrempp	5 000
C B Strauss	5 000

Reason for and effect of special resolution number 4

The reason for special resolution number 4 is to allow for the grant of additional share options, in terms of the Sasol Share Incentive Scheme, to non-executive directors of the company, the effect of which shall be that the non-executive directors of the company shall be eligible to have granted to them share options in terms of the Sasol Share Incentive Scheme.”

7. to consider and, if approved, to pass with or without modification, the following ordinary resolutions, subject to the approval of the JSE Securities Exchange South Africa:

"Ordinary resolution number 1

THAT 60 000 000 ordinary no par value shares in the authorised but unissued share capital of the company, less any shares that have been issued up to 3 December 2001

in terms of the Sasol Share Incentive Scheme, approved by the members of the company in general meeting on 8 April 1988, as amended from time to time, be and are hereby placed under the control of the directors of the company with specific authority for their allotment and issue, from time to time, in accordance with the terms and conditions of the Sasol Share Incentive Scheme, but subject always to the provisions of the company's articles of association, the Companies Act of, 1973, as amended and to the rules and requirements of the JSE Securities Exchange South Africa; and THAT clause 12.1 of the Sasol Share Trust Deed be amended accordingly.

Motivation Additional shares are required to be made available in terms of the Sasol Share Incentive Scheme to participants due to an increase in the number of qualifying employees as a result of recent acquisitions.”

"Ordinary resolution number 2

THAT the Trust Deed of the Sasol Share Incentive Scheme approved by the members of the company at the general meeting of 8 April 1988, as subsequently amended, be and is hereby amended by substituting clause 18.2 with the following clause:

'18.2 An option shall lapse and may be withdrawn –

18.2.1 to the extent that an option is not exercised by the ninth anniversary of the option date in respect of the shares which are the subject-matter of the option not so exercised; or

18.2.2 if a participant ceases to be an employee for reasons other than death, becoming a retired employee or taking early retirement, or for reasons other than incapacity or ill health; or

18.2.3 if the participant is a non-executive director of the company, ceases to be a director of the company for reasons other than death, retirement, incapacity or ill health; or

18.2.4 if an employee ceases to be an employee as a result of the fact that that employee's employer ceases to be a subsidiary of the company, or has sold the business in respect of which the employee was employed; or

notice to members (continued)

18.2.5 if the interests of a participant in an option or in the shares or right to shares acquired by him pursuant thereto (except shares which may be released to him) are attached by process of law under any circumstances whatsoever, and

insofar as an option has been exercised prior to the date on which the participant is entitled to pay for and obtain transfer of or be issued with and deal in the shares to which such option relates, and thereafter any circumstance referred to in 18.2.2, 18.2.3, 18.2.4 or 18.2.5 above occurs, the agreement consequent upon the exercise of the option shall automatically terminate unless prior to the occurrence of the relevant circumstance the directors resolve that the agreement shall not terminate by reason only of the occurrence of the circumstances referred to in 18.2.2, 18.2.4 or 18.2.5. If the agreement does terminate in terms of this clause 18.2, neither party to it shall have any claim against the other.”

Motivation This amendment is required to:

- provide that agreements resulting from exercised share options automatically terminate on the occurrence of the circumstances referred to in clauses 18.2.2, 18.2.3, 18.2.4 and 18.2.5 unless the directors resolve that the agreement shall not terminate by reason only of the occurrence of the circumstance envisaged by clauses 18.2.2, 18.2.4 and 18.2.5;
- clarify the rights of participants if an agreement resulting from exercised share options is terminated as envisaged by clause 18.2.;
- clarify the position of participating non-executive directors who cease to be directors of the company;
- clarify the position of participating employees of disposed subsidiaries or businesses of subsidiaries.

“Ordinary resolution number 3

THAT subject to the passing of ordinary resolution number 2, the Trust Deed of the Sasol Share Incentive Scheme approved by the members of the company at the general meeting of 8 April 1988, and as subsequently amended, be and is hereby amended by deleting the last

sentence of clause 18.5 so that clause 18.5 shall, after such deletion, read as follows:

‘18.5 If a participant ceases to be an employee for any reason other than one referred to in 18.4 and the participant has not exercised the option granted to him, such option shall lapse forthwith and the participant shall have no further right against the company or the trust in respect thereof.’”

Motivation The last sentence of clause 18.5 provides as follows: ‘If any option granted to any participant has, on the date of such termination of employment, been exercised, the provisions of 17.7 above shall mutatis mutandis apply.

The deletion of this sentence is required to avoid any ambiguity if clause 18.2 is amended as proposed in ordinary resolution number 2.”

“Ordinary resolution number 4

THAT the Trust Deed of the Sasol Share Incentive Scheme approved by the members of the company at the general meeting of 8 April 1988, and as subsequently amended, be and is hereby amended by substituting clause 18.3 with the following clause:

‘Notwithstanding the date on which an option is exercised, a participant who is not a non-executive director of the company shall only be entitled to pay for or take transfer of or be issued with or deal in any shares in respect of which an option has been granted to the extent provided by the trustees who shall, at the time when the grant of option is made (and in accordance with the directors’ instructions), stipulate –

18.3.1 each time period which has to lapse before the participant becomes entitled to tender payment for the shares which are the subject of the option, provided that the minimum time period and the maximum time period shall, respectively, be the second and ninth anniversaries of the option date, and provided further that there shall be at least two such periods which shall be of a duration of at least 18 months each;



18.3.2 *the percentage of shares in respect of which the participant may tender payment after the time periods stipulated in accordance with 18.3.1 have lapsed provided that such percentages stipulated for periods subsequent to the first period shall be equal to or greater than the percentage stipulated for the first period;*

18.3.3 *the date(s) by which the participants shall be obliged to pay for the shares which are the subject of the option, provided that the earliest date and the latest date shall be, respectively, the second anniversary and the ninth anniversary of the option date,*

provided that where a participant has made an offer for the purchase of shares and a grant of option and has accepted both, the provisions of 17.4 above and this clause 18.3 shall be so applied that the number of shares which may be purchased or subscribed for, paid for and released may be apportioned between shares purchased pursuant to an offer for the purchase of shares or upon exercise of the option, as the participant may elect;

provided however that the aggregate scheme shares thus purchased by and released to the participant shall not exceed the permitted proportionate limits of the aggregate number of shares to which he is entitled in terms of the scheme referred to above, as at the relevant dates;

provided further that the purchase price of shares in respect of which an option is exercised shall be paid by not later than the ninth anniversary of the option date.”

Motivation *The new clause 18.3 is required to give the directors a discretion to determine the vesting periods of share options and the percentages of shares which may be taken up when options vest. This discretion can only be exercised by the directors within the parameters prescribed in clause 18.3 and it can only be exercised when an option is granted to a participant. Such a discretion is required to provide more flexibility to align vesting periods with changing*

market trends. This flexibility is required particularly in respect of Sasol's foreign businesses where the current fixed vesting periods of two, four and six years may, in some instances, have detrimental tax and other consequences for the company or the participants.”

“Ordinary resolution number 5

THAT the Trust Deed of the Sasol Share Incentive Scheme approved by the members of the company at the general meeting of 8 April 1988, and as subsequently amended, be and is hereby amended by inserting the following new clause 30:

‘30. SPECIFIC PROVISIONS FOR OVERSEAS TERRITORIES

30.1 *Notwithstanding the provisions of clause 1.1.23, the “purchase price” in relation to a share payable by a participant who is a resident of Italy shall be an amount equal to the average closing price of an ordinary share (determined with reference to the official price lists published by the JSE) in the month preceding the date on which the directors resolve that the relevant option be granted to the participant.*

30.2 *Notwithstanding anything to the contrary contained elsewhere in this scheme, a citizen, resident or national of the United States of America may not be a participant unless he is an employee, executive director, or executive officer of the company or its subsidiaries.*

30.3 *Notwithstanding anything to the contrary contained elsewhere in this scheme, the sale or transfer of shares acquired under this scheme is not permitted within Germany unless the seller knows the acquiror in person, and the acquiror does not need, in view of his specific knowledge, disclosure by way of a sales prospectus, and the seller informs the acquiror that the shares are not listed on a German stock exchange, and that a sales prospectus in accordance with a German sales prospectus has not been published for those shares and that, consequently, the shares may not be publically offered.”*

notice to members (continued)

Motivation *This amendment is required to facilitate the implementation of the Share Incentive Scheme in respect of the company's subsidiaries or businesses in Germany, Italy and the United States of America."*

8. to transact such other business as may be transacted at an annual general meeting of members.

Members entitled to attend and vote at the meeting may, in terms of section 189 of the Companies Act of 1973, as amended, appoint a proxy or proxies, to attend the meeting, speak, and on a poll, vote in their stead. A proxy need not be a member of the company. A proxy form is enclosed but is also obtainable from Georgeson Shareholder, at the address on this page.

A company or other body corporate wishing to vote on a show of hands should ensure that the resolution required by Section 188 of the Companies Act of 1973, as amended, to authorise a representative to vote is passed by its directors or other governing body. Completed proxy forms and resolutions authorising representatives in terms of Section 188 must be received by Georgeson Shareholder before 12h00 on Friday, 30 November 2001.

By order of the board

N L Joubert

Company secretary

Johannesburg

September 2001

- 1 The English translation of the new article 97(c) (iii) is as follows:
97(c) (iii) A Directors' meeting may from time to time and with the consent of a majority of the directors be conducted by means of a conference telephone or similar means of communication equipment, including, but not limited to, a video conference facility, by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this article 97(c) (iii) shall constitute presence in person at such a meeting.
- 2 The English translation of the word "nege" is "nine". The English translation of the word "tien" is "ten".

Company registration number

1979/003231/06

Addresses

Business address and registered office

1 Sturdee Avenue, Rosebank, 2196
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Postal and electronic addresses and telecommunication numbers

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