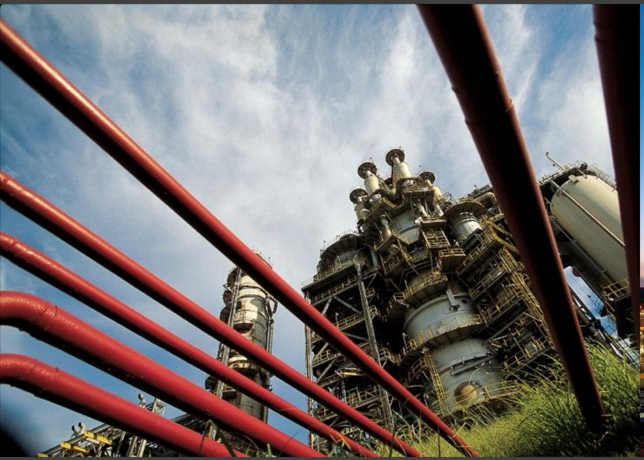


1Q 2017 Earnings Release

April 2017

DISCLAIMER

Financial results for full year and 1Q 2017 are provisional and accordingly subject to change according to the outside independent auditors' review.

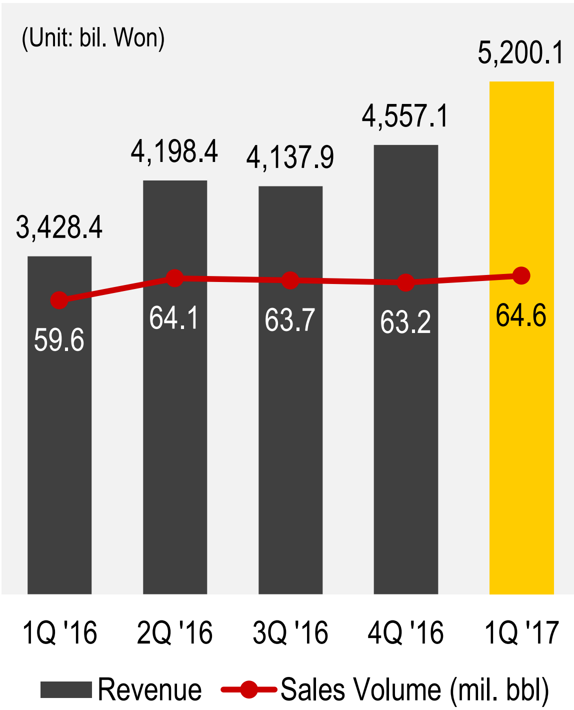
This presentation contains forward-looking statements that are based on our current expectation, assumptions, estimates and projections about S-OIL and the refinery industry. We caution you not to place undue reliance on any forward-looking statement which may involve various risks and uncertainties.

Please also note that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. Except as required by law, we do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances.

Contents

1Q 2017 Financial Result

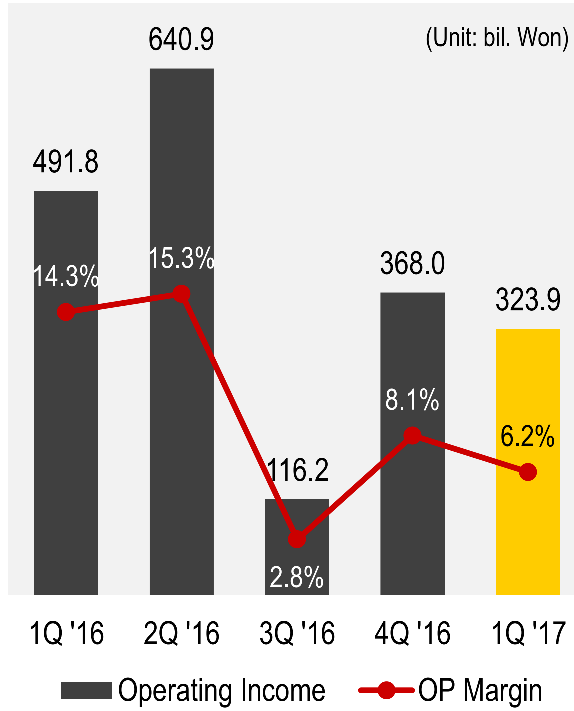
Revenue



Increased 14% QoQ on rise of oil prices coupled with an uplift in sales volume

- Quarterly average selling price: 11.6%↑, QoQ
- Sales volume: 2.2%↑, QoQ

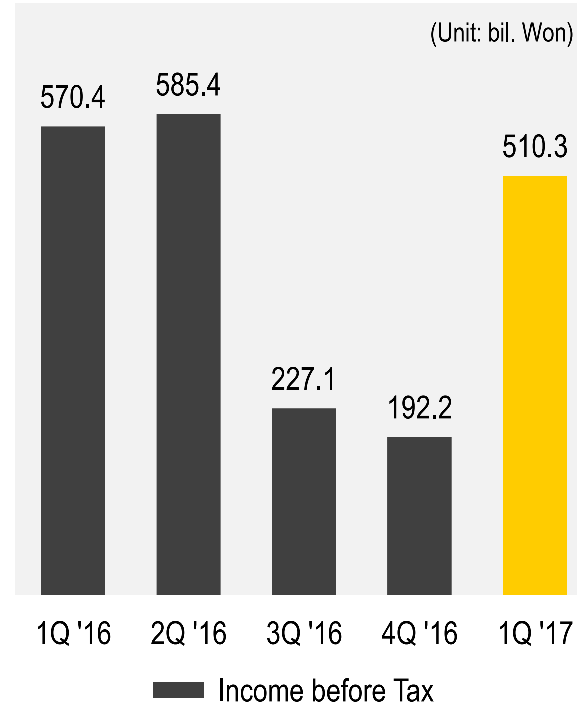
Operating Income



Contracted due to decline in F/X rate despite continued decent refining margin

- FX impact(E): -90 bil. Won (4Q '16: +95 bil. Won)
- Singapore complex margin($/bbl): 1Q 4.2 (QoQ flat)

Income before Tax



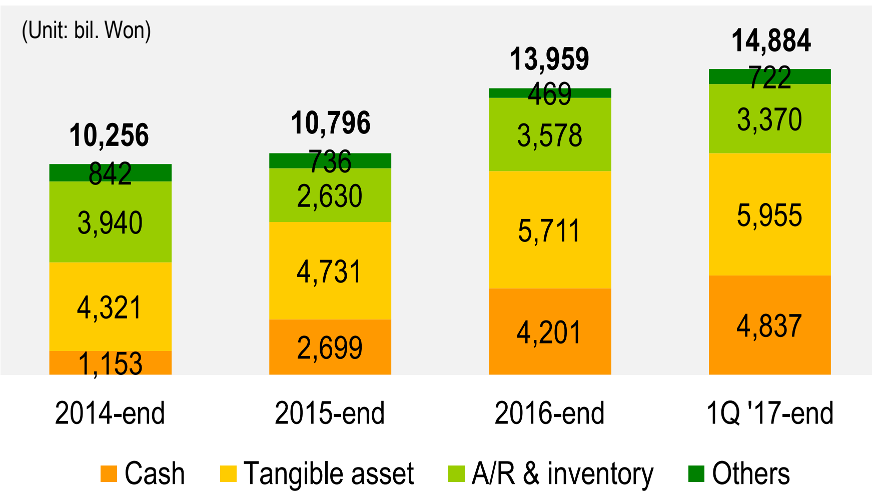
Expanded by F/X gain on Won appreciation

- F/X gain: 180.3 bil. Won (4Q '16 F/X loss: 199.4 bil. Won)
- ₩/$ rate: 1Q-end 1,116.1 (92.4↓, QoQ)

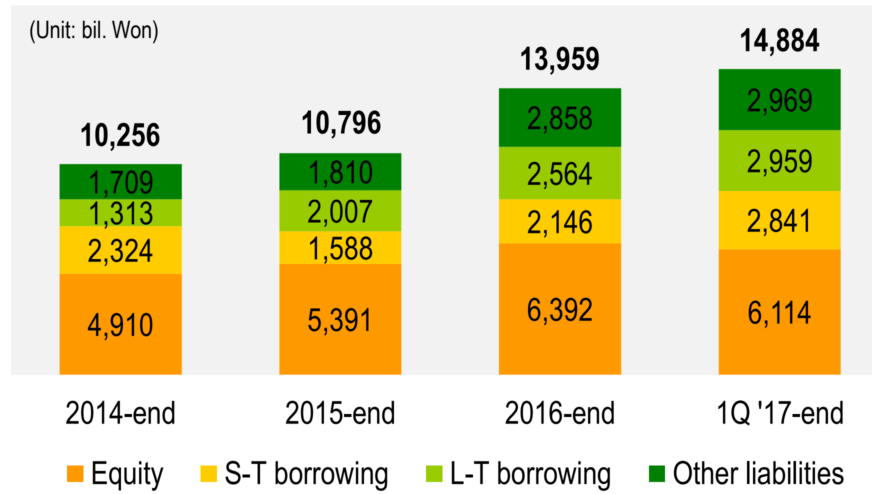
Financial Status

Financial Status

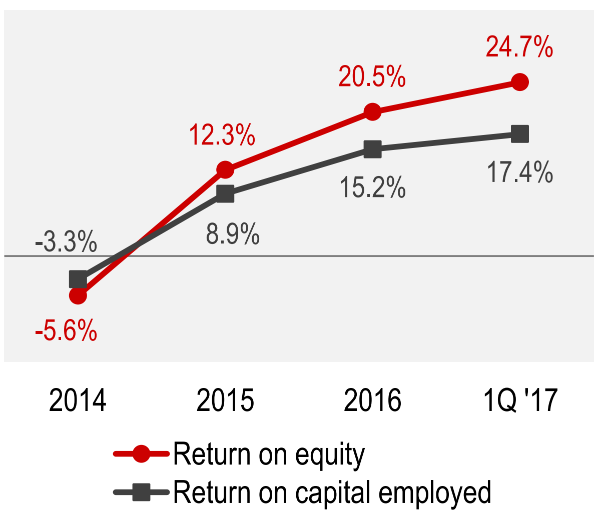
Assets

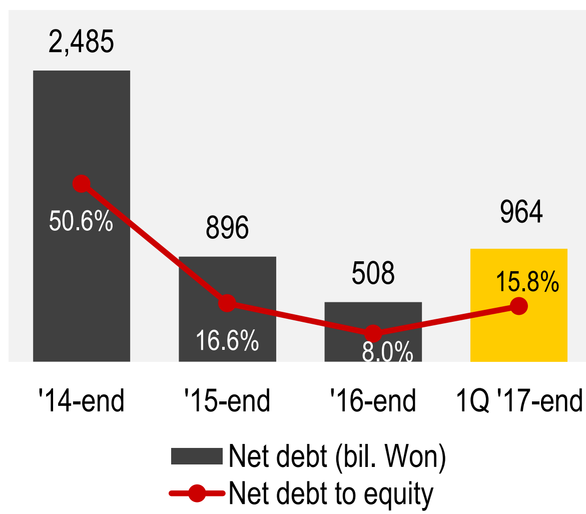


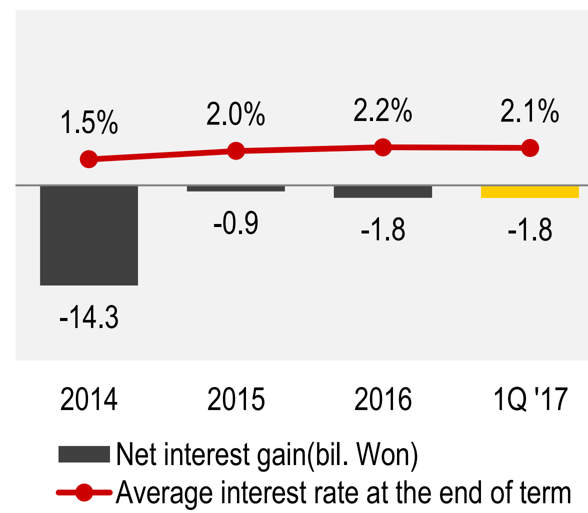
Liabilities & Equities



Financial Ratios







Capital Expenditure

CAPEX

(Unit: bil. Won)	FY '14	FY '15	FY '16	FY '17 Plan	1Q '17
Major Projects	**675.2**	**465.1**	**863.2**	**2,841.5**	**274.9**
- RUC/ODC Project[1)]	97.0	290.4	682.2	2,629.0	258.4
- KNOC land acquisition[2)]	519.0	-	-	-	-
- SUPER Project[3)] and Profit Improvement Program	8.5	141.7	177.4	81.1	14.0
Upgrade & Maintenance	**62.0**	**169.2**	**147.0**	**232.5**	**8.9**
Marketing related expenditure	**37.5**	**48.4**	**8.0**	**62.5**	**5.0**
Others	**108.8**	**43.3**	**61.2**	**53.6**	**2.4**
Total	**883.5**	**726.0**	**1,079.4**	**3,190.0**	**291.2**

1) Residue Upgrading Complex and Olefin Downstream Complex project
2) Excluding incidental costs
3) Project to maximize the profitability through upgrading and revamping of existing facilities

Depreciation

(Unit: bil. Won)	FY '14	FY '15	FY '16	FY '17 Plan	1Q '17
Depreciation (Including catalyst amortization cost)	**339.7**	**273.2**	**286.7**	**330.5**	**73.2**

Operation

Utilization Rate

(Unit: k bpd, %)	Capacity	2015	2016	4Q '16	1Q '17
CDU	**669.0**	90.7%	95.0%	89.2%	99.9%
B-C Cracking	**149.5**	93.4%	91.2%	68.6%	97.8%
PX Plants	***37.5**	84.5%	100.9%	100.6%	100.8%
Lube Plants	**42.7**	85.4%	97.5%	84.2%	101.4%

* From 2016, capacity was expanded to 37.5 from 34.7 k bpd, reflecting one-year stable operation at above 100% of previous capacity since SUPER Project in 3Q '15

Throughout 1Q, all of major plants were fully operated to capitalize on favorable market conditions.

Maintenances

	2015	2016	2Q '17	2H '17
CDU	CFU, #2&3 CDU	#1 CDU	CFU	-
Refining	HYC FH	RFCC	-	-
Petrochemical	#1&2 PX	-	#2 PX	-
Lube Base Oil	#1&2 HDT, HYC SH	#1&2 HDT	-	-

2Q maintenances are to be carried out only for CFU and #2 PX, which will be revamped for reliability enhancement and throughput increase.

Financial Result by Business Segment

Refining

(Unit: bil. Won)	1Q '16	YoY	4Q '16	QoQ	1Q '17
Revenue	2,467.0	63.9%↑	3,594.5	12.5%↑	4,044.0
Operating Income	220.3	54.5%↓	229.3	56.3%↓	100.2
(Margin)	(8.9%)	-	(6.4%)	-	(2.5%)

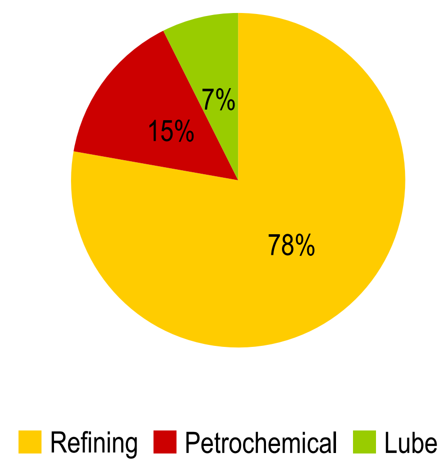
Petrochemical

(Unit: bil. Won)	1Q '16	YoY	4Q '16	QoQ	1Q '17
Revenue	636.0	21.3%↑	642.1	20.1%↑	771.4
Operating Income	144.1	3.1%↓	79.7	75.2%↑	139.6
(Margin)	(22.7%)	-	(12.4%)	-	(18.1%)

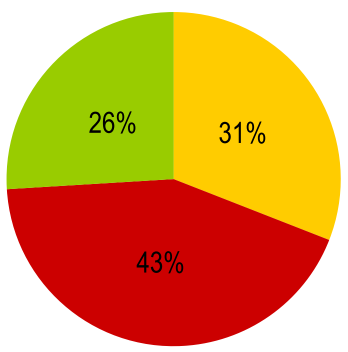
Lube Base Oil

(Unit: bil. Won)	1Q '16	YoY	4Q '16	QoQ	1Q '17
Revenue	325.4	18.2%↑	320.5	20.0%↑	384.7
Operating Income	127.5	34.1%↓	59.0	42.5%↑	84.1
(Margin)	(39.2%)	-	(18.4%)	-	(21.9%)

1Q '17 Revenue



1Q '17 Operating Income

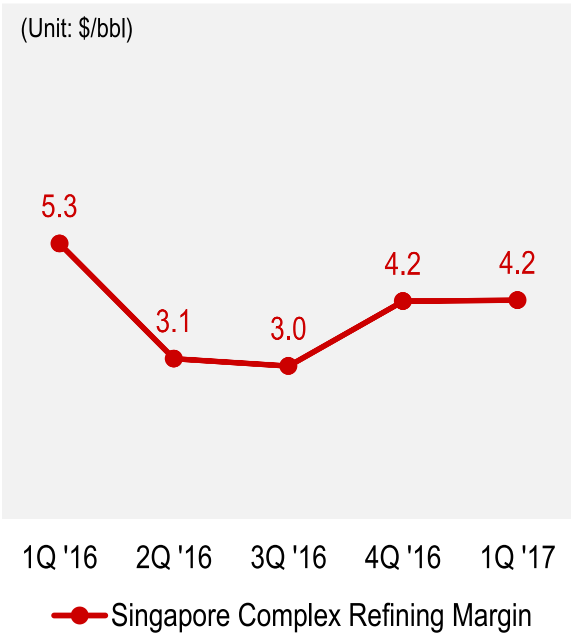


Market Environment in 1Q 2017

Refining

Singapore Margin

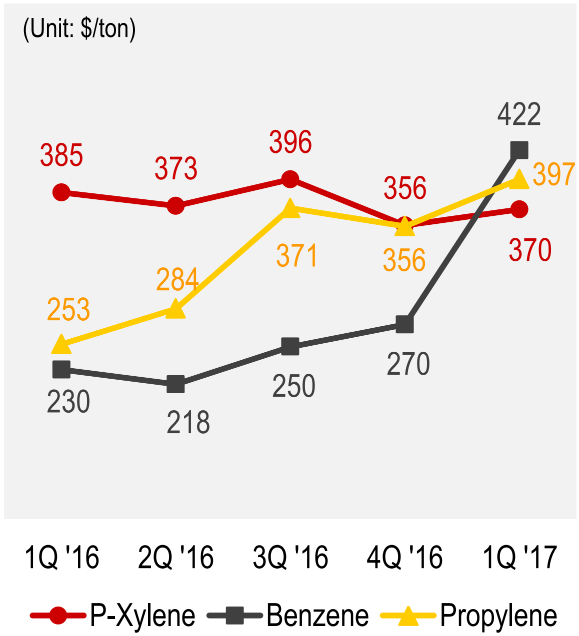
[GRM – Variable Cost]



Refining margins stayed healthy on the back of the firm demand in Asia Pacific and start of Spring maintenance in March.

Petrochemical

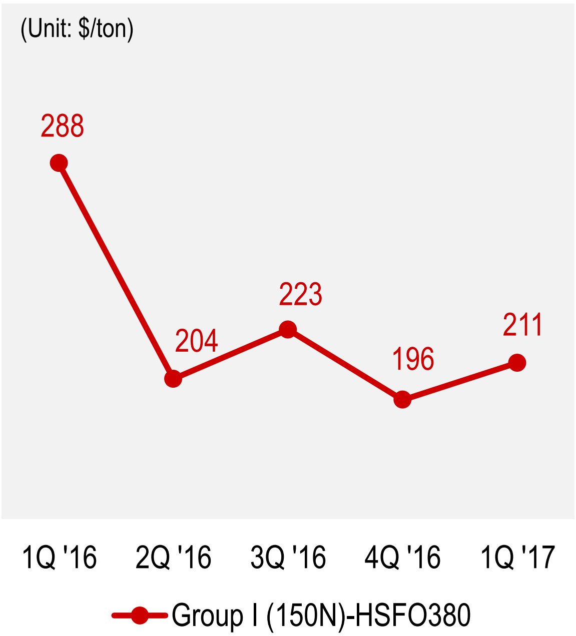
Product Spread



Aromatic spreads widened thanks to robust demand from downstream sectors coupled with limited supply by maintenance of aromatic plants.

Lube Base Oil

Product Spread



LBO spread improved as product prices reflected crude oil price increase in the previous quarter with time lag amid consistently solid demand.

Source: IHS, ICIS, the Company

2Q 2017 Outlook – Refining

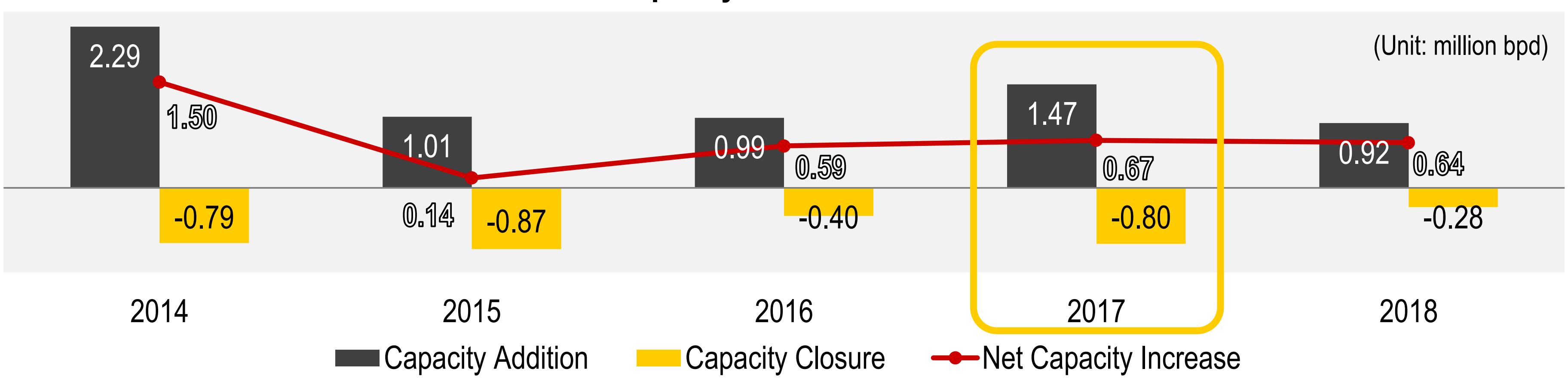
The supply and demand will remain balanced given heavy spring maintenance shutdown, even though the demand in Asia Pacific will decrease QoQ along with the end of the heating season. Seasonally stronger demand for gasoline will hold up the margins heading to summer driving season.

2Q '17 demand growth forecast

(Unit: mil. bpd)	Asia Pacific			Global		
	IEA	OPEC	EIA	IEA	OPEC	EIA
QoQ	-0.46	-0.35	-0.29	+0.62	-0.14	+1.14
YoY	+0.68	+0.63	+0.78	+1.40	+1.20	+1.63

In the longer term, favorable supply-demand balance will continue for the next couple of years mainly due to slow capacity expansions.

Global Capacity Addition/Closure



Source: IEA, OPEC, EIA, FACTS Global Energy, Wood Mackenzie, The Company

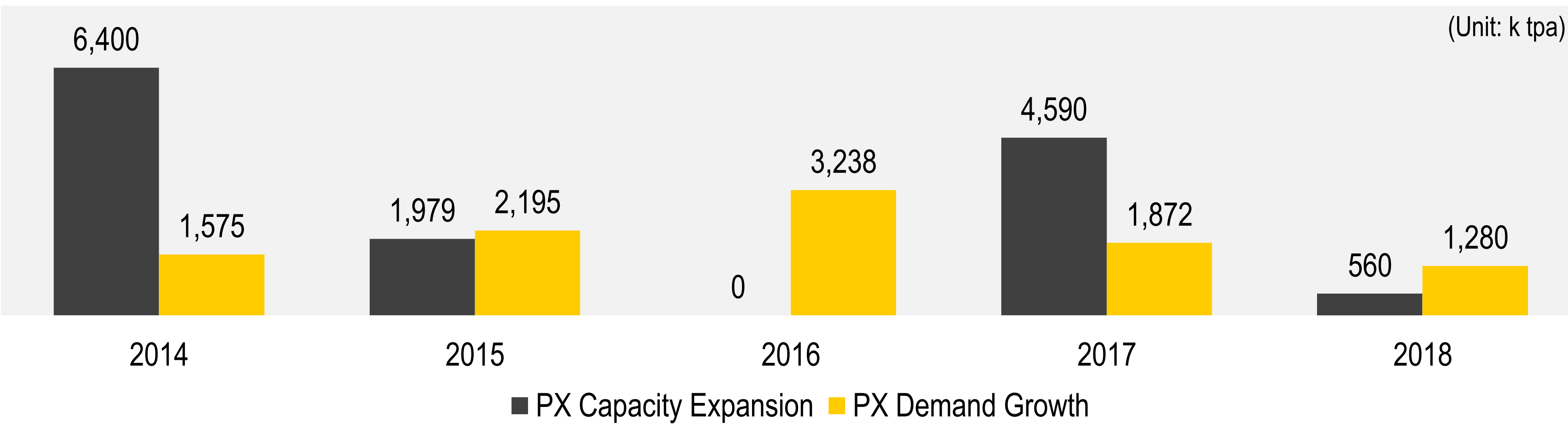
2Q'17 Outlook – Petrochemical & Lube Base Oil

Petrochemical

Para-xylene : decent spread level to be supported

PX spread will be supported at the decent level on the strength of demand growth prompted from restart/start-up of Asian PTA plants despite the scheduled maintenance works of Chinese PTA facilities. Also, the capacity increase will be limited as the start-up of new PX facilities is likely to be delayed further.

PX capacity expansion and demand growth (Asia & ME)



Lube Base Oil

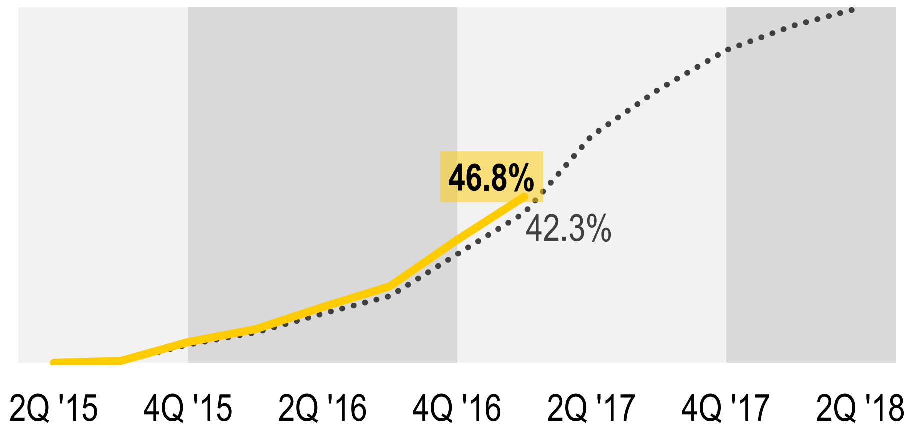
Spread to recover further

The improved LBO margin in 1Q is likely to advance further by the demand growth for high-quality products in the U.S. & Europe ahead of peak season.

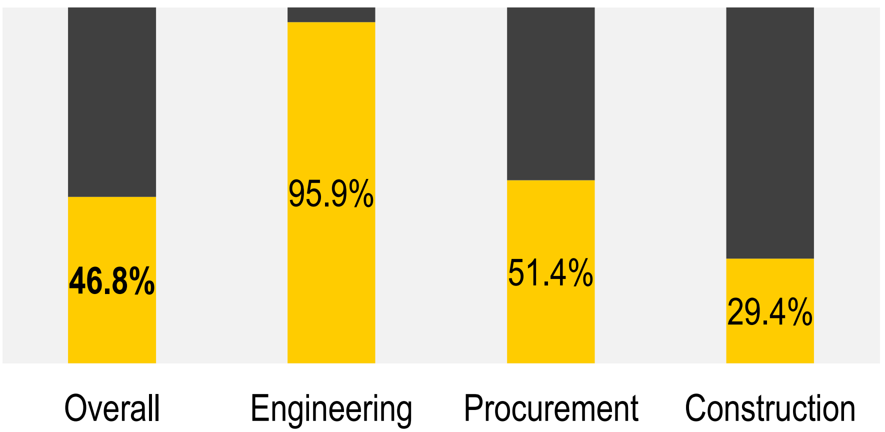
Source: PCI, IHS, Argus, The Company

Progress of RUC/ODC Project

Overall Progress S-Curve



EPC Progress



46.8% of project progress as of 1Q' 17-end

(4.5%p ahead of the plan)

Project Financing

(Unit: bil. Won)	2015	2016	2017 YTQ	Total (average interest rate)
Corporate bond	**400**	**700**	**400**	**1,500 (2.1%)**
Bank loan*	**300**	**200**	**-**	**520 (2.9%)**
Sum	**700**	**920**	**400**	**2,020 (2.3%)**

* Facility loan commitment: 1,500 bil. Won
Stand-by credit line: 800 bil. Won

Appendix 1

Summarized Income Statement

(Unit: bil. Won)	1Q '16	YoY	4Q '16	QoQ	1Q '17
Revenue	**3,428.4**	**51.7%↑**	**4,557.1**	**14.1%↑**	**5,200.1**
Operating Income	**491.8**	**34.1%↓**	**368.0**	**12.0%↓**	**323.9**
(Margin)	(14.3%)	-	(8.1%)	-	(6.2%)
Finance & Other Income	**76.5**	**141.3%↑**	**-178.3**	**-**	**184.6**
- Net Interest Gain	*(2.5)*	-	*-0.7*	**-**	*-1.8*
*- Net F/X Gain**	*62.3*	***189.4%↑***	*-199.3*	-	*180.3*
- Others	*16.7*	-	*21.7*	-	*6.1*
Equity Method Gain	**2.1**	**15.5%↓**	**2.5**	**26.7%↓**	**1.8**
Income before Tax	**570.4**	**10.5%↓**	**192.2**	**165.5%↑**	**510.3**
Net Income	**433.3**	**10.8%↓**	**156.7**	**146.8%↑**	**386.6**

* Including gain/loss from F/X derivatives for hedging

Appendix 2

Sales Breakdown

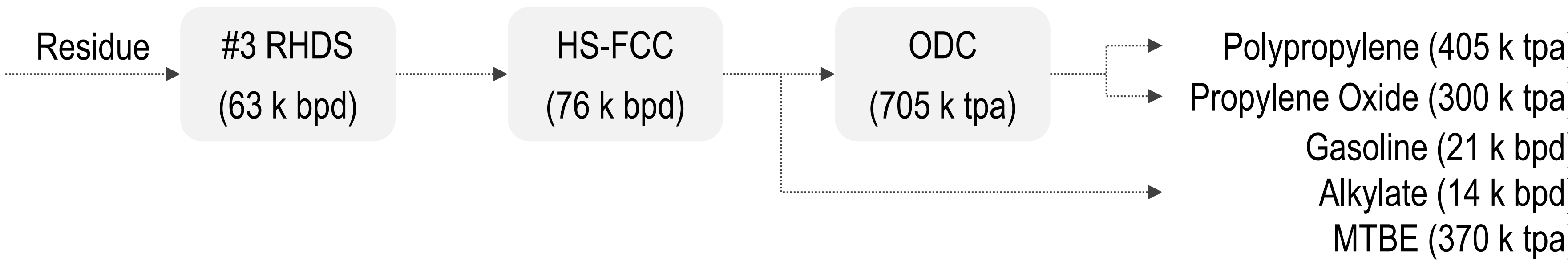
(Unit: k bpd, %)	1Q '16	2Q '16	3Q '16	4Q '16	1Q '17
Sales Total	654	704	692	685	700
Domestic	315	316	323	330	334
Export	339	388	369	355	366
(% in Total)	(51.9%)	(55.1%)	(53.3%)	(51.8%)	(52.3%)
China	22.5%	25.2%	18.8%	20.7%	18.5%
Australia	10.8%	11.7%	7.9%	11.3%	16.6%
Japan	12.9%	13.3%	13.7%	19.6%	16.2%
South East Asia	4.4%	5.1%	6.2%	6.7%	14.9%
USA	10.0%	15.3%	12.7%	9.4%	9.0%
Singapore	6.6%	6.6%	14.7%	9.2%	8.2%
Taiwan	5.6%	3.4%	2.4%	5.6%	3.8%

Appendix 3

RUC/ODC Project Overview

(Residue Upgrading Complex & Olefin Downstream Complex)

Major Process	Major Product

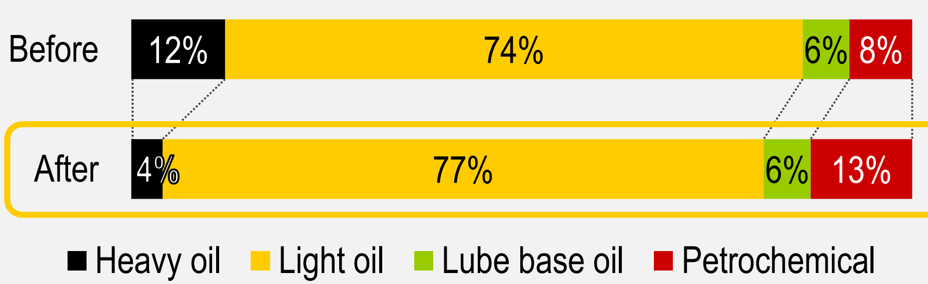


Completion (E)	Mechanical completion & commissioning in 1H 2018
Profitability (E)	IRR:18.3%, Payback period: 6 years

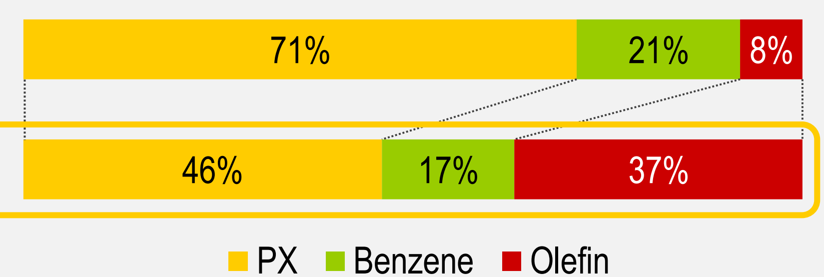
CAPEX (E)

Total	~2015	2016	2017	2018
4.8 tri. Won	0.4 tri. Won	0.7 tri. Won	2.6 tri. Won	1.1 tri. Won

Company total product portfolio



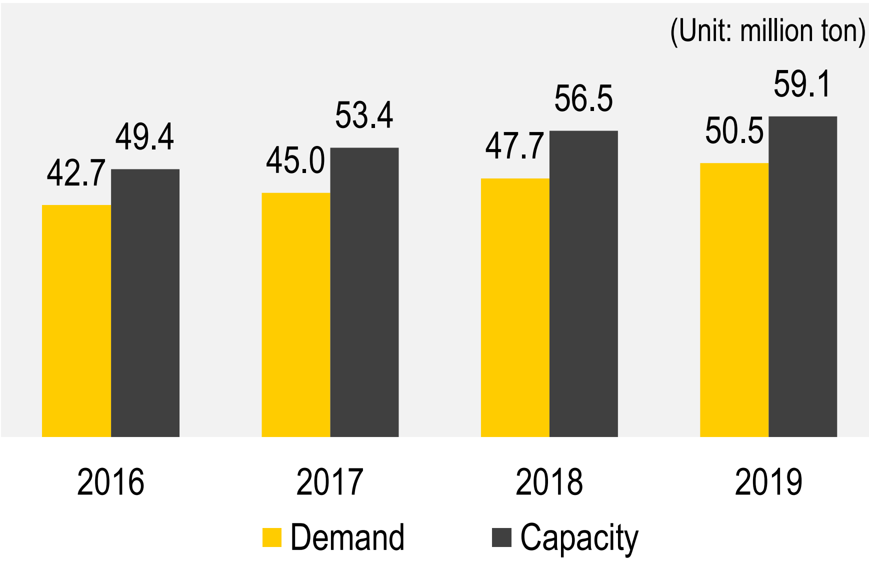
Petrochemical business product portfolio



Appendix 4

PP(Poly Propylene) / PO (Propylene Oxide) Demand & Capacity Outlook

Asia & ME PP outlook

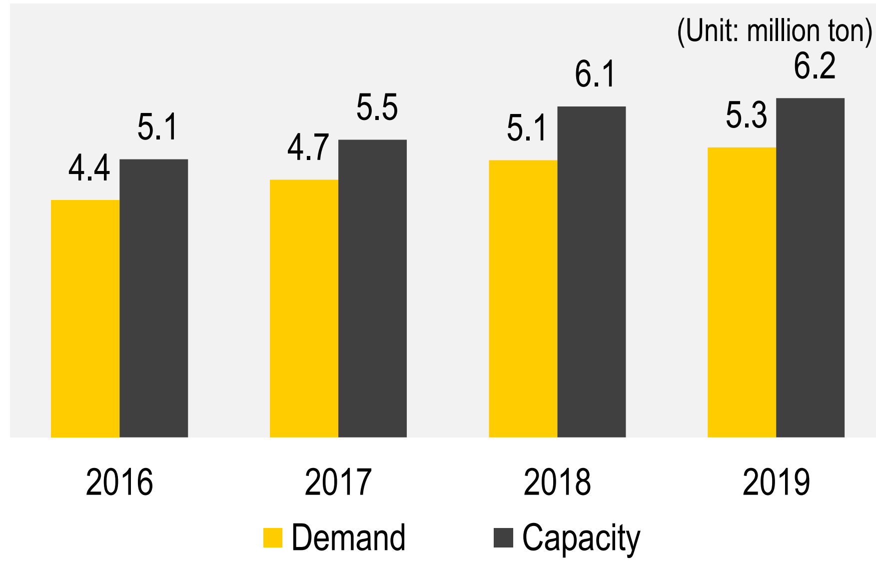


- 2017~2019 demand CAGR*: 5.9%
- 2017~2019 capacity CAGR: 5.3%

PP regional market would likely be tighter in the next 3 years as demand growth will outpace capacity growth.

In particular, demand growth will mainly be driven by China, India, and South East Asia.

Asia & ME PO outlook



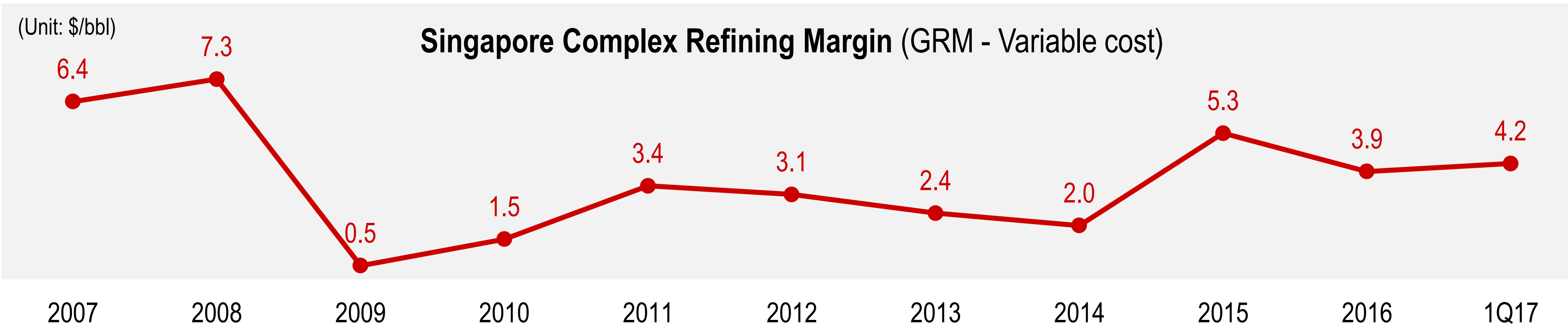
- 2017~2019 demand CAGR: 6.1%
- 2017~2019 capacity CAGR: 6.7%

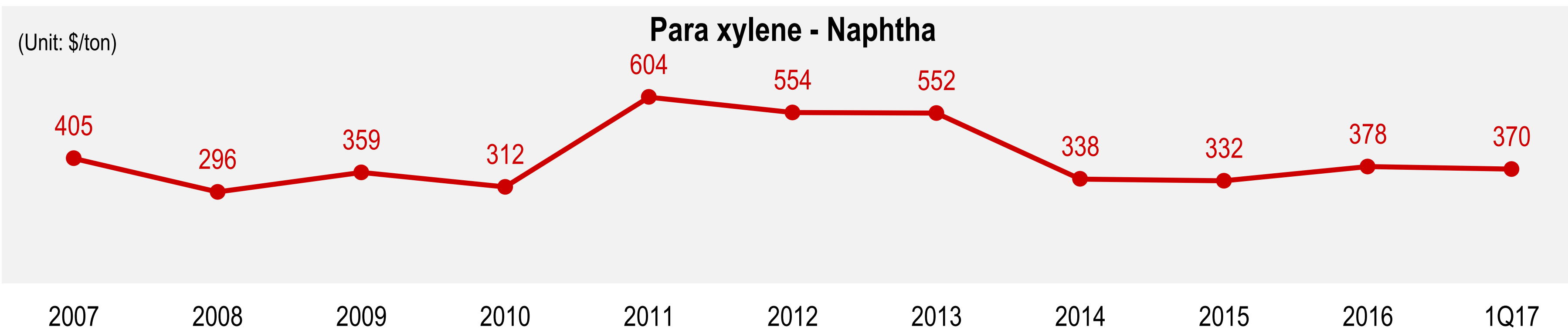
Although capacity growth will be larger than demand growth, PO regional market tightness is expected to be maintained in the next 3 years given the last 3 years' average operation rate was 85%. Also, domestic market will remain in short supply after the Company's PO plant operation.

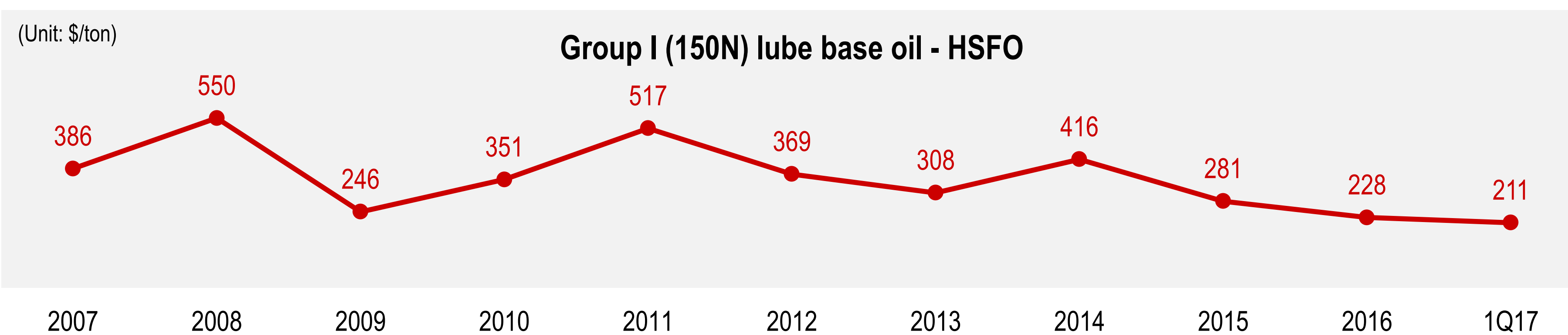
** CAGR: Compound Annual Growth Rate*
Source: IHS, The Company

Appendix 5

Long-term Margin Trend







Thank You

S-OIL IR Team

Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

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