

**S-OIL Corporation and Subsidiary**  
**Consolidated Statements of Cash Flows**  
**Six Month Periods ended June 30, 2016 and 2015**

<i>(in millions of Korean won)</i>	Note s	2016 1H	2015 1H
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	₩ 896,000	₩ 1,569,000
Interest received		23,104	13,867
Interest paid		(40,783)	(27,833)
Income tax refund (paid)		63,272	27,336
Dividend received		9,723	5,600
<b>Net cash generated from operating activities</b>		<b>951,316</b>	<b>1,587,970</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		151	1,788
Proceeds from sale of intangible assets		2,203	172
Decrease in other receivables		8,064	8,860
Settlement of derivative financial instruments		5,826	-
Inflow from other investing activities		3,105	1,737
Purchases of property, plant and equipment	8	(255,309)	(226,139)
Purchases of intangible assets	9	(2,039)	(364)
Increase in other receivables		(4,814)	(9,959)
Acquisition of jointly controlled entities	7	61	-
Settlement of derivative financial instruments		-	(13,655)
Increase in financial assets		(828,774)	(1,059,857)
Outflow from other investing activities		(2,955)	(3,039)
<b>Net cash generated from investing activities</b>		<b>(1,074,603)</b>	<b>(1,300,456)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		350,000	-
Repayment of borrowings		(72,327)	(676,917)
Payment of dividends		(151,438)	(108)
<b>Net cash generated from financing activities</b>		<b>126,235</b>	<b>(677,025)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,948</b>	<b>(389,511)</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>201,203</b>	<b>711,525</b>
<b>Exchange gain(loss)on cash and cash equivalents</b>		<b>(5)</b>	<b>32</b>
<b>Cash and cash equivalents at the end of period</b>		<b>₩ 204,146</b>	<b>₩ 322,046</b>

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