SASOL LIMITED INTERIM FINANCIAL RESULTS
for the six months ended 31 December 2019

SALIENT FEATURES
for the six months ended 31 December 2019

Operational Performance

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

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

LCCP update

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

Financial Performance and Position

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

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

Positioning for a sustainable future

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

** Broad-based Black Economic Empowerment.

POSITIONING FOR A **SUSTAINABLE FUTURE**

"The first half of our financial year was again characterised by volatile macroeconomic factors as well as an uncertain global political environment, both impacting product supply and demand. To a greater extent, it was the weak global macro economy that affected our business.

Our foundation business delivered satisfactory operational results with a strong volume, cost and working capital performance. Regrettably, we had two fatalities during the period.

We remain focused on key controllable factors, with safe and reliable operations, costs and an engaged workforce taking precedence.

The Lake Charles Chemicals Project's (LCCP) volume growth will significantly strengthen our position as a global chemicals company. The cracker acetylene unit's catalyst replacement and Ethoxylates (ETO) unit startup were encouraging milestones. However, we are disappointed by the challenges with the low-density polyethylene (LDPE) unit startup. As we near the end of the project's capital spend phase, approximately 80 percent of total installed output is online.

Delivering sustainable long-term shareholder value remains our key priority. Our share price is currently under pressure but we maintain our view that our investment case is strong.

As we look ahead, we will not lose sight of the need to protect our balance sheet, manage our capital structure and reposition Sasol for a sustainable future. Our aspiration to be a leading global corporate citizen will drive our sustainability agenda. Our near-term focus is developing an appropriate sustainability roadmap that supports value-delivery. We intend to share our plan with stakeholders at the Capital Markets Day planned for the end of the 2020 calendar year.

We recognise that we need to approach our short-term challenges with realistic focus so that we can deliver on our strategic objectives."

Fleetwood Grobler
President and Chief Executive Officer

Sasol is a global integrated chemicals and energy company. We harness our knowledge and experience to integrate sophisticated technologies and processes into our world-scale operating facilities. We safely and sustainably source, produce and market a range of high-value product streams in 31 countries, creating superior value for our customers, shareholders and other stakeholders.

Earnings performance[i, ii, iii]

We delivered a satisfactory set of business results for the six months ended 31 December 2019, with increased volumes while cost and working capital tracked our internal targets contributing to the balance sheet covenant levels being maintained within market guidance. The financial results were impacted mostly by a weak macroeconomic environment, which resulted in lower margins, and the LCCP being in a ramp-up phase.

Earnings decreased by 72% to R4,5 billion compared to the prior period. This resulted from a 9% decrease in the rand per barrel price of Brent crude oil, softer global chemical prices and refining margins, lower productivity at our Mining operations and a negative contribution from the LCCP. Our gross margin percentage decreased by 2% compared to the prior period driven by a softer macroeconomic environment negatively impacting supply-demand dynamics especially in our chemicals businesses. We anticipate softer chemical prices over the next 12 to 24 months and expect structural recovery over the medium to long-term. Our Energy business was impacted by lower crude oil prices as well as lower refining margins due to weaker demand.

As the LCCP units progress through the sequential beneficial operation schedule, our revenues do not yet match the costs expensed. We do expect that for the second half of FY20 revenue will match the costs expensed better and that the LCCP will generate positive earnings before interest, tax, depreciation and amortisation (EBITDA). The LCCP negatively impacted earnings by R2,8 billion (EBITDA of R1,1 billion and R1,7 billion in additional depreciation charges). Earnings were further impacted by approximately R2,0 billion in finance charges for the period as the LCCP units reach beneficial operation.

Total cash fixed cost increased by 10% to R30,5 billion as a result of United States (US) growth costs and inflation. Normalised cash fixed cost* increased by 5,4%, which is within our internal inflation target of 6%. Our cost management processes remain robust while we continue to evaluate further opportunities to embed our continuous improvement efforts. The sustained competitiveness of our business remains top of mind.

As a result of the aforementioned factors our key financial metrics were impacted as follows:

- Earnings before interest and tax (EBIT) decreased by 53% to R9,9 billion compared to the prior period;
- Adjusted EBITDA[iv] declined by 27% from R26,8 billion in the prior period to R19,6 billion;
- Basic earnings per share (EPS) decreased by 73% to R6,56 per share compared to the prior period;
- Headline earnings per share (HEPS) decreased by 74% to R5,94 per share compared to the prior period; and
- Core headline earnings per share[v] (CHEPS) decreased by 57% to R9,20 compared to the prior period.

* Excludes US growth and business establishment costs.

Earnings analysis

EBIT to Adjusted EBITDA[iv] reconciliation

	% change	Half year 31 Dec 19 Rm	Half year 31 Dec 18 Rm
Earnings before interest and tax (EBIT)	(53)	**9 853**	20 791
Depreciation and amortisation		**10 977**	8 392
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**20 830**	29 183
Remeasurement items		**(169)**	(599)
Share-based payments[1]		**795**	579
Unrealised hedging gains[2]		**(1 013)**	(2 508)
Unrealised translation gains[3]		**(465)**	(94)
Change in discount rate of environmental provisions		**(383)**	230
Adjusted EBITDA[iv]	(27)	**19 595**	26 791

1 Share-based payments includes both cash-settled and equity-settled share-based payment charges.
2 Consists of unrealised hedging gains on Group hedging activities.
3 Unrealised translation gains on the translation of foreign currency denominated loans.

Core headline earnings per share[v] reconciliation

	% change	Half year 31 Dec 19 Rand per share	Half year 31 Dec 18 Rand per share
Basic earnings per share	(73)	**6,56**	23,92
Net remeasurement items		**(0,62)**	(0,67)
Headline earnings per share	(74)	**5,94**	23,25
Translation impact of closing exchange rate[1]		**0,21**	(0,52)
Realised and unrealised net gains on hedging activities[2]		**(1,15)**	(0,48)
Khanyisa B-BBEE transaction[3]		**0,65**	0,63
LCCP losses during ramp-up[4]		**3,55**	0,17
Provision for tax litigation matters[5]		**–**	(1,60)
Core headline earnings per share[v]	(57)	**9,20**	21,45

1 Translation losses/(gains) arising on the translation of monetary assets and liabilities into functional currency.

2 Consists of realised and unrealised net gains on Group hedging activities of R0,5 billion compared to R1,1 billion in the prior period, incurred within the Group Functions segment, and net gains on foreign exchange contracts of R0,5 billion compared to net losses of R0,7 billion in the prior period.

3 Sasol Khanyisa equity-settled share-based payments charges recorded in the employee-related expenditure line in the income statement.

4 Losses totalling R2,8 billion (being R1,6 billion and R1,2 billion incurred by the Performance Chemicals and Base Chemicals segments respectively) relating to negative EBITDA of R1,1 billion and depreciation of R1,7 billion attributable to the LCCP while in ramp-up phase.

5 Sasol Oil tax matter settlement including interest and penalties.

	% change	Half year 31 Dec 19	Half year 31 Dec 18
Rand/US dollar average exchange rate	4	**14,70**	14,20
Rand/US dollar closing exchange rate	(3)	**14,00**	14,36
Average dated Brent crude oil price (US dollar/barrel)	(12)	**62,62**	71,33
Average rand oil (Rand/barrel)	(9)	**920,51**	1 012,89
Refining margins (US dollar/barrel)	(24)	**7,22**	9,49
Average ethane feedstock (US cents/gallon)	(53)	**17,96**	38,56
Base Chemicals average sales basket price (US dollar/ton)	(15)	**736**	861

Effective tax rate

Our effective corporate tax rate increased from 24,1% to 40,7%. The effective corporate tax rate is 12,7% higher than the South African corporate income tax rate of 28%, mainly due to non-deductible finance costs as a result of increased funding required for the LCCP and the increase in US tax losses at the lower US corporate income tax rate. The positive benefit of the lower US corporate income tax rate will dilute our effective corporate tax rate as soon as the LCCP is generating taxable profits.

Balance sheet management

Our gearing increased from 56,3% at 30 June 2019 to 64,5% which is at the upper end of our previous market guidance of 55% to 65%. The main reasons for the increase in gearing are the adoption of the IFRS 16 'Leases' accounting standard (4% increase) and the net earnings impact of the LCCP being in a ramp-up phase. Consistent with our long-term commitment to maintain our investment grade credit rating, we continue to actively manage the balance sheet with the objective of maintaining a healthy liquidity position and a balanced debt maturity profile.

The lenders have agreed to increase the covenant level to 3,5 times for the financial reporting periods ending December 2019 and June 2020. Our net debt: EBITDA at 31 December 2019, based on the Revolving Credit facility and US dollar Term Loan covenant definition, was 2,9 times, which remains well below the covenant.

We secured incremental US dollar liquidity through a US$1 billion syndicated loan facility for up to 18 months, and bilateral facilities (with a combined quantum of US$250 million) with a tenor of two years. These facilities enhance our US dollar liquidity position during the peak gearing phase as the LCCP ramps up.

In the South African market, we have both bank loan facilities and an R8,0 billion Domestic Medium-Term Note Programme (DMTN) which was established in 2017. In August 2019, we issued our inaugural paper to the value of R2,2 billion in the local debt market under this DMTN programme.

Cash generated by operating activities decreased by 21% to R19,6 billion compared to R24,8 billion in the prior period. This was largely due to the softer macroeconomic environment and losses attributable to the LCCP. The decrease was partially negated by another strong working capital and cost performance from the foundation business. Working capital decreased by R433 million during the period mainly as a result of focused management actions.

Our net cash on hand position decreased from R15,8 billion as at 30 June 2019 to R12,7 billion.

Actual capital expenditure, including accruals, amounted to R21 billion. This includes R10 billion (US$0,7 billion) relating to the LCCP and is in line with our internal targets.

In line with our financial risk management framework, we continue to make good progress with hedging our currency and ethane exposure. For further details of our open hedge positions we refer you to our Analyst Book (www.sasol.com).

Dividend

After careful consideration of our current leverage and the volatility in the macroeconomic environment, the Board of directors (Board) decided to pass the interim dividend to protect and strengthen our balance sheet. This is a decision that was not taken lightly as we remain committed to delivering shareholder value, however, given the current position of our balance sheet, the Board made this decision in the long-term interest of our shareholders. We continue to ensure that we deliver the key elements of our strategy, particularly the completion of the LCCP.

Enhancing shareholder value through portfolio optimisation

As previously announced, we initiated a review of our portfolio in 2017 to ensure that our capital is invested effectively. We reviewed the entire portfolio to optimise the potential of each asset and focus only on assets that can generate attractive returns through the cycle, are fit for purpose and are core to our long-term strategic focus. This asset review process is now substantially complete and we have identified a number of assets for divestment or equity dilution, potentially generating proceeds exceeding US$2 billion. Together with the partial divestment from the explosives business, we have concluded transactions amounting to 20% of the target and are currently reviewing and assessing the potential of other disposals. We are not relying on any disposals to deleverage the balance sheet and will be highly disciplined in all portfolio actions to ensure they enhance shareholder value. Protecting value and ensuring future quality of earnings are key metrics before an asset disposal mandate is provided and executed.

Update on the Lake Charles Chemicals Project (LCCP)

Ongoing focus as we ramp up plants to beneficial operation

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

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

The investigation into the incident which occurred at the LDPE unit in January 2020 is complete. The root cause analysis determined that a piping support structure, within the LDPE emergency vent system, failed during commissioning causing a pipe to dislodge. No major equipment was damaged, and the incident was isolated. Remediation has commenced, however, the replacement of the high pressure piping material components have long lead times. We expect beneficial operation of the LDPE unit to be delayed to the second half of calendar year 2020. Parallel commissioning activities on the remainder of the LDPE unit continue during remediation and every effort will be made to expedite the restoration project. The overall LCCP cost estimate is tracking US$12,8 billion, within our previous guidance of US$12,6 billion to US$12,9 billion, and our EBITDA estimate of US$50 million to US$100 million for FY20 remains.

During the time of the delay in the LDPE unit startup, the ethylene produced by the cracker and destined for the unit is sold externally. All previously commissioned units were unaffected and are operating to plan.

The ETO unit, the fourth of seven units, achieved beneficial operation on 30 January 2020. The unit has a nameplate capacity of 100 kilo tons (kt) per year, forms part of our ethylene oxide value chain and adds to the capacity of our Performance Chemicals product volumes already produced and sold on both a regional and global scale. The ETO unit follows the linear low-density polyethylene (LLDPE), world-scale ethane cracker and ethylene oxide/ethylene glycol (EO/EG) facilities, which all reached beneficial operation last year and are operating to plan. This provides additional flexibility to our ethylene oxide value chain and will enable us to divert some volume away from the mono-ethylene glycol (MEG) product line and support increased margins. As previously communicated, we still expect the Ziegler and Guerbet plants to achieve beneficial operation in the last quarter of FY20.

The ethane cracker is ramping up following the successful replacement of the acetylene reactor catalyst in December 2019. The plant is expected to operate according to plan for the remainder of the year. The LLDPE plant and the EO value chain are ramping up to plan with our learnings to be carried over to the LDPE ramp-up.

The LCCP remains a world-scale, first quartile feedstock-advantaged plant, highly integrated across a diverse product slate with high margin products and world class logistics and infrastructure.

The short-term market outlook for ethane and product pricing remains volatile and estimates will be updated periodically. We expect EBITDA in the range of US$600 million to US$750 million for FY21.

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i Forward-looking statements are the responsibility of the Directors and in accordance with standard practice, it is noted that this statement has not been reviewed and reported on by the Company's auditors.

ii All comparisons to the prior period refer to the six months ended 31 December 2018. All numbers are quoted on a pre-tax basis, except for earnings attributable to shareholders.

iii All other operational and financial measures (such as cash fixed cost) have not been reviewed and reported on by the Company's auditors.

iv Adjusted EBITDA is calculated by adjusting EBIT for depreciation and amortisation, share-based payments, remeasurement items, movement in environmental provisions due to discount rate changes, unrealised translation gains and losses, and unrealised gains and losses on Group hedging activities. We believe Adjusted EBITDA is a useful measure of the Group's underlying cash flow performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies. (Adjusted EBITDA constitutes pro forma financial information in terms of the JSE Limited Listings Requirements and should be read in conjunction with the basis of preparation and pro forma financial information notes as set out on page 21).

v Core HEPS is calculated by adjusting headline earnings per share with certain once-off items (provision for tax litigation matters and LCCP cash fixed cost with limited corresponding gross margin), period close adjustments and depreciation and amortisation of capital projects (exceeding R4 billion) which have reached beneficial operation and are still ramping up, and share-based payments on implementation of B-BBEE transactions. Period close adjustments include translation gains and losses arising from translation of monetary assets and liabilities into functional currency and realised and unrealised net gains on Group hedging activities at period end in order to remove volatility from earnings from period to period. (Core HEPS constitutes pro forma financial information in terms of the JSE Limited Listings Requirements and should be read in conjunction with the basis of preparation and pro forma financial information notes as set out on page 21).

Maintaining our focus on sustainable value creation

- As a core value, safety remains one of our top priorities. We are deeply saddened to report that we experienced two tragic fatalities at our Mining operations. Root cause analysis is conducted for each fatality and corrective actions were identified and are being implemented.
- Our 12 month rolling RCR for employees and service providers, excluding illnesses, is 0,27 at 31 December 2019, compared to 0,26 at 31 December 2018. We continue to implement our high severity injury (HSI) programme to improve our safety performance. A fifth HSI focus area on process safety has been added to the current programme. Importantly, our adapted leadership development programmes include frontline supervisor training with a focus on team engagement.
- Sasol is keenly aware of the need to transform our foundation businesses over the longer term to ensure we contribute to our environmental sustainability. We released our first Climate Change Report in October 2019, which articulates our three-pillar emission reduction framework, encompassing reducing our emissions, transforming our operations and shifting our portfolio in a climate-constrained world. Sasol is carrying out work to develop an Emission Reduction Roadmap in order to support delivery on our commitment to reduce our absolute greenhouse gas (GHG) emissions for our South African value chain by at least 10% off our 2017 baseline by 2030 and to inform Sasol's long-term GHG reduction ambition. We are continuing our efforts of integrating lower carbon alternatives, with a particular focus on securing additional gas supply. The Roadmap and long-term ambition development is progressing according to plan and Sasol will share these outputs with the market towards the end of the 2020 calendar year.
- Total GHG emissions for all our operations globally are 32,5 million tons compared to 32,1 million tons for the prior period. Our GHG emissions intensity (measured in CO_2e per ton of production) is 3,61 at December 2019, compared to 3,55 at December 2018. The GHG intensity and emissions were lower during the prior period due to the total West factory shut down at the Secunda sites in September 2018. Once fully operational, the LCCP is anticipated to reduce our overall carbon intensity by approximately 6%, delivering 1,8 million tons per year of total production with approximately 2,2 million tons of carbon dioxide equivalents.
- Results for the half year related to water management, reflect an increase in total water usage from 65,8 million m^3 to 73,6 million m^3 which is mainly attributed to the startup of the LCCP. River water use increased from 52,7 million m^3 to 59,6 million m^3 due to the startup of the LCCP. Potable water use has increased from 5,9 million m^3 to 7,0 million m^3 which is attributable mainly to an increase in demand for potable water in Secunda for industrial purposes to offset a deterioration in river water quality.
- We invested R784 million globally in skills and socioeconomic development, which includes funding towards small to large enterprises, bursaries, graduate development as well as education, health and investment in infrastructure.

- Sasol delivered on our commitments towards sustainable transformation and B-BBEE in recent years. We achieved an improvement to a Level 3 contributor status during the period (Level 4 contributor status as at 30 June 2019) with:
  - Our expenditure with black-owned suppliers amounting to R14,4 billion compared to R9,4 billion in the prior period;
  - The Sasol South Africa Limited Board declaring an interim dividend of R17,34 per ordinary share on 10 February 2020 to the benefit of Khanyisa shareholders; and
  - Sasol Oil achieving a Level 2 contributor status.
- We have strengthened our LCCP control environment, which includes a detailed remediation plan with specific focus on culture, processes and governance which is being monitored within the project, operations and functional teams.

Business performance outlook* – improved production performance and continuation of cost focus

The current economic climate continues to remain highly volatile and uncertain. While oil and chemical prices, gross domestic product growth and foreign exchange movements are outside our control, and may impact our results, our focus remains firmly on managing factors within our control, including volume growth, cash fixed cost, effective capital allocation, focused financial risk management and maintaining an investment grade credit rating.

Our guidance is based on the following assumptions:

- Rand/US dollar exchange rate to range between R13,80 and R15,50 and average Brent crude oil price to remain between US$50/bbl and US$70/bbl; and
- Geopolitical developments in the Middle East and concerns about the impact of the 2019-novel corona virus (COVID-19) are expected to continue to drive short-term volatility.

We expect an overall strong operational performance for the year ending 30 June 2020, with:

- SSO volumes of 7,7 to 7,8 million tons;
- Natref targeting production units of above 600m^3/h for the remainder of FY20;
- Liquid fuels sales of approximately 57 to 58 million barrels;
- Base Chemicals overall sales volumes to be 15% to 20% higher than the prior year. Excluding US polymers products, sales volumes to be 1% to 2% higher than the prior year;
- Performance Chemicals overall sales volumes to be 7% to 9% higher than the prior year. Excluding LCCP produced products, sales volumes to be flat to slightly below prior year levels;
- Excluding the LDPE unit, all other LCCP units online in FY20 with an EBITDA contribution of US$50 million to US$100 million;
- Gas production volumes from the Petroleum Production Agreement license area in Mozambique to be 114 to 118 bscf;
- We expect to achieve a utilisation rate of 55% to 60% at ORYX GTL in Qatar due to an extended planned shutdown during the second half of the year;
- Normalised cash fixed costs to remain within our inflation assumption of 6%;
- Capital expenditure of R38 billion for FY20 and R30 billion for FY21. Capital estimates may change as a result of exchange rate volatility and other factors; and
- Our balance sheet gearing to range between 55% and 65% which includes the impact of adopting IFRS 16; Net debt: EBITDA to range between 2,6 times and 3,0 times. Macroeconomic volatility may have an impact on the covenant level if a sudden further unexpected deterioration is experienced.

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* The financial information contained in this business performance outlook is the responsibility of the Directors and in accordance with standard practice, it is noted that this information has not been reviewed and reported on by the Company's auditors.

Change in Directors and Company Secretary

The following changes to the Board and the Company Secretary of the Company occurred after the publication of the Company's Audited Financial Results on 28 October 2019:

- Mr SA Nkosi became Chairman on 27 November 2019;
- Dr MSV Gantsho and Mr MJN Njeke retired as Non-executive Directors on 27 November 2019;
- Mr S Westwell became Lead Independent Director on 27 November 2019;
- Mr B Nqwababa and Mr SR Cornell resigned as Joint Presidents and Chief Executive Officers and as Executive Directors with effect from 1 November 2019;
- Mr FR Grobler was appointed as President and Chief Executive Officer and as Executive Director with effect from 1 November 2019;
- Mr VD Kahla was appointed as Executive Director with effect from 1 November 2019. He resigned as Company Secretary with effect from 1 November 2019; and
- Ms MML Mokoka was appointed as Acting Company Secretary on 1 November 2019 and as Company Secretary with effect from 21 November 2019.

On behalf of the Board

Sipho Nkosi
Chairman

Fleetwood Grobler
President and
Chief Executive Officer

Paul Victor
Chief Financial Officer

Sasol Limited

21 February 2020

Reviewed interim financial statements
for the period ended 31 December 2019

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

Income statement
for the period ended

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

	Rand	Rand	Rand
Per share information			
Basic earnings per share	**6,56**	23,92	6,97
Diluted earnings per share	**6,53**	23,76	6,93

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

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

The notes on pages 14 to 22 are an integral part of these condensed consolidated interim financial statements.

Statement of comprehensive income
for the period ended

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

The notes on pages 14 to 22 are an integral part of these condensed consolidated interim financial statements.

Statement of financial position

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

1 Includes assets under construction capitalised of R69 billion and depreciation for the period of R10 billion.
2 Actual capital expenditure, including accruals, amounted to R21 billion. This includes R10 billion (US$0,7 billion) relating to the LCCP. R69 billion was capitalised to property, plant and equipment, including R55 billion relating to the LCCP.
3 Refer to page 19 for the impact of the adoption of IFRS 16 'Leases'.
4 Deferred tax assets and liabilities are determined based on the tax status and rates of the underlying entities. The increase in deferred tax assets relate to our US Operations.
5 Fair value period end adjustments, mainly the zero-cost foreign exchange collars.
6 Includes R674 million relating to an embedded derivative contained in the Oxygen Train 17 agreement with Air Liquide, which was recognised as a Finance Lease under IAS 17. With the adoption of IFRS 16 the agreement is recognised as a service agreement.
7 Short-term debt includes R14 billion relating to the US$1 billion syndicated loan facility raised in November 2019.
8 The movement mainly relates to the R3,9 billion decrease in capital project related payables as the LCCP nears completion.

The notes on pages 14 to 22 are an integral part of these condensed consolidated interim financial statements.

Statement of changes in equity

for the period ended

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

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

The notes on pages 14 to 22 are an integral part of these condensed consolidated interim financial statements.

Statement of cash flows
for the period ended

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

1 Cash generated by operating activities decreased by 21% to R19,6 billion compared to R24,8 billion in the prior period. This was largely due to the softer macroeconomics and losses attributable to the LCCP. The decrease was partially negated by another strong working capital and cost performance from the foundation business. Working capital decreased by R433 million during the period mainly as a result of focused management actions.

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

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

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

5 Includes additional bilateral facilities of US$250 million (R3,7 billion) and R2,2 billion in the local debt market issued under the Domestic Medium Term Note programme offset by net repayment of RCF (US$671 million/R9,9 billion).

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

7 Includes bank overdraft.

The notes on pages 14 to 22 are an integral part of these condensed consolidated interim financial statements.

Segment report
for the period ended

Turnover: Full year 30 Jun 19 Audited Rm	Turnover: Half year 31 Dec 18 Reviewed Rm	Turnover: Half year 31 Dec 19 Reviewed Rm	Segment analysis	EBIT: Half year 31 Dec 19 Reviewed Rm	EBIT: Half year 31 Dec 18 Reviewed Rm	EBIT: Full year 30 Jun 19 Audited Rm
26 060	12 584	**12 983**	**Operating Business Units**	**2 397**	3 425	3 812
20 876	9 906	**10 348**	Mining	**1 374**	2 661	4 701
5 184	2 678	**2 635**	Exploration and Production International	**1 023**	764	(889)
200 912	101 403	**98 781**	**Strategic Business Units**	**6 549**	16 240	8 095
83 803	43 623	**41 206**	Energy	**6 743**	9 565	16 566
48 813	23 011	**24 642**	Base Chemicals	**(1 488)**	3 076	(1 431)
68 296	34 769	**32 933**	Performance Chemicals	**1 294**	3 599	(7 040)
78	26	**–**	**Group Functions**	**907**	1 126	(2 210)
227 050	114 013	**111 764**	**Group performance**	**9 853**	20 791	9 697
(23 474)	(11 069)	**(12 594)**	Intersegmental turnover			
203 576	102 944	**99 170**	**External turnover**			

Revenue by major product line

	Half year 31 Dec 19 Reviewed Rm	Half year 31 Dec 18 Reviewed Rm	Full year 30 Jun 19 Audited Rm
Base Chemicals	**24 183**	22 668	48 113
Polymers	**13 974**	12 346	25 864
Solvents	**5 965**	6 441	13 178
Fertilisers and explosives	**2 240**	2 333	4 718
Other base chemicals	**2 004**	1 548	4 353
Performance Chemicals	**32 452**	34 349	67 228
Organics	**24 790**	26 193	51 405
Waxes	**3 927**	4 387	8 474
Advanced materials	**3 735**	3 769	7 349
Upstream, Energy and Other			
Coal	**906**	1 826	3 222
Liquid fuels and crude oil	**36 884**	39 633	75 819
Gas (methane rich and natural gas) and condensate	**3 134**	2 991	5 986
Other (Technology, refinery services)	**1 148**	991	2 308
Revenue from contracts with customers	**98 707**	102 458	202 676
Revenue from other contracts (franchise rentals, use of fuel tanks and fuel storage)	**463**	486	900
Total external turnover	**99 170**	102 944	203 576

Segmental earnings performance[i,ii,iii]

Mining – striving towards zero harm, productivity a key focus

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

We remain focused on improving productivity to targeted levels. However, we expect further external coal purchases of approximately 1,3 to 1,6 million tons during the second half of FY20 in order to sustain liquid fuels production and enable recovery to targeted stock pile levels.

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

Exploration and Production International (E&PI) – consistent operational performance in Mozambique, adversely impacted by lower sales prices

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

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

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

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

Energy – strong liquid fuels volume performance, with lower refining margins

Total liquid fuels sales volumes increased marginally due to higher sales volumes in the wholesale channel, enabled by increased production at SSO and lower reliance on external white product purchases. SSO continues to run stably with refined production volumes up by 5% following the successful completion of a phase shutdown compared to a total West factory shutdown during FY19. Natref production was 8% lower compared to the prior period, mainly as a result of the impact of the planned shutdown during November 2019. External natural gas sales volumes decreased by 2% due to lower market demand in the South African economy.

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

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

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

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

Performance Chemicals – challenging macroeconomic environment weighing on performance

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

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

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

The LCCP EO/EG plant realised sales volumes of 144kt (70kt during the first quarter and 74kt during the second quarter of FY20) of MEG during the period compared to 37kt during the last quarter of FY19. The EO/EG plant together with the ETO unit, which reached beneficial operation on 30 January 2020 and the Guerbet and Ziegler units which are anticipated to reach beneficial operation during the last quarter of FY20, are expected to sustainably increase the EBIT from the Performance Chemicals business going forward.

Base Chemicals – higher volumes offset by further softening of chemical prices

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

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

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

Heightened geopolitical risks, especially in the Middle East, the recent outbreak of COVID-19 and the ongoing trade discussions between China and the US are likely to impact sales prices and volumes for the remainder of FY20.

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i Forward-looking statements are the responsibility of the Directors and in accordance with standard practice, it is noted that this statement has not been reviewed and reported on by the Company's auditors.

ii All comparisons to the prior period refer to the six months ended 31 December 2018. All numbers are quoted on a pre-tax basis, except for earnings attributable to shareholders.

iii All other operational and financial measures (such as cash fixed cost) have not been reviewed and reported on by the Company's auditors.

Salient features
for the period ended

		Half year 31 Dec 19 Reviewed	Half year 31 Dec 18 Reviewed	Full year 30 Jun 19 Audited
Other financial information				
Total debt (including bank overdraft)	Rm	**155 610**	131 578	138 636
interest-bearing	Rm	**155 546**	130 800	137 691
non-interest-bearing	Rm	**64**	778	945
Finance expense capitalised	Rm	**1 974**	3 440	6 942
Capital commitments (subsidiaries and joint operations)[1]	Rm	**49 394**	71 248	60 095
authorised and contracted	Rm	**217 047**	187 515	212 848
authorised, not yet contracted	Rm	**37 827**	53 163	43 097
less expenditure to date	Rm	**(205 480)**	(169 430)	(195 850)
Capital commitments (equity accounted investments)	Rm	**1 957**	1 018	1 283
authorised and contracted	Rm	**641**	618	715
authorised, not yet contracted	Rm	**1 912**	620	1 100
less expenditure to date	Rm	**(596)**	(220)	(532)
Effective tax rate[2]	%	**40,7**	24,1	34,2
Number of employees[3]	number	**31 363**	31 430	31 429

1 During FY19 a misstatement was identified in the calculation of the LCCP capital cost estimate that was included in the capital commitment disclosure as at 31 December 2018 and 30 June 2018. The misstatement related to the inaccurate estimation of the cost still to be incurred on the project. Accordingly, the capital commitments disclosure as at 31 December 2018 that were originally presented as R58 640 million has been revised by R12 608 million (US$878 million) to R71 248 million. Management concluded that the revision is not material to interim financial results.

2 Our effective corporate tax rate increased from 24,1% to 40,7%. The effective corporate tax rate is 12,7% higher than the South African corporate income tax rate of 28%, mainly due to non-deductible finance costs as a result of increased funding required for the LCCP and the increase in US tax losses at a lower US corporate income tax rate. The positive benefit of the lower US corporate income tax rate will dilute our effective corporate tax rate as soon as the LCCP is generating taxable profits.

3 The total number of employees includes permanent and non-permanent employees and the group's share of employees within joint operations, but excludes contractors and equity accounted investments' employees.

		Half year 31 Dec 19 Reviewed Rm	Half year 31 Dec 18 Reviewed Rm	Full year 30 Jun 19 Audited Rm
Reconciliation of headline earnings				
Earnings attributable to owners of Sasol Limited		**4 053**	14 740	4 298
Effect of remeasurement items for subsidiaries and joint operations		**(169)**	(599)	18 645
Impairment of property, plant and equipment		**464**	2	14 161
Impairment of assets under construction		**–**	–	4 272
Impairment of goodwill and other intangible assets		**–**	–	18
Impairment of other assets		**3**	–	–
Reversal of impairment		**–**	(957)	(949)
Profit on disposal of business[1]		**(983)**	–	(267)
Profit on disposal of non-current assets		**(61)**	(27)	(32)
Scrapping of non-current assets		**426**	376	1 408
Write-off of unsuccessful exploration wells		**(18)**	7	34
Tax effects and non-controlling interests		**(214)**	168	(4 017)
Effect of remeasurement items for equity accounted investments		**–**	15	15
Headline earnings		**3 670**	14 324	18 941
Headline earnings adjustments by segment				
Mining		**106**	7	45
Exploration and Production International		**(18)**	7	1 976
Energy		**(27)**	122	247
Base Chemicals		**(352)**	(820)	3 190
Performance Chemicals		**118**	85	13 182
Group Functions		**4**	–	5
Remeasurement items		**(169)**	(599)	18 645
Headline earnings per share[2]	Rand	**5,94**	23,25	30,72
Diluted headline earnings per share	Rand	**5,91**	23,08	30,54

1 Mainly relates to R461 million profit on the disposal of our investment in Sasol Huntsman GmbH & co KG and the corresponding R475 million release of foreign currency translation reserve.

2 Headline earnings per share refers to disclosure made in terms of the JSE Limited Listing Requirements.

The reader is referred to the definitions contained in the 2019 Sasol Limited financial statements.

Basis of preparation

The condensed consolidated interim financial statements for the six months ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 'Interim Financial Reporting', the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, 2008, as amended, and the JSE Limited Listings Requirements.

The condensed consolidated interim financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board. The condensed consolidated interim financial statements are prepared on a going concern basis. The Board is satisfied that the liquidity and solvency of the Company is sufficient to support the current operations for the next 12 months.

These condensed consolidated interim financial statements have been prepared in accordance with the historic cost convention except that certain items, including derivative financial instruments, liabilities for cash-settled share-based payment schemes, financial assets at fair value through profit or loss and financial assets designated at fair value through other comprehensive income, are stated at fair value.

The condensed consolidated interim financial statements are presented in South African rand, which is Sasol Limited's functional and presentation currency. The accounting policies applied in the preparation of these condensed consolidated interim financial statements are in terms of IFRS and are consistent with those applied in the consolidated annual financial statements for the year ended 30 June 2019, except for the adoption of IFRS 16 'Leases', and the Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosure', and IFRIC 23 'Uncertainty Over Income Tax Treatments' with effect from 1 July 2019.

The condensed consolidated interim financial statements appearing in this announcement are the responsibility of the directors. The directors take full responsibility for the preparation of the condensed consolidated interim financial statements. Paul Victor CA(SA), Chief Financial Officer, is responsible for this set of condensed consolidated interim financial statements and has supervised the preparation thereof in conjunction with the Senior Vice President: Financial Control Services, Moveshen Moodley CA(SA).

The condensed consolidated interim financial statements were approved by the Sasol Limited Board of directors on 21 February 2020.

New International Financial Reporting Standards adopted

IFRS 16 'Leases'

IFRS 16 replaces IAS 17 'Leases' as well as three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

IFRS 16 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right of use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Sasol adopted IFRS 16 with effect from 1 July 2019 using the modified retrospective approach, which allows the cumulative effect of initially applying the standard to be recognised in equity as an adjustment to the opening retained earnings at adoption date, with no restatement of comparative financial information required. The adoption of the standard has a material effect on the group's financial statements, significantly increasing the group's recognised assets and liabilities.

IFRS 16 provides a revised definition for leases whereby contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases.

Sasol reviewed contracts previously classified as leases under IAS 17 to determine whether the contract contains a lease on adoption date, and evaluated whether any significant contracts not previously accounted for as leases contained a lease under IFRS 16.

At 1 July 2019, additional lease liabilities were recognised for leases previously classified as operating leases under IAS 17. These lease liabilities were measured at the present value of lease payments over the remaining reasonably certain lease period, discounted using entity-specific incremental borrowing rates as of 1 July 2019. The discount rates incorporate factors such as the lessee's country of operation, the lease term, the nature of the asset and the commencement date of the lease. On transition, the incremental borrowing rates applied in deriving the total lease liability range from 8,2% to 11,5% (South African rand denominated leases), 0,9% to 8,1% (Eurasia) and 3,7% to 5,6% (United States).

On 1 July 2019, a corresponding right of use asset was recognised for an amount equal to the aforementioned lease liability, adjusted for any prepaid or accrued lease payment on the contract as at 30 June 2019, as well as for any restoration obligation. In terms of the transition options allowed by IFRS 16, leases with a remaining contract period of less than 12 months from adoption date were not recognised on the statement of financial position but continue to be expensed through the income statement on a straight-line basis. As allowed practical expedients in IFRS 16, initial direct costs were excluded from the measurement of the right of use asset at adoption date, a single discount rate was used in certain instances for a portfolio of leases with reasonably similar characteristics, hindsight was used in the determination of the lease term in the case of renewal or termination options and relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review to determine that no onerous contracts existed at 1 July 2019.

With the application of the definition of leases contained in IFRS 16, certain contracts previously accounted for as operating or finance leases under IAS 17 are no longer accounted for as leases, but rather as service agreements. This was mainly where it was determined that Sasol do not control how and for what purpose the asset is used. For leases previously classified as finance leases, the respective right of use assets and lease liabilities were measured at adoption date at the same amounts as under IAS 17 immediately preceding the adoption of IFRS 16.

The impact of the adoption of IFRS 16 on the group's statement of financial position at 1 July 2019 is as follows:

	30 June 2019 Audited Rm	IFRS 16 Impact Reviewed Rm	1 July 2019 Reviewed Rm
Statement of financial position			
Assets			
Property, plant and equipment	**233 549**	(7 417)	226 132
Assets under construction	**127 764**	(71)	127 693
Right of use assets	**–**	16 045	16 045
Goodwill and other intangible assets	**3 357**	–	3 357
Equity accounted investments	**9 866**	–	9 866
Post-retirement benefit assets	**1 274**	–	1 274
Deferred tax assets	**8 563**	–	8 563
Other long-term assets	**7 580**	(191)	7 389
Non-current assets	**391 953**	8 366	400 319
Assets in disposal groups held for sale	**2 554**	–	2 554
Inventories	**29 646**	–	29 646
Trade and other receivables	**29 308**	(13)	29 295
Short-term financial assets	**630**	–	630
Cash and cash equivalents	**15 877**	–	15 877
Current assets	**78 015**	(13)	78 002
Total assets	**469 968**	8 353	478 321
Equity and liabilities			
Shareholders' equity	**219 910**	(290)	219 620
Non-controlling interests	**5 885**	–	5 885
Total equity	**225 795**	(290)	225 505
Long-term debt	**127 350**	(1 005)	126 345
Lease liabilities	**7 445**	7 933	15 378
Long-term provisions	**17 622**	–	17 622
Post-retirement benefit obligations	**12 708**	–	12 708
Long-term deferred income	**924**	(152)	772
Long-term financial liabilities	**1 440**	624	2 064
Deferred tax liabilities	**27 586**	(111)	27 475
Non-current liabilities	**195 075**	7 289	202 364
Liabilities in disposal groups held for sale	**488**	–	488
Short-term debt	**3 783**	1 383	5 166
Short-term financial liabilities	**765**	–	765
Other current liabilities	**44 004**	(29)	43 975
Bank overdraft	**58**	–	58
Current liabilities	**49 098**	1 354	50 452
Total equity and liabilities	**469 968**	8 353	478 321

The application of the new standard has a significant impact on the presentation and timing of expenditure.

Under IFRS 16, expenses related to leases previously classified as operating leases are now recognised in the income statement over the lease term as amortisation of the right of use asset and interest expense relating to the lease liability, whereas these expenditures were previously predominantly disclosed as expenditure on 'Selling and distribution costs', 'Maintenance expenditure' and 'Other operating expenses' on a straight-line basis.

Following the adoption of IFRS 16, payments relating to leases previously classified as operating leases are presented under cash flow from financing activities, representing the payment of principal, and as operating cash flows, representing the payment of interest. Under IAS 17, these payments were primarily reflected as cash flows from operating activities.

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosure'

These amendments provide certain reliefs in connection with interest rate benchmark (IBOR) reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. The IBOR reform amendment was early adopted. The adoption of these amendments had no impact on the group's financial statements.

IFRIC 23 'Uncertainty Over Income Tax Treatments'

IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 'Income taxes' are applied where there is uncertainty over income tax treatments. The adoption of IFRIC 23 had no impact on the group at 31 December 2019.

Pro forma financial information (JSE Limited Listing Requirement)

Core HEPS, EBITDA and adjusted EBITDA included in this announcement constitute pro forma financial information in the JSE Limited Listings Requirements. Pro forma financial information compares to non-GAAP measures in terms of the United States Securities and Exchange Commission.

The pro forma financial information is the responsibility of the Board and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present Sasol's financial position, changes in equity, results of operations or cash flows. The underlying information, used in the preparation of the pro forma financial information, has been prepared using accounting policies which comply with IFRS and are consistent with those applied in the published group consolidated annual financial statements for the year ended 30 June 2019, except for the new standards adopted.

This pro forma information has not been reviewed or reported on by the group's auditors, PricewaterhouseCoopers Inc.

Litigation and contingency

As reported previously, the South African Revenue Services (SARS) conducted an audit over a number of years on Sasol Financing International Plc (SFI) which performs an off-shore treasury function for Sasol. The audit culminated in the issuance by SARS of revised tax assessments, based on the interpretation of the place of effective management of SFI. The potential tax exposure is R2,46 billion (including interest and penalties as at 31 December 2019), which is disclosed as a contingent liability.

SFI and SARS have come to a mutual agreement that the Tax Court related processes will be held in abeyance pending the outcome of the judicial review application against the SARS decision to register SFI as a South African taxpayer. The legal process is ongoing in this regard and a court date for the hearing of the application has been requested by SFI.

On 5 February 2020, a law firm based in the US filed a security class action against Sasol Limited and five of its current and former executive directors. The action alleges that Sasol intentionally misled the markets regarding cost and schedule of the LCCP. Sasol is studying the action.

From time to time, Sasol companies are involved in other litigation and similar proceedings in the normal course of business. A detailed assessment is performed on each matter and a provision is recognised where appropriate. Although the outcome of these proceedings and claims cannot be predicted with certainty, the Company does not believe that the outcome of any of these cases would have a material effect on the group's financial results.

Related party transactions

The group, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market rates with related parties.

Significant events and transactions since 30 June 2019

In accordance with IAS34 'Interim Financial Reporting', we have included an explanation of events and transactions which are significant to obtain an understanding of the changes in our financial position and performance since 30 June 2019. A R936 million profit was recognised in relation to the disposal of our 50% equity interest in the Sasol Huntsman maleic anhydride joint venture as we continue to execute on our asset optimisation programme.

Subsequent events

On 13 January 2020, an incident occurred at the LDPE unit. The investigation into the incident is complete. The root cause analysis determined that a piping support structure, within the LDPE emergency vent system, failed during commissioning causing a pipe to dislodge. No major equipment was damaged, and the incident was isolated. Remediation has commenced, however, the replacement of the high pressure piping material components have long lead times. We expect beneficial operation of the LDPE unit to be delayed to the second half of calendar year 2020. Parallel commissioning activities on the remainder of the LDPE unit continue during remediation and every effort will be made to expedite the restoration project.

On 14 February 2020, we received approval from the Competition Commission of South Africa to form a new joint venture, which will be managed and operated by our world-class explosives partner and the majority shareholder, Enaex S.A. The downstream portion of our explosives business, classified as a disposal group held for sale since 30 June 2019, will be disposed to the joint venture as a going concern. The process is expected to close by the end of June 2020.

Independent review by the auditors

These condensed consolidated interim financial statements for the six months ended 31 December 2019 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified conclusion thereon. The individual auditor assigned to perform the review is Johan Potgieter. The auditor's report does not extend to the information contained in pages 1 to 7 of this results announcement, including financial pro forma information.

Financial instruments

Fair value

Fair value is determined using valuation techniques as outlined unless the instrument is listed in an active market. Where possible, inputs are based on quoted prices and other market determined variables.

Fair value hierarchy

The table below represents significant financial instruments measured at fair value at the reporting date, or for which fair value is disclosed at 31 December 2019. This includes the US dollar bonds, interest rate swap, ethane swap, embedded derivative and zero-cost foreign exchange collars which were considered to be significant financial instruments for the group based on the amounts recognised in the statement of financial position. The calculation of fair value requires various inputs into the valuation methodologies used. The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with IFRS 13.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

Level 3 Inputs for the asset or liability that are unobservable.

Instrument	IFRS 13 fair value hierarchy	Carrying value Reviewed Rm	Fair value Reviewed Rm	Valuation method	Significant inputs
Listed long-term debt	Level 1	**45 829**	**49 001**	Fair value	Quoted market price for the same or similar instruments
Derivative financial assets and liabilities	Level 2	**(537)**	**(537)**	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	Foreign exchange rates, market commodity prices, US$ swap curve, as appropriate
Derivative financial assets and liabilities[1]	Level 3	**(674)**	**(674)**	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI and US labour index forecast, US dollar and Rand treasury curves, Rand zero swap discount rate

1 Relates to the embedded derivative contained in the Oxygen Train 17 agreement with Air Liquide, IFRS 16 adoption impact of R624 million and R50 million fair value adjustment at 31 December 2019.

For all other financial instruments, fair value approximates carrying value.

Independent auditor's review report on interim financial statements

To the Shareholders of Sasol Limited

We have reviewed the condensed consolidated interim financial statements of Sasol Limited in the accompanying interim financial results, set out on pages 9 to 22, which comprise the condensed consolidated statement of financial position as at 31 December 2019 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

Directors' responsibility for the interim financial statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 'Interim Financial Reporting', the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Sasol Limited for the six months ended 31 December 2019 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 'Interim Financial Reporting', the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Johan Potgieter
Registered Auditor
Johannesburg

21 February 2020

Contact information

Registered office: Sasol Place, 50 Katherine Street, Sandton, 2196
Private Bag X10014, Sandton, 2146

Share registrar: Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, Republic of South Africa
PO Box 4844, Johannesburg, 2000, Republic of South Africa
Tel: 0800 800 010, Email: sasol@linkmarketservices.co.za

JSE Sponsor: Merrill Lynch South Africa Proprietary Limited

Directors (Non-executive): Mr SA Nkosi* (Chairman), Mr C Beggs*, Mr MJ Cuambe (Mozambican)*, Ms MBN Dube*, Dr M Flöel (German)*, Ms GMB Kennealy*, Ms NNA Matyumza*, Mr ZM Mkhize*, Ms MEK Nkeli*, Mr PJ Robertson (British and American)*, Mr S Westwell (British)*^

Directors (Executive): Mr FR Grobler (President and Chief Executive Officer), Mr VD Kahla (Executive Vice President: Advisory, Assurance and Supply Chain), Mr P Victor (Chief Financial Officer)

*Independent ^Lead independent director

Company Secretary: Ms MML Mokoka

Company registration number: 1979/003231/06, incorporated in the Republic of South Africa

Income tax reference number: 9520/018/60/8

Ordinary shares	**JSE/A2X**	**NYSE**
Share code:	SOL	SSL
ISIN:	ZAE000006896	US8038663006
Sasol BEE Ordinary shares		
Share code:	SOLBE1	
ISIN:	ZAE000151817	

American depository receipts (ADR) program:
Cusip number 803866300 — ADR to ordinary share 1:1

Depositary: J.P. Morgan Depositary Receipts, 383 Madison Avenue, Floor 11, New York, NY 10179, United States of America

Sandton, 21 February 2020

Disclaimer – Forward-looking statements

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

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

Additional information on our business performance is included in the analyst book available on our website: www.sasol.com

www.sasol.com