

**S-OIL Corporation**  
**Consolidated Statement of Cash Flows**  
**Three-Month Periods Ended March 31, 2011 and 2010**

<i>(In millions of Korean won)</i>	<b>Notes</b>	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	35	₩ (508,300)	₩ 28,261
Interest received		6,644	16,454
Interest paid		(17,598)	(20,929)
Income tax paid		(64,592)	(1,594)
<b>Cash flows from operating activities - net</b>		<u>(583,846)</u>	<u>22,192</u>
<b>Cash flows from investing activities</b>			
Disposal of property, plant and equipment	35	124	-
Decrease in other receivables		11,784	91,056
Decrease in financial assets		19	217,452
Decrease in other assets		7,391	1,075
Acquisition of property, plant and equipment	14	(108,764)	(166,842)
Acquisition of intangible assets	15	(2,248)	(4)
Increase in other receivables		(4,161)	(5,263)
Settlement of derivative instruments		(1,908)	(9,032)
Increase in financial assets		(210,275)	(63)
Increase in other assets		(6,495)	(856)
<b>Cash flows from investing activities - net</b>		<u>(314,533)</u>	<u>127,523</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,182,840	133,467
Repayment of borrowings		(326)	(485)
Dividends paid		(13)	-
<b>Cash flows from financing activities - net</b>		<u>1,182,501</u>	<u>132,982</u>
<b>Net increase(decrease) in cash and cash equivalents</b>		<u>284,122</u>	<u>282,697</u>
Cash and cash equivalents at the beginning of period	7	853,864	822,533
Effect of exchange rate changes		(34)	(40)
<b>Cash and cash equivalents at the end of period</b>	7	<u>₩ 1,137,952</u>	<u>₩1,105,190</u>

The accompanying notes are an integral part of these consolidated financial statements.