

Sasol Limited**(Incorporated in the Republic of South Africa)****(Registration number 1979/003231/06)****Sasol Ordinary Share codes: JSE : SOL****NYSE : SSL****Sasol Ordinary ISIN codes: ZAE000006896****US8038663006****Sasol BEE Ordinary Share code: JSE: SOLBE1****Sasol BEE Ordinary ISIN code: ZAE000151817****(Sasol or the Company)****SASOL LIMITED – Updated trading statement for the six months ended 31 December 2018**

Shareholders of Sasol are referred to the Company's trading statement released on the Stock Exchange News Service (SENS) on 21 November 2018 (Announcement), wherein the Company indicated that an updated trading statement will be released on SENS in January 2019, once reasonable certainty is attained with regards to the 31 December 2018 half-year financial results.

We have now reached a reasonable degree of certainty that the financial performance for the six months ended 31 December 2018 (half year 2019) is expected to be within the updated earnings ranges contained in the table below. Core headline earnings per share (Core HEPS) and earnings before interest, tax, depreciation and amortisation (EBITDA) are within the previously provided range as outlined in the Announcement. However, we are revising the range slightly upwards with regards to earnings per share (EPS) and headline earnings per share (HEPS). The main reason for the increase is the impact of half year-end valuation adjustments associated with crude oil hedges and closing exchange rates. The updated ranges can be summarised as follows:

	Estimated Half year 2019	Actual Half year 2018	Expected % change
EPS	R23,71 – R24,16	R11,29	110% – 114%
HEPS	R22,97 – R23,68	R17,67	30% – 34%
Core HEPS	R21,14 – R21,86	R18,22	16% – 20%
EBITDA	R26 billion – R28 billion	R24,2 billion	8% – 16%

Key macro-economic summary

	Half year 2019	Half year 2018	% change
Rand/US dollar average exchange rate	14,20	13,40	6
Rand/US dollar closing exchange rate	14,36	12,37	16
Average dated Brent crude oil price (US dollar / barrel)	71,33	56,74	26
Refining margins (US dollar / barrel)	9,49	9,73	(2)
Average Henry Hub gas price (US dollar / million British thermal unit)	3,36	2,93	15

The increase/(decrease) from HEPS to Core HEPS is as follows:

	Half year 2019 Rand per share	Half year 2018 Rand per share
Translation impact of closing exchange rate	(0,51)	1,33
Mark-to-market valuation of oil and foreign exchange hedges	(0,48)	(0,78)
Implementation of Khanyisa B-BBEE transaction	0,63	-
Reversal of provision for tax litigation matters	(1,60)	-
Lake Charles Chemicals Project (LCCP) depreciation (post Beneficial Operation ramp-up)	0,17	-

Cost

The normalised cash fixed cost for the period under review has been contained to below our 6% inflation target despite operational challenges experienced during the period.

LCCP update

As at the end of December 2018, engineering and procurement activities were substantially complete and construction progress was at 84%. Our overall project completion was 94% and capital expenditure amounted to US\$10,9 billion.

The first derivative unit, linear low-density polyethylene (LLDPE), produced first product in January 2019 and beneficial operation is expected in February, approximately two months behind schedule. Utilities to support the early process units were fully operational by end November 2018. These utilities together with LLDPE will comprise ~40% of the LCCP existing total cost.

Unfortunately, during the last quarter of CY2018, several factors within and beyond our control impacted the completion schedule and associated cost for the remaining units resulting in the overall project capital cost estimate being revised from US\$11,13 billion to a range of US\$11,6 – 11,8 billion. The difference between the upper end and lower end of the range represents a contingency and weather provision of US\$200 million.

These factors which impacted the revised cost estimate include:

- Changes to scope
 - Late scope additions for the Cracker as a result of incomplete engineering work not timeously identified;
 - Increased scope to ensure process safety for the Cracker and Ethylene oxide / Ethylene Glycol (EO/EG) unit due to defective carbon steel forgings. The impact was fully assessed late in Q4 CY2018 leading to a one month delay;
- A cumulative month of work being lost as a result of excessive rainfall in Q4 CY2018;
- Productivity losses exacerbated by high absenteeism around public holidays and construction rework since end November 2018; and
- Schedule delays of the remaining units will result in additional overhead costs.

While our underlying productivity factor remained on track, the inclement weather, scope additions and absenteeism had a significant impact on actual productivity. These factors were assessed and quantified late in Q4 CY2018 and where feasible, management interventions were put in place to arrest the controllable trends. Unfortunately, the mitigating actions were not successful in reversing the full impact on schedule and cost.

The beneficial operation dates for the individual units have been revised as follows:

	Previous Guidance	Updated Guidance	Approximate delay
Linear low-density polyethylene (LLDPE)	December 2018	February 2019	2 months
Ethylene Oxide / Ethylene Glycol (EO/EG)	February 2019	June 2019	4 months
Cracker	February 2019	July 2019	5 months
Low density polyethylene (LDPE)	March 2019	August 2019	5 months
Ziegler	H2CY19	November 2019	-
Ethoxylate (ETO)	H2CY19	December 2019	-
Guerbet	H2CY19	January 2020	1 month

Management maintains our unrelenting focus on delivering the remaining units per this updated plan and we remain confident that the fundamentals for the LCCP - being, among others, a feedstock advantaged plant, a world scale highly integrated facility, diverse product slate with high margin products and world class logistics and infrastructure - remain intact.

As a result of the delays highlighted above, we are revising our LCCP EBITDA estimate down from US\$110 – US\$160 million to an EBITDA loss of US\$165 – US\$195 million for FY19. However, we maintain our guidance that LCCP will deliver a steady state EBITDA of US\$1,3 billion in FY2022.

More details on the project can be found in our updated project factsheet at <https://www.sasol.com/investor-centre/lake-charles-chemicals-project/lake-charles-chemicals-project-fact-sheet>.

The financial information on which this trading statement is based has not been reviewed and reported on by the Company's external auditors. Sasol will release its reviewed results for the six months ended 31 December 2018 on Monday, 25 February 2019.

A detailed summary of the production and sales metrics for the financial half year for all our businesses is available on our website, www.sasol.com

Johannesburg
8 February 2019

Sponsor
Merrill Lynch South Africa (Pty) Ltd

* EBITDA is calculated by adjusting operating profit for depreciation, amortisation, remeasurement items, share-based payments and unrealised gains and losses on our hedging activities.

** Core HEPS are calculated by adjusting headline earnings with once-off items, 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 in relation to the valuation of our derivatives at period end are to remove volatility from earnings as these instruments are valued using forward curves and other market factors at the reporting date and could vary from period to period. We believe core headline earnings are a useful measure of the group's sustainable operating performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies. The aforementioned adjustments are the responsibility of the directors of Sasol. The adjustments have been prepared for illustrative purposes only and due to their nature, may not fairly present Sasol's financial position, changes in equity, results of operations or cash flows.