

SASOL LTD

Form 6-K

March 25, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

Report on Form 6-K for 25 March 2008

Commission File Number 1-31615

Sasol Limited

1 Sturdee Avenue

Rosebank 2196

South Africa

(Name and address of registrant's principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note : Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

82-_____.

Enclosures: Detailed terms of Sasol Inzalo Black Economic Empowerment ("BEE") transaction and withdrawal of cautionary announcement

SASOL LIMITED

Incorporated in the Republic of South Africa

(Registration number: 1979/003231/06)

JSE share code: SOL

NYSE share code: SSL

ISIN: ZAE000006896

US8038663006

(“Sasol” or “the Company”)

DETAILED TERMS OF SASOL INZALO BLACK ECONOMIC EMPOWERMENT (“BEE”) TRANSACTION AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Highlights

- 10% equity ownership of Sasol through the Sasol Inzalo BEE Transaction
- Broadening and transforming Sasol’s shareholder base as a listed entity
- 63,1 million shares valued at R 25,9 billion - the single largest broad-based BEE transaction to date
- Sasol’s facilitation of Sasol Inzalo BEE transaction in line with market norms
- Positive impact on net asset value per share
- Marginal impact on unaudited pro forma annualised earnings, excluding the non -cash share-based payment charge
- Participants will be employees, the Sasol Inzalo Foundation, black groups and the black public
- Sasol Inzalo Foundation to facilitate skills development and capacity building in the critical areas of mathematics, science and technology
- Meaningful long-term benefits to be spread widely among black South Africans, primarily in the lower income groups and particularly women
- Participants will benefit from Sasol’s domestic and international growth
- Compliance with the Broad-based BEE Codes of Good Practice, with effective black ownership of 19,7% of Sasol’s South African business

1.

Introduction

In an announcement dated 10 September 2007, published on SENS and in the press, shareholders were advised of Sasol’s intention to conclude a 10% equity ownership transaction (the “Transaction”), subject to shareholders’ approval. The Transaction is called Sasol Inzalo. “Inzalo” is an expressive word that signifies birth, creation of life and new beginnings. At the closing price of R 410 per share on 18 March 2008, the Sasol Inzalo BEE Transaction has a value of R 25,9 billion.

If approved by shareholders, Sasol will conclude the Transaction in respect of 10% of its issued share capital, as at 18 March 2008. Unless indicated otherwise, the BEE ownership percentages referred to in this announcement are before giving effect to the Transaction. Black ownership will be approximately 8,3% which represents an effective 19,7% of Sasol's South African business in terms of the Broad-Based Black Economic Empowerment Codes of Good Practice ("Codes").

Sasol's current share repurchase programme, initiated on 7 March 2007, has resulted in the repurchase of 5,9% of Sasol ordinary shares by Sasol Investment Company (Proprietary) Limited, a wholly-owned subsidiary of Sasol. After the implementation of the Transaction, and assuming no further shares are repurchased by Sasol, the total will transaction represent 9,6% of Sasol's issued share capital.

Sasol intends to continue its current share repurchase programme, subject to the financial position (including cash flow and gearing considerations) of the Company and the prevailing market and economic conditions. Should Sasol continue the current share repurchase programme (up to the authorised limit of 10%) it would result in an increase in the effective ownership by the participants in the Transaction ("BEE Participants") from 9,6% to 10%.

In the announcement dated 10 September 2007, Sasol indicated that to mitigate dilution to existing ordinary shareholders:

- it intended to repurchase, in terms of its current share repurchase programme, the same number of shares as would be issued in terms of the Transaction, namely 63,1 million Sasol ordinary shares; and
- to the extent that Sasol had not repurchased 63,1 million Sasol ordinary shares, it would consider a share repurchase by way of a scheme of arrangement in terms of Section 311 of the Companies Act, 1973 ("the scheme").

In view of the number of shares repurchased to date and Sasol's intention to resume its current share repurchase programme, under the aforementioned conditions, Sasol has decided not to proceed with the scheme.

2.

Rationale for and principles of the Transaction

In line with Sasol's empowerment objectives, the Transaction has been designed to provide long-term benefits to a broad group of Black People (as defined in the Codes) with a focus on Sasol's own employees and lower income groups, particularly women.

As a major participant in the South African economy, Sasol welcomes the role that it can play in helping to meet the country's socio-economic and growth objectives. In addition

to this, the establishment of the Sasol Inzalo Foundation (the “Sasol Inzalo Foundation” or the “Foundation”) will facilitate skills development and capacity building in the critical areas of mathematics, science and technology. Sasol is committed to advancing these empowerment initiatives in ways that are sustainable, credible and of benefit to all its stakeholders and to the country as a whole. By focusing on broad-based empowerment, skills development and capacity building, the Transaction will go to the heart of these objectives.

During the design phase of the Transaction, Sasol was guided primarily by the following principles:

- the vesting of full voting and economic rights, subject to the requirements of Sasol and the external funders (“Financing Institutions”), in the BEE Participants from inception, directly or through separate investment entities, in respect of 10% of the issued share capital of Sasol;
- focusing on broad-based groups with at least 51% black ownership and/or at least 51% black beneficiaries (“Black Groups”) with significant involvement of broad-based women’s groups;
- enabling the active involvement of Black Groups in Sasol’s transformation, skills and capacity building programme;
- creating the Sasol Inzalo Foundation, which will focus on skills development and capacity building in South Africa including the communities in Sasolburg and Secunda;
- achieving a sustainable transaction at an acceptable economic cost (within market norms and inclusive of any dilution) to shareholders;
- ensuring compliance with the letter and spirit of the Codes; and
- broadening ownership in Sasol among its employees.

3.

Transaction overview

3.1 Transaction structure

The Transaction will be structured as follows:

Please refer to diagram in press version.

The BEE Participants will acquire indirect and/or direct beneficial ownership in Sasol’s issued share capital as follows:

- all Sasol employees, black and white, below managerial level that are permanently resident in South Africa or who are migrant workers (“Sasol Employees”) and Sasol black managers and black executive directors (“Black Managers”) through the Sasol Inzalo Employee Trust and

the Sasol Inzalo Management Trust respectively (collectively the "Employee Trusts") - 4,0%;

- the Sasol Inzalo Foundation, which will be established as a trust - 1,5%;

- selected Black Groups involved in Sasol's business as either trade unions, suppliers, customers or franchisees ("Involved Groups") and broad-based Black Groups involved in skills development and capacity building particularly in mathematics, science and technology or community upliftment projects in Sasolburg or Secunda ("Broad-based Groups") (collectively "Selected Participants") through Sasol Inzalo Groups Limited ("Groups InvestCo") and Sasol Inzalo Groups Funding (Proprietary) Limited ("Groups FundCo") - 1,5%; and

- members of the black South African public ("Black Public") - 3,0%:

- through Sasol Inzalo Public Limited ("Public InvestCo") and Sasol Inzalo Public Funding (Proprietary) Limited ("Public FundCo") by way of a funded black public invitation (the "Funded Invitation"); and

- directly into Sasol by way of a share purchase scheme where participants will subscribe for a separate class of Sasol BEE Ordinary Shares for cash (the "Cash Invitation"), (collectively, the "Sasol Inzalo Black Public Invitations").

The Employee Trusts, Foundation, Groups FundCo, Public FundCo and the Black Public participating through the Cash Invitation together comprise the "BEE Shareholders".

The Employee Trusts and the Foundation will be funded entirely through Sasol facilitation. Groups FundCo and Public FundCo (collectively, the "Funding Companies") will be funded by way of equity contributions and preference share funding (including preference shares subscribed for by Sasol), with appropriate Sasol facilitation. The Cash Invitation will rely on cash subscriptions from participants only.

The Transaction will endure for a period of ten years.

3.2 Issue price for the Sasol Preferred Ordinary Shares and the Sasol BEE Ordinary Shares

Two new classes of shares, Sasol Preferred Ordinary Shares and Sasol BEE Ordinary Shares, the terms of which are outlined in paragraphs 4 and 5 below, will be created.

These shares will be issued at R 366 per share (the "Issue Price"), being the 60 day volume weighted average price ("VWAP") of Sasol ordinary shares to 18 March 2008, being the last day prior to the board of directors of Sasol ("the Board") reaching a decision on the Issue Price.

The Issue Price represents a discount of approximately 11% to the Sasol closing price on 18 March 2008. The Board, taking cognisance of the preliminary fairness opinion provided by Deloitte & Touche Corporate Finance (“Deloitte”) as contained in paragraph 14 below, is of the view that a 60 day VWAP is appropriate given the recent volatility of the Sasol share price and the need for Sasol to ensure a sustainable Transaction over the long term.

3.3 Specific issue of shares

In order to give effect to the Transaction, Sasol will issue to the BEE Shareholders:

- 34,7 million Sasol ordinary shares (5,5% of Sasol’s issued share capital) at a nominal value of R0,01 per share, subject to Sasol’s Repurchase Right at the end of the Transaction term (detailed in paragraphs 6 and 7 below);
- 25,6 million Sasol Preferred Ordinary Shares (4,1% of Sasol’s issued share capital) at the Issue Price. Should the subscriptions for the Sasol BEE Ordinary Shares under the Cash Invitation be less than 2,8 million shares, the number of Sasol Preferred Ordinary Shares made available for the Funded Invitation could be increased by such shortfall, up to a maximum of 2,8 million Sasol Preferred Ordinary Shares, so that the Sasol Preferred Ordinary Shares that are available for the Funded Invitation could reach a maximum of 18,9 million. Accordingly the number of issued Sasol Preferred Ordinary Shares could therefore reach a maximum in total of 28,4 million; and
- 2,8 million Sasol BEE Ordinary Shares (0,4% of Sasol’s share capital) at the Issue Price. Should subscriptions for the Sasol Preferred Ordinary Shares under the Funded Invitation be less than 16,1 million shares, the shortfall, up to a maximum of 16,1 million Sasol BEE Ordinary Shares, will be made available for the Cash Invitation and the number of issued Sasol BEE Ordinary Shares could therefore reach a maximum of 18,9 million, provided that the total number of Sasol Preferred Ordinary Shares and Sasol BEE Ordinary Shares issued to the Black Public under the Sasol Inzalo Black Public Invitations does not exceed 18,9 million shares.

The shares will be issued as follows:

* the current market value of the shares is based on the closing share price on 18 March 2008 of R 410.

4.

Sasol Preferred Ordinary Shares

Sasol will create Sasol Preferred Ordinary Shares by converting 28,4 million authorised, unissued, no par value Sasol ordinary shares into Sasol Preferred Ordinary Shares. Sasol will issue up to 28,4 million Sasol Preferred Ordinary Shares as follows:

- 9,5 million Sasol Preferred Ordinary Shares or 1,5% of Sasol’s issued share capital to Groups FundCo; and
- up to 18,9 million Sasol Preferred Ordinary Shares or 3,0% of Sasol’s issued share capital to Public FundCo.

The Sasol Preferred Ordinary Shares will not be listed on the JSE Limited (“JSE”).

The Sasol Preferred Ordinary Shares will carry a cumulative preferred dividend right during the term of the Transaction, as follows:

- R16,00 per annum for each of the three years ending 30 June 2011;
- R22,00 per annum for the next three years until 30 June 2014; and
- R28,00 per annum for the last four years until 30 June 2018.

The preferred ordinary dividend will be adjusted appropriately such that the Funding Companies will not be adversely affected, from a tax perspective, when the proposed change from a secondary tax on companies to a shareholder dividend withholding tax becomes effective.

Shares

(million)

%

interest

in Sasol

Current

market

value*

(R million)

Sasol ordinary shares

Employee Trusts

25,2

4,0

10 345

Sasol Inzalo Foundation

9,5

1,5

3 879

34,7

5,5

14 224
Sasol Preferred Ordinary Shares
Groups FundCo
9,5
1,5
3 879
Public FundCo
16,1
2,6
6 595
25,6
4,1
10 474
Sasol BEE Ordinary Shares
Black Public directly
2,8
0,4
1 164
Total
63,1
10,0
25 862

Such adjustment will only be made to the extent that Sasol is not in a worse economic position after the adjustment. The preferred dividend right of the Sasol Preferred Ordinary Shares will rank ahead of the dividend rights of the Sasol ordinary shares and Sasol BEE Ordinary Shares. Except for the preferred dividend right, the Sasol Preferred Ordinary Shares will rank pari passu with the Sasol ordinary shares. At the end of the term of the Transaction, the preferred dividend right will cease and the Sasol Preferred Ordinary Shares will automatically be Sasol ordinary shares, which will then be listed on the JSE as Sasol ordinary shares.

5.

Sasol BEE Ordinary Shares

Sasol will create the Sasol BEE Ordinary Shares, by converting 18,9 million authorised, unissued, no par value Sasol ordinary shares into Sasol BEE Ordinary Shares. Sasol will issue up to 18,9 million Sasol BEE Ordinary Shares to those members of the Black Public who choose to participate in the Transaction through the Cash Invitation and who subscribe for these shares. The Sasol BEE Ordinary Shares, which are more fully described in paragraph 9.5 below, will rank pari passu with the Sasol ordinary shares and will differ only in the fact that they will not be listed. The Sasol BEE Ordinary Shares cannot be traded for the first two years of the Transaction and, for the remainder of the Transaction term, can only be traded between Black People and Black Groups. At the end of the Transaction term, the Sasol BEE Ordinary Shares will automatically be Sasol ordinary shares and will then be listed on the JSE.

6.

Employee participation

6.1 Introduction

The employee share ownership schemes that will be established for the benefit of Sasol Employees (the “Employee Scheme”) and Black Managers (the “Management Scheme”) (collectively, “Sasol Inzalo Schemes”) will benefit from the 4,0% of Sasol’s issued share capital issued to the Employee Trusts.

The Sasol Inzalo Schemes are intended to broaden ownership in Sasol among Sasol’s employees and to spread a significant portion of the benefit of the Transaction amongst Sasol employees to contribute to the sustained success of Sasol.

The participation in the Transaction of each Employee Trust is set out below.

Employee Trusts	
Shares	
(million)	
% of Sasol	Current
market	
value*	
(R	
million)	
Sasol Inzalo Employee	
Trust	
23,3	
3,7%	
9 569	
Sasol Inzalo Management	
Trust	
1,9	
0,3%	
776	
Total	
25,2	
4,0%	
10 345	

* The current market value of the shares is based on the closing share price on 18 March 2008 of R410.

Vested rights will be allocated to black Sasol Employees and Black Managers in respect of approximately 2,3% of Sasol's issued share capital. Vested rights will be allocated to white employees and migrant workers who will participate in the Employee Scheme in respect of approximately 1,7% of Sasol's issued share capital. 58% of the participants in the Sasol Inzalo Schemes will be Black People and 42% will be white employees and migrant workers. White employees and migrant workers will not be included in the calculation of BEE points in terms of the Codes.

6.2 Terms of participation by Sasol Employees and Black Managers

Participants in the Sasol Inzalo Schemes will each be granted vested rights to Sasol ordinary shares. This is subject to Sasol being entitled to repurchase a number of shares, determined in terms of a formula, at the end of the Transaction term (the "Repurchase Right"). Each right granted to a participant in the Sasol Inzalo Schemes will correspond to one Sasol ordinary share. These rights will vest at the inception of each of the schemes. The Sasol Employees and Black Managers will not be required to contribute equity and will become entitled, from inception, to the distribution of all the ordinary dividends received by the Employee Trusts (as described in paragraph 6.3 below), in proportion to their respective rights.

Each participant in the Employee Scheme will be allocated vested rights to 850 Sasol ordinary shares, equivalent to

approximately R350 000 at the closing price on 18 March 2008 of R 410 per share. The allocation of vested rights to Sasol ordinary shares in the Management Scheme will be on the basis of seniority and range from 5 000 to 25 000. 10% of the shares in the Employee Trusts will be set aside for new employees appointed during the first five years of the Transaction.

Black Sasol executive directors will participate in the Black Management Scheme and will accordingly be related parties for purposes of the JSE Listings Requirements.

Sasol Employees or Black Managers who leave the employ of Sasol during the term of the Transaction by reason of dismissal will forfeit all their rights to Sasol ordinary shares.

A Sasol Employee or Black Manager who leaves the employ of Sasol by reason of resignation:

- within the first three years after having been allocated vested rights will forfeit all such rights; and
- three years or more after having been allocated vested rights will forfeit 10% of such rights for each full year or part thereof remaining from the date of resignation until the end of the term of the Transaction.

Sasol Employees or Black Managers who leave the employ of Sasol by reason of retirement, early retirement, ill health or dismissal due to operational requirements at any time during the term of the Transaction will retain their entire allocation of rights until the end of the term of the Transaction. The heirs of those Sasol Employees and Black Managers who die will likewise succeed to their entire allocation.

Forfeited vested rights to Sasol ordinary shares will be available for re-allocation to new and existing Sasol employees.

6.3 Subscription by the Employee Trusts for Sasol ordinary shares

The subscription by the Employee Trusts for Sasol ordinary shares will be facilitated by Sasol as follows.

- The Employee Trusts, which will be funded by contributions from Sasol, will collectively subscribe for 25,2 million Sasol ordinary shares at a nominal value of R0,01 per share, for a total subscription price of R252 000.
- Each subscription at nominal value will be subject to the following pre-conditions:
 - the right to receive only 50% of the ordinary dividends and none of the extra-ordinary dividends paid in respect of the Sasol ordinary shares issued to the Employee Trusts for the duration of the Transaction; and
 - Sasol's Repurchase Right in terms of which Sasol is entitled to repurchase a number of Sasol ordinary shares from the Employee Trusts at a nominal value of R0,01 per share. The number of shares will be calculated in accordance with a predetermined formula which considers the following:

- the aggregate value of the Sasol ordinary shares issued to the Employee Trusts based on R366 per share (i.e. the 60 day VWAP of Sasol ordinary shares to 18 March

2008), escalated at 11,5% per annum for the Transaction term;

•

the dividends not paid to the Employee Trusts resulting from the pre-conditions attaching to their subscription for Sasol ordinary shares; and

•

the market price of the Sasol ordinary shares at the end of the Transaction term.

- After Sasol has exercised its Repurchase Right and subject to the forfeiture of vested rights outlined in paragraph 6.2 above, each Sasol Employee and Black Manager will receive a number of Sasol ordinary shares having regard to the participant's vested rights to those shares.

- Any shares and other assets remaining in the Employee Trusts after the reallocation and distribution to new and existing Sasol employees will be distributed to the Foundation as residual vested beneficiary.

6.4 Governance of the Sasol Inzalo Schemes

Two of the trustees of the Sasol Inzalo Employee Trust will be appointed by the Sasol Employees and one trustee will be appointed by Sasol. The Black Managers and Sasol will each appoint one trustee for the Sasol Inzalo Management Trust. The trustees appointed by the Sasol Employees and Black Managers will be independent of Sasol.

The trustees will exercise the voting rights attached to the Sasol ordinary shares owned by the Employee Trusts in accordance with the individual instructions of the Sasol Employees and Black Managers. Where participants have not given voting instructions, the trustees will exercise the voting rights at their discretion.

7.

Sasol Inzalo Foundation

7.1 Introduction

The Foundation will own 1,5% of Sasol's issued share capital.

The vision of the Foundation is to significantly contribute to sustainable socio-economic growth in South Africa by focusing on skills development, primarily in mathematics, science and technology. The Foundation will be formed for that purpose. The Foundation will endure indefinitely.

7.1.1

Objectives and activities of the Foundation

The principal purpose of the Foundation will be to carry on educational public benefit activities with an emphasis on mathematics, science and technology. In doing so, it shall act as a Broad-based Ownership Scheme as contemplated in the Codes.

The trustees of the Foundation will give preference to the following activities in achieving the objectives of the Foundation:

- alleviating the lack of skilled mathematics, science and technology tuition in schools so as to boost the number of pupils graduating with mathematics, science and technology subjects and skills from secondary schools, inter alia, through the establishment of the Sasol Maths and Science Academy as a secondary school aiming to achieve a high level of excellence in these areas based on internationally recognised curricula;
- boosting the vocational skills pool in South Africa, inter alia, through working jointly with or making donations to Further Education and Training Colleges (“FET Colleges”), following on from the South African Government’s ‘Adopt -an-FET’ initiative, in an endeavour to address skills shortages in respect of South African artisans generally. This will be done, inter alia, by means of a nationwide drive to use retired artisans and engineers:
 - as coaches to allow learners to complete the practical component of their training and consequently become qualified as artisans and so become employable; and
 - to transfer their training skills to the FET Colleges;
- expanding the current Sasol Centres of Excellence initiative to include needy tertiary institutions and promoting success rates of secondary school pupils in achieving entry into degree courses with a mathematics, science and/or technology base and graduating in those degrees and undertaking post-graduate study, including:
 - the provision of bridging courses to enable entry or continued participation in a tertiary education institution; and
 - assisting with curriculum development for tertiary institutions, with a strong mathematics, science and technology focus.

7.2 Subscription by the Foundation for Sasol ordinary shares

The subscription by the Foundation for Sasol ordinary shares will be facilitated by Sasol as follows:

- The Foundation, which will be funded by a contribution from Sasol, will subscribe for 9,5 million Sasol ordinary shares at a nominal value of R0,01 per share. The total subscription price will be R95 000.

- Each subscription at nominal value will be subject to the following pre-conditions:

- the rights to receive only 5% of ordinary dividends and none of the extra-ordinary dividends paid in respect of the Sasol ordinary shares issued to the Foundation, for the Transaction term; and

- Sasol being entitled to repurchase a number of Sasol ordinary shares, determined in accordance with a formula, from the Foundation at the end of the term of the Transaction (the “Repurchase Right”).

- At the end of the Transaction term, Sasol may repurchase from the Foundation a number of Sasol ordinary shares at a nominal value of R0,01 per share. The number of shares will be calculated in accordance with a predetermined formula as described in paragraph 6.3 above.

After Sasol has exercised its Repurchase Right, the Foundation will receive 100% of dividends declared by Sasol on the Sasol ordinary shares owned by the Foundation and will utilise such dividends to fund its activities.

7.3 Funding of activities of the Foundation

During the Transaction term, the operating and capital expenditure of the Foundation will be funded from:

- the dividends received from the Sasol ordinary shares issued to the Foundation;
- donations from the Sasol Group; and
- funds raised from other donors.

It is envisaged that the Foundation will be self sufficient as regards its operating expenses from inception.

7.4 Governance of the Foundation

The Foundation will be administered by a board of not less than three trustees which will be appointed by Sasol. The majority of the trustees will be Black People and 25% will be black women. At least 50% of the trustees will be independent of Sasol and not employed by the Foundation. The trustees will not be beneficiaries of the Foundation. The trustees will appoint a director to manage the day to day operations and affairs of the Foundation.

8.

Participation by Selected Participants

8.1 Introduction

Selected Participants will indirectly own 1,5% of Sasol's issued share capital through Groups InvestCo and Groups FundCo.

Pursuant to the request for the submission of expressions of interest by Black Groups that was published by Sasol on 16 and 17 September 2007 and again on 9 October 2007, Sasol received a large number of expressions of interest. After performing a comprehensive evaluation of the groups that submitted expressions of interest, Sasol has selected a number of groups to participate as Selected Participants and is currently finalising the terms of their participation in the Transaction.

35 Broad-based Groups and 51 Involved Groups have accepted an invitation to participate and will indirectly participate, through Groups InvestCo, in 85% of the Sasol Preferred Ordinary Shares to be issued to Groups FundCo. The Involved Groups include Abrina 5604 Limited ("Abrina") (described further below) and the investment companies of certain of Sasol's recognised trade unions.

Sasol is continuing the process of selecting, in its discretion, appropriate Black Groups to acquire the balance of 15% of the Sasol Preferred Ordinary Shares. The Black Groups to be selected will have similar characteristics to the Broad-based Groups and the Involved Groups that have already been invited to participate in the Transaction. In the interim, the Groups Facilitation Trust, a vehicle created for this purpose, will subscribe for the balance of 15% of the Sasol Preferred Ordinary Shares. The Groups Facilitation Trust will be funded by Sasol. The name and description of the Selected Participants, together with, inter alia, their respective shareholdings in Groups InvestCo will be set out in the circular to shareholders referred to in paragraph 17 below ("Circular").

It is intended that the Broad-based Groups will play an important role in assisting Sasol to increase South Africa's skills pool.

Sasol retail convenience centres franchisees have established Abrina which, subject to finalising its internal funding arrangements, has been invited to participate in an indirect subscription of Sasol Preferred Ordinary Shares to a value of R820 million. The shareholding in Abrina, which is in the process of being finalised, is expected to be as follows:

- the employees of the individual franchisees (up to 3 900 employees) will benefit from 37,5% of the issued share capital of Abrina through a trust; and

- up to 234 shareholders representing approximately 100 franchise owners will hold 62,5% of the issued share capital of Abrina.

It is anticipated that 85% of the interest that will be taken up by Abrina in Groups InvestCo will be for the benefit of Black People.

8.2 Terms for participation by Selected Participants

An agreement (“Governing Agreement”) and deeds of adherence will be concluded between Sasol, Selected Participants, Groups InvestCo and Groups FundCo in terms of which each Selected Participant will undertake, inter alia, for the duration of the Transaction term:

- to comply with the provisions of the Governing Agreement, failing which that Selected Participant will be obliged to offer its shares in Groups InvestCo to the Groups Facilitation Trust;
- not to dispose of or encumber its ordinary shares in Groups InvestCo, other than to the Groups Facilitation Trust if a forced sale occurs;
- to retain its BEE status and corporate structure (where applicable);
- for Broad-based Groups, continue to be involved in skills development and/or community upliftment projects in Sasolburg and Secunda; and
- be managed in accordance with generally accepted corporate governance principles.

The Selected Participants will be entitled to receive a dividend of up to 5% of the dividend on Sasol Preferred Ordinary Shares in proportion to their effective interest in Sasol’s issued share capital, from the commencement of the fourth year of the Transaction term, subject to the financing requirements of Groups FundCo.

At the end of the Transaction term, the Sasol Preferred Ordinary Shares will automatically be Sasol ordinary shares and will then be listed on the JSE. At the time, Sasol ordinary shares may need to be sold to redeem the preference share funding and to pay any costs and taxes incurred by Groups FundCo. The Sasol ordinary shares remaining in Groups FundCo may then be distributed to the Selected Participants in proportion to their shareholding in Groups InvestCo.

8.3 Subscription by Groups FundCo for Sasol Preferred Ordinary Shares

Groups FundCo will subscribe for 9,5 million Sasol Preferred Ordinary Shares funded by equity from Selected Participants through Groups InvestCo and preference share funding. Other than Abrina, the Selected Participants will subscribe for

ordinary shares in Groups InvestCo by contributing equity equal to 5% for their first R50 million allocation of Sasol Preferred Ordinary Shares and 10% of the value of their effective allocation in excess of R50 million.

Abrina will contribute equity equal to 5% for its entire allocation as it facilitates the participation of the franchisees' employees who are unable to contribute any equity.

8.4 Governance

The Selected Participants will be entitled to appoint directors to the boards of Groups FundCo and Groups InvestCo. The boards of directors of Groups InvestCo and Groups FundCo will comprise the same individuals. The majority of the directors must be Black People and not less than 40% must be black women.

Groups FundCo will, from inception, have full voting and economic rights with regard to its 1,5% of Sasol's issued share capital.

9.

Participation by the Black Public

9.1 Introduction

The aim of the Sasol Inzalo Black Public Invitations is to provide as many Black People as possible the opportunity to acquire shares in Sasol. Participants in the invitations will be Black People and Black Groups, including partnerships, trusts and unincorporated groups such as 'stokvels'. The Black Public could own 3% of Sasol's issued share capital, through their participation in the Funded Invitation and Cash Invitation.

The total number of Sasol Preferred Ordinary Shares and Sasol BEE Ordinary Shares issued to the Black Public under the Sasol Inzalo Black Public Invitations will not exceed 18,9 million shares or 3% of Sasol's issued share capital.

The Sasol Inzalo Black Public Invitation will be launched on or about 22 May 2008.

The National Empowerment Fund ("NEF") and Sasol have entered into a memorandum of understanding in terms of which it has been agreed that the NEF will assist Sasol with the implementation of the Sasol Inzalo Black Public Invitations.

The NEF's experience in designing, structuring and implementing similar schemes, also places it in a unique position to assist Sasol with the implementation of the Sasol Inzalo Black Public Invitations.

9.2 Subscriptions in terms of the Sasol Inzalo Black Public Invitation

In order to achieve the aim set out in paragraph 9.1 above, an aggregate of 18,9 million Sasol Preferred Ordinary Shares and Sasol BEE Ordinary Shares will be made available for allotment and issue to the Black Public. It is anticipated that approximately 16,1 million Sasol Preferred Ordinary Shares and approximately 2,8 million Sasol BEE Ordinary Shares will be subscribed for by the Black Public under the Sasol Inzalo Black Public Invitations. The actual number of Sasol Preferred Ordinary Shares and Sasol BEE Ordinary Shares issued will be dependent on the subscriptions received under the respective invitations pursuant to which Sasol will adjust the number of issued shares under each invitation such that the total number of shares issued to the Black Public will not exceed 18,9 million.

Funded Invitation

Public FundCo will subscribe for up to 18,9 million Sasol Preferred Ordinary Shares as explained in paragraph 3,3 at the Issue Price funded by equity from the Black Public through Public InvestCo and preference share funding. The Issue Price represents a discount of approximately 11% to the Sasol closing share price on 18 March 2008. The Black Public will subscribe for ordinary shares in Public InvestCo by contributing cash equal to 5% of the Issue Price for the first 100 shares and 10% of the Issue Price for any subscription in excess of 100 shares.

Cash Invitation

The Black Public will subscribe for up to 18,9 million Sasol BEE Ordinary Shares as explained in paragraph 3.3 at the Issue Price. Although the Black Public will be required to contribute 100% of the subscription consideration, the Issue Price represents a discount of approximately 11% to the Sasol closing share price on 18 March 2008.

9.3 Terms for participation by the Black Public in the Funded Invitation

The Funded Invitation makes use of funding facilitated by Sasol in Public FundCo to reduce the cash contribution required from the Black Public. Sasol's objective is to make the Funded Invitation accessible to as many Black People and Black Groups as possible. Accordingly, the minimum subscription will be for 25 shares, which will represent a minimum subscription of R 458 at the Issue Price.

In order to ensure the broadest possible base of participants in the Funded Invitation, it is envisaged that the allocation of shares to the Black Public will be made, in Sasol's discretion, from the bottom up, starting with applications for the smallest number of shares.

Participants in the Funded Invitation may not dispose of their ordinary shares in Public InvestCo for the first three years after inception. Thereafter, for the remainder of the Transaction term, trading of the Public InvestCo ordinary shares will be allowed with other Black People or Black Groups through an over-the-counter trading mechanism. Participants in the Funded Invitation may not encumber their shares in Public InvestCo before the end of the Transaction term.

The Black Public will be entitled to receive a dividend of up to 5% of the dividend on the Sasol Preferred Ordinary Shares in proportion to their effective interest in Sasol's issued share capital, from the commencement of the fourth year of the Transaction term, subject to the financing requirements of Public FundCo.

At the end of the Transaction term, the Sasol Preferred Ordinary Shares will automatically be Sasol ordinary shares and will then be listed on the JSE. At the time, Sasol ordinary shares may need to be sold to redeem the outstanding preference share funding and to pay any costs and taxes incurred by Public FundCo. The Sasol ordinary shares remaining in Public FundCo may then be distributed to the Black Public in proportion to their shareholding in Public InvestCo.

9.4 Governance of Public FundCo and Public InvestCo

The shareholders of Public InvestCo will be entitled to appoint directors to the boards of Public FundCo and Public InvestCo. The boards of directors of Public FundCo and Public InvestCo will comprise the same individuals. The majority of the directors must be Black People and not less than 40% must be black women.

Public FundCo will, from inception, have full voting and economic rights with regard to its interest in Sasol's issued share capital.

9.5 Terms for participation in the Cash Invitation

The Cash Invitation allows members of the Black Public that so choose to invest directly in Sasol BEE Ordinary Shares at the Issue Price. The minimum subscription will be for 10 shares or such other number of shares as may be decided by Sasol in its discretion, which will represent a minimum subscription of R 3 660 at the Issue Price. This invitation aims to cater for investors with more funds available to invest, who wish to obtain direct exposure to Sasol shares and who may have a shorter investment time horizon. Participants in the Cash Invitation will receive dividends per share simultaneously with, and equal to, Sasol ordinary

shareholders. In addition, they will be entitled to exercise the voting rights attaching to their Sasol BEE Ordinary Shares.

Participants in the Cash Invitation will be entitled to encumber their Sasol BEE Ordinary Shares, provided that these shares continue to be owned by members of the Black Public for the duration of the Transaction term.

In order to ensure the broadest possible base of participants in the Cash Invitation, it is envisaged that the allocation of shares to the Black Public will be made, in Sasol's discretion, from the bottom up, starting with applications for the smallest number of shares.

At the end of the term of the Transaction, the Sasol BEE Ordinary Shares will automatically be Sasol ordinary shares and will then be listed on the JSE.

Should circumstances so require, Sasol may amend the structure relating to the Cash Invitation and, if so, shareholders will be advised of the change in the Circular .

10. Funding of Selected Participants and Black Public participating in Funded Invitation

The Selected Participants and the Black Public participating in the Funded Invitation will indirectly participate in Sasol through their respective interests in Groups InvestCo and Public InvestCo (collectively, the "Investment Companies") and the Funding Companies.

10.1 Subscription by the Funding Companies for Sasol Preferred Ordinary Shares and the funding thereof

The Funding Companies will subscribe for Sasol Preferred Ordinary Shares in Sasol's issued share capital at the Issue Price. The subscription will be funded by a combination of:

- equity received from the Investment Companies;
- preference shares (A, B and C Preference Shares) subscribed for by the Financing Institutions; and
- D preference shares subscribed for by Sasol ("D Preference Shares").

The funding that is required by Groups FundCo and Public FundCo to subscribe for Sasol Preferred Ordinary Shares at the Issue Price is outlined in the table below.

Funding required (R million)

Sources of funding

Groups

FundCo

Public

FundCo*

Total

EQUITY

220

400

620

PREFERENCE SHARES

3 256

5 510

8 766

A Preference Shares

900

1 530

2 430

B Preference Shares

450

765

1 215

C Preference Shares

950

1 900

2 850

D Preference Shares

956

1 315

2 271

Total

3 476

5 910

9 386

* assuming that 16,1 million Sasol Preferred Ordinary Shares will be subscribed for by Public FundCo at the Issue Price and that 2,8 million Sasol BEE Ordinary Shares will be subscribed for by the Black Public, under the Cash Invitation, at the Issue Price

Equity contributions

R 220 million of equity will be required to fund Groups FundCo. The Selected Participants that have accepted the invitation to participate are expected to contribute R 170 million through their investment in Groups InvestCo. The remainder of the equity will be contributed by the Groups Facilitation Trust.

It is estimated that an amount of R400 million will be contributed as equity by the Black Public.

Preference share funding

The A, B and C Preference Shares will be raised in the market by the appointed arrangers namely Rand Merchant Bank, a division of FirstRand Bank Limited, and The Standard Bank of South Africa Limited (the “Arrangers”), through a competitive bidding process. Sasol has received funding commitments from the Financing Institutions and is in the process of concluding the funding agreements. The average cost of the preference share funding raised, as at 18 March 2008, is estimated to be 10,8% per annum.

The A Preference Shares totalling approximately R 2 430 million in value will be senior preference shares with a fixed dividend rate linked to the prime lending rate. It is anticipated that 50% or more of the initial capital of the A Preference Shares will be redeemed over the term of the Transaction (commencing after the expiry of three years from the commencement of the Transaction term). The A Preference Shares will be secured against the ordinary shares in the relevant Funding Company held by the relevant Investment Company. Neither of the Funding Companies is permitted to dispose of or encumber the Sasol Preferred ordinary Shares and other assets owned by such Funding Company.

The B Preference Shares totalling approximately R 1 215 million in value will be mezzanine preference shares with a fixed dividend rate linked to the prime lending rate. The dividends on the B Preference Shares will be fully serviced over the term of the Transaction but no preference shares will be redeemed during this period. The B Preference Shares will be subordinated to the A Preference Shares.

The C Preference Shares totalling a minimum of R 2 850 million in value will be issued at a floating dividend rate linked to the prime lending rate. The C Preference Shares will receive some cash dividends from the start of the seventh year after the commencement of the Transaction, but the majority of the dividends will accumulate and will be settled at the end of the Transaction term. The C Preference Shares will be subordinated to the A and B Preference Shares and secured against a Sasol guarantee.

Sasol will subscribe for D Preference Shares to fund the shortfall of R 2 271 million between the amount required to subscribe for the Sasol Preferred Ordinary Shares and the aggregate funding raised through the equity contributions from Selected Participants and the Black Public participating in the Funded Invitation and the issue of the A, B and C Preference Shares. The D Preference Shares will be issued at a floating dividend rate linked to the prime lending rate and will be subordinated to the A, B and C Preference Shares. The D Preference Shares will not receive any cash dividends for the duration of the transaction but will, in all other respects, have substantially the same rights, privileges and conditions as the C Preference Shares.

Should the subscriptions received in terms of the Funded Invitation differ from the subscriptions envisaged in paragraphs 3.3, the funding packages for the A, B and C Preference Shares can be adjusted up to a maximum aggregate amount of R6 900 million.

11. Facilitation by Sasol

Sasol intends to facilitate the Transaction as follows:

- in respect of the Employee Schemes, Sasol will fully facilitate the acquisition of the Sasol Ordinary Shares at nominal value by the Employee Trusts, subject to Sasol's Repurchase Right at the end of the Transaction term;
- Sasol will fully facilitate the acquisition of the Sasol ordinary shares at nominal value by the Foundation, subject to Sasol's Repurchase Right at the end of the Transaction term;
- in respect of the Funding Companies:

- Sasol will facilitate the subscription for C Preference Shares by Financing Institutions through the provision of a guarantee;
 - Sasol will subscribe for D Preference Shares to fund the shortfall between the amount required to subscribe for the Sasol Preferred Ordinary Shares and the aggregate funding raised through the equity contributions from Selected Participants and the Black Public and the issue of the A, B and C Preference Shares; and
 - Sasol will fund the Groups Facilitation Trust and the Public Facilitation Trust to subscribe for shares that are not subscribed for by Selected Participants and the Black Public; and
- issuing the Sasol Preferred Ordinary Shares and the Sasol BEE Ordinary Shares at the Issue Price which is below the closing price of R 410 per share as at 18 March 2008.

The impact of Sasol's facilitation ("share-based payment charge"), which is a non-cash cost with no impact on the net asset value of the Company, is expected to be approximately R 7 082 million for the duration of the Transaction. This equates to 2,8% of Sasol's market capitalisation which is in line with comparable, recently concluded, BEE transactions. The share-based payment charge is calculated in accordance with International Financial Reporting Standard ("IFRS") 2 – Share-based Payment, and is further based on the Issue Price and other prevailing market conditions. Changes in the closing price of the Sasol ordinary share at 18 March 2008 and at the date on which all relevant conditions are fulfilled, as well as changes in the other market conditions, could give rise to significant movements in this expense.

12. Illustrative pro forma financial effects

The unaudited pro forma financial effects of the Transaction and in particular the specific issues of shares for cash, which are the responsibility of the Sasol directors, have been prepared for illustrative purposes only and, due to the nature thereof, they may not fairly represent Sasol's financial position, changes in equity, results of operations or cash flows. The unaudited pro forma financial effects assume that the Transaction had been fully implemented on 1 July 2007. It does not purport to be indicative of what the financial results would have been had the Transaction been implemented on a different date. The unaudited pro forma financial effects of the Transaction are based on the assumptions set out in the notes below and include assumptions on the closing share price which can only be determined in the future.

The unaudited pro forma financial effects are presented in a manner consistent in all respects with IFRS and Sasol's accounting policies.

The Transaction has a positive effect on Sasol's net asset value per share and a marginal impact on the unaudited pro forma annualised earnings excluding the share-based payment charge.

The unaudited pro forma financial effects of the Transaction are set out in the table below:

Before¹
After
Percentage

change
(%)
(six months)
Percentage

change
(%)
(annualised)²
Attributable earnings per share⁴ cents
1 505
943
(37,3)
(21,2)
Attributable earnings per share
(excluding the share-based
payment charge)⁴

cents
1 505
1 484
(1,4)
(0,8)
Diluted earnings per share⁵
cents
1 485
931
(37,3)