

S-OIL Corporation
Consolidated Statement of Cash Flows
Six-Month Periods Ended June 30, 2011 and 2010

<i>(In millions of Korean won)</i>	Notes	2011	2010
Cash flows from operating activities			
Cash generated from operations	35	₩ (695,632)	₩ 114,335
Interest received		16,074	14,163
Interest paid		(31,476)	(37,990)
Income tax paid		(140,859)	(4,585)
Dividends received		6,484	6,834
Cash flows from operating activities - net		<u>(845,409)</u>	<u>92,757</u>
Cash flows from investing activities			
Disposal of property, plant and equipment	35	185	4,481
Disposal of intangible assets		290	55
Decrease in other receivables		19,290	95,614
Decrease in financial assets		21,994	266,458
Decrease in other assets		12,758	342
Settlement of derivative instruments		2,471	(6,415)
Acquisition of property, plant and equipment	14	(297,365)	(478,549)
Acquisition of intangible assets	15	(3,341)	(2,462)
Increase in other receivables		(10,099)	(4,270)
Increase in financial assets		(343,969)	(154)
Increase in other assets		(277,970)	(10,803)
Cash flows from investing activities - net		<u>(875,756)</u>	<u>(135,703)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,437,373	318,298
Repayment of borrowings		(8,038)	(155,779)
Dividends paid		(256,226)	(87,400)
Cash flows from financing activities - net		<u>1,173,109</u>	<u>75,119</u>
Net increase(decrease) in cash and cash equivalents		<u>(548,056)</u>	<u>32,173</u>
Cash and cash equivalents at the beginning of period	7	853,864	822,533
Effect of exchange rate changes		(65)	47
Cash and cash equivalents at the end of period	7	<u>₩ 305,743</u>	<u>₩854,753</u>

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