



3Q 2011 Corporate Performance

October 2011

Disclaimer

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.

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Revenue

Decreased 3% QoQ due to reduced sales volume by turnaround and lower ASP

- ASP: 1.5% ↓ / Sales volume: 1.3% ↓ , QoQ

Operating Income

Increased 53% QoQ due to stronger margin and disappearance of 2Q one-off factors such as retail price cut and FTC's penalty

- Singapore complex margin: \$3.5/bbl 2Q '11 → \$4.1/bbl 3Q '11, \$0.6/bbl ↑

Income before Tax

Decreased 74 % QoQ due to soaring W/\$ rate

- W/\$ rate: 1,078.1 (2Q '11 end) → 1,179.5 (3Q '11 end), 101.4 ↑

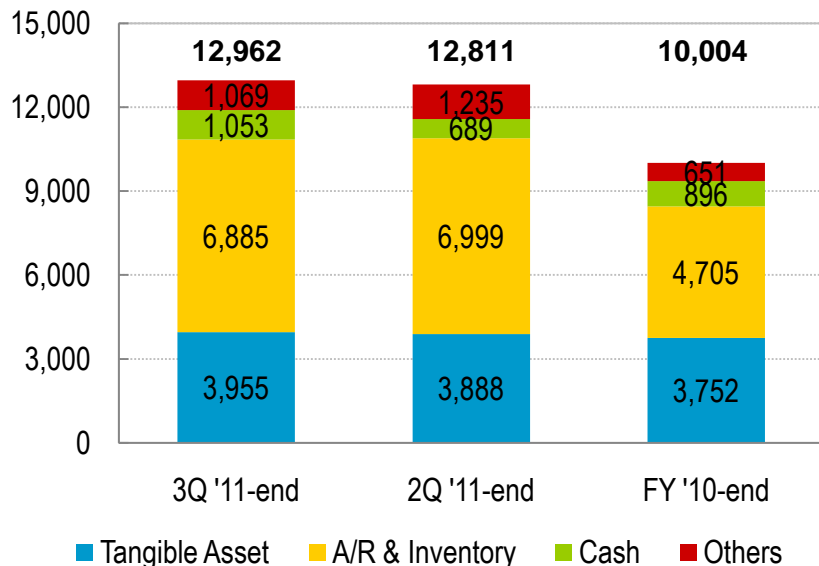
(Unit: bil. Won)

	3Q '11	QoQ	2Q '11	3Q '10	1~3Q '11	YoY
▪ Revenue	7,806.6	2.7% ↓	8,025.9	5,163.7	22,649.9	57.0% ↑
▪ Operating Income	368.9	52.7% ↑	241.6	199.8	1,258.0	167.0% ↑
(Margin)	(4.7%)	-	(3.0%)	(3.9%)	(5.6%)	-
▪ Net Finance Gain	-285.4	-	79.8	110.0	-134.5	-
– Net Interest Gain	-7.9	-	-4.9	0.4	-8.7	-
– Net F/X Gain	-277.5	-	84.7	109.6	-125.8	-
▪ Equity Method Gain	-0.5	-	1.2	1.5	2.1	-
▪ Income before Tax	82.9	74.3% ↓	322.6	311.2	1,125.6	130.3% ↑

Financial Status

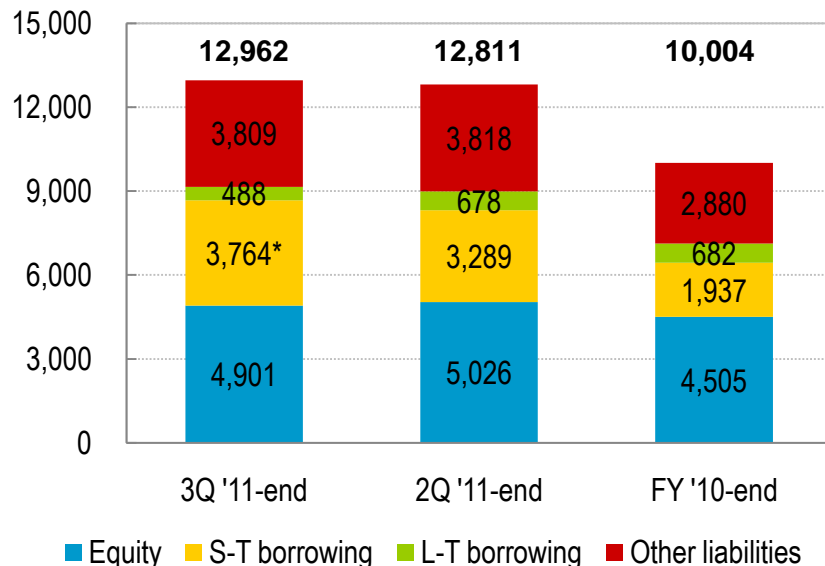
Assets

(Unit: bil. Won)



Liabilities & Equities

(Unit: bil. Won)



*S-T borrowing for 3Q includes current portion of L-T borrowing (200 bil. Won)

Financial Ratios

(Unit: %)	3Q '11	2Q '11	1~3Q '11	FY '10
Return of Equity	5.3	20.0	24.2	16.8
ROCE	3.0	13.6	16.7	13.4
Net debt to equity	65.3	65.2	65.3	38.2
Net debt (bil. Won)	3,198.6	3,278.3	3,198.6	1,723.1

Capital Expenditure for 3Q '11

Major projects

53.4 billion Won

Upgrade & Maintenance

48.8 billion Won

Marketing investment

19.5 billion Won

(Unit: bil. Won)

	3Q '11	1H '11	FY '11 (Budget)
1. Major projects	53.4	98.2	149.8
Onsan Refinery Expansion	50.9	97.5	137.9
New SPM Construction, and etc.	2.5	0.7	11.9
2. Upgrade & Maintenance	48.8	42.4	146.1
3. Marketing Investment	19.5	12.4	63.2
4. Acquisition of HK Silicon Equity	0.0	265.0	265.0
5. Others (Including construction of HQs building)	13.0	106.7	148.2
Total	134.7	524.7	772.3

* Depreciation: 247.1 bil. Won(E) (FY '11) vs. 188.7 bil. Won (FY '10)



Major Business Index

Utilization Rate

(Unit: k bpd, %)

	Capacity	3Q '11	2Q '11	1Q '11
CDU	669.0	86.2	*98.1	95.8
HYC FH	76.5	100.0	100.5	100.3
RFCC	73.0	100.5	100.5	100.5
Lube Plants	38.0	102.3	94.8	102.1
PX Center	34.7	91.4	*93.8	102.6

* Weighted average reflecting commercial operation of new plants from mid-April

Turnaround

Time	Units
1Q	#1 RHDS
2Q	Lube Plants (1 st & 2 nd HDT)
3Q	#2 CDU, #2 RHDS, #1 Aromatics Complex
4Q	#1 RHDS

Sales Breakdown

Expanded export into Europe to take advantage of FTA with EU launched from July

(Unit: bpd, %)

	3Q '11	2Q '11	3Q '10
Sales Total	598,408	612,692	537,181
Domestic	239,067	228,777	230,637
Export	359,341 (60.0%)	383,915 (62.7%)	306,544 (57.1%)
China	26.8	22.3	14.2
Japan	17.4	22.2	19.7
Europe	15.1	3.0	5.1
Indonesia	8.7	9.3	1.1
USA	7.9	4.9	15.1
Singapore	1.5	12.5	16.3
Australia	1.5	7.3	7.8

Performance by Business Segment

PERFORMANCE BY BUSINESS SEGMENT

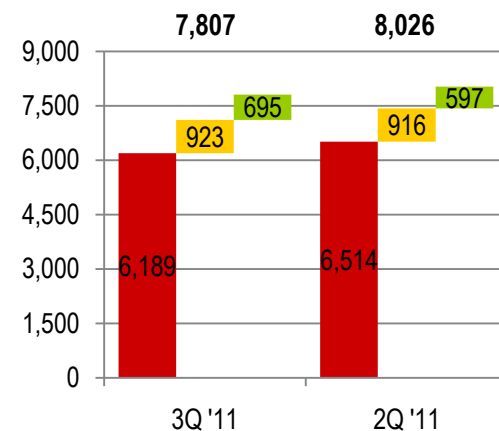


Financial Result by Business Segment

Revenue

(Unit: bil. Won)

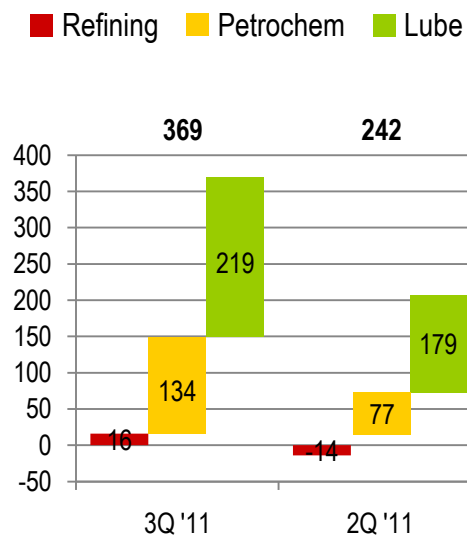
	3Q '11	QoQ	2Q '11	3Q '10	YoY
Refining	6,188.6	5.0% ↓	6,513.7	4,324.4	43.1% ↑
Petrochem	923.3	0.8% ↑	915.6	358.4	157.6% ↑
Lube	694.7	16.5% ↑	596.6	480.9	44.5% ↑
Total	7,806.6	2.7% ↓	8,025.9	5,163.7	51.2% ↑



Operating Income

(Unit: bil. Won)

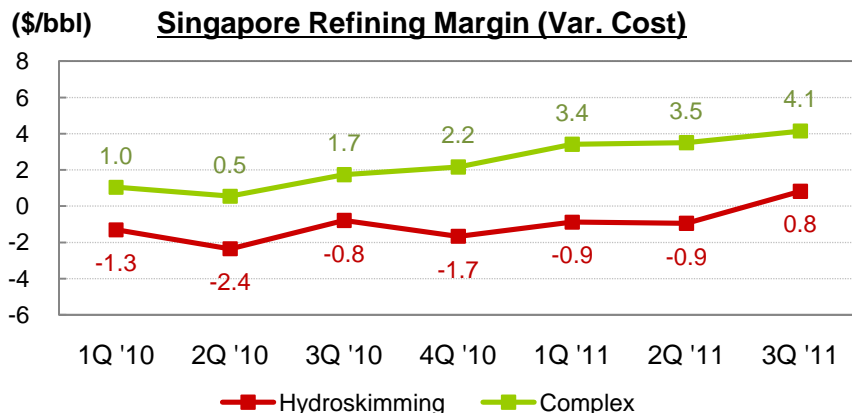
	3Q '11	QoQ	2Q '11	3Q '10	YoY
Refining	15.8	-	-14.1	88.4	82.1% ↓
(Margin)	(0.3%)		(-0.2%)	(2.0%)	
Petrochem	133.9	73.3% ↑	77.2	-2.5	-
(Margin)	(14.5%)		(8.4%)	(-0.7%)	
Lube	219.2	22.8% ↑	178.5	113.9	92.6% ↑
(Margin)	(31.6%)		(29.9%)	(23.7%)	
Total	368.9	52.7% ↑	241.6	199.8	84.7% ↑
(Margin)	(4.7%)		(3.0%)	(3.9%)	



Refining Business

Market

Complex margin rose due to improved spreads of gasoline and fuel oil driven by tight supply



Product/Dubai Spread (Unit: \$/bbl)

	3Q '11	2Q '11	3Q '10
Dubai crude	107.1	110.6	73.9
Gasoline	14.6	11.7	6.7
Jet/Kero	18.7	20.4	12.9
Diesel	17.6	19.4	12.4
Naphtha	-2.3	-1.9	-0.9
HSFO 380	-5.9	-9.5	-5.4

Source: Platt's, P&G, The Company

Company

Maximized sales volume to capture healthy margin despite sizable turnaround

Sales Volume

(Unit: bpd)	3Q '11	2Q '11	QoQ
Gasoline	69,851	74,106	5.7% ↓
Jet/Kero	146,194	147,198	0.7% ↓
Diesel	144,457	157,382	8.2% ↓
Naphtha	54,010	59,653	9.5% ↓
Fuel Oil	63,053	60,308	4.6% ↑
Others	32,425	30,399	6.7% ↑
Total	509,990	529,046	3.6% ↓

Increase of jet sales to capitalize seasonal travel demand pick-up

▪ Sales volume

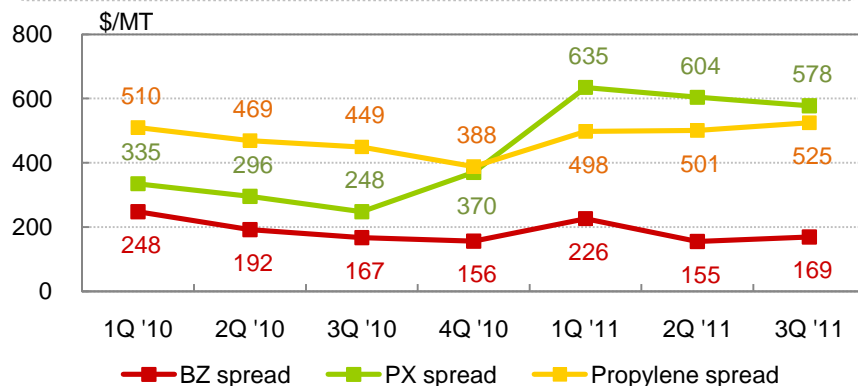
(Unit: k bpd)	3Q '11	2Q '11	QoQ
Jet	108	102	6.4% ↑

Petrochemical & Lube Business

Market

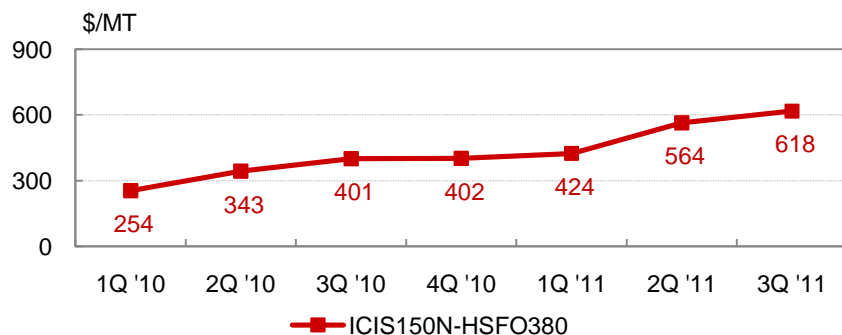
Petrochemical

Spread slightly contracted, but showed monthly upward trend due to improved supply-demand balance



Lube

Spread further expanded thanks to sustained healthy demand



Source: Platt's, ICIS, ACP, CMAI, The Company

Company

Maximized PX sales through full operation of #2 PX plant despite turnaround of #1 PX plant

Sales volume

(Unit: bpd)	3Q '11	2Q '11	QoQ
P-X	32,532	32,706	0.5% ↓
Benzene	9,331	7,991	16.8% ↑
Propylene	7,107	7,171	0.9% ↓
Total	48,971	47,868	2.3% ↑

Fully benefited strong margin by increasing sales

Sales volume

(Unit: bpd)	3Q '11	2Q '11	QoQ
Group II	9,513	7,781	22.3% ↑
Group III	25,174	23,333	7.9% ↑
Total	39,447	35,778	10.3% ↑

※ Lube sales volume includes by-products.



4Q 2011 Industry Outlook

4Q 2011 Outlook – Refining*

Sustained strong margin: Demand growth outpacing supply increase

(Unit: k bpd)

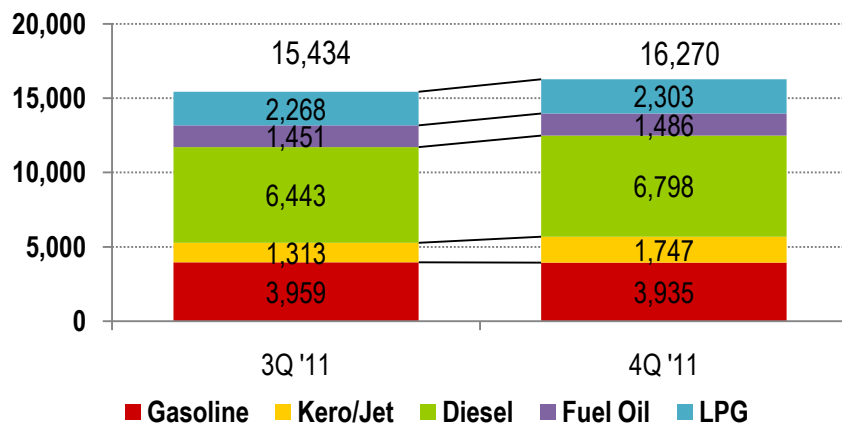
Demand change: (+) 836 (Stronger quarterly growth of all products excepting gasoline)

- Kero & Jet: (+) 434 (Japan 302 ↑, S.Korea 66 ↑) & Diesel: (+) 355 (India 160 ↑, China 48 ↑)
 - Stronger heating purpose consumption and sustainable regional economic growth
- Gasoline: (-) 24 (Japan 87 ↓, China 50 ↑)
 - Weaker gasoline demand from Japan & S.Korea in winter season offset by steady consumption from China

Supply change: (+) 572

- Capacity Addition 183 & Closure 50: (+) 102
- Higher operation rate (Restart of Formosa & Shell, etc.): (+) 470

Asia QoQ Demand Change



Asia 4Q Capacity Addition/Closure

	Addition	Closure
China	183	50
Others	-	-
Total	183	50

* Demand forecast is based on 7 major Asia countries (Australia, China, India, Japan, S.Korea, Taiwan, Thailand)

Source: FACTS, The Company

4Q 2011 Outlook – Petrochemical & Lube

Petrochemical

PX : Continued favorable market due to demand growth outpacing supply increase

- Demand : Continuous increase from consistent PTA capacity expansion
 - QoQ incremental demand : 125 k ton ↑ (3Q) → 127 k ton ↑ (4Q)
 - PTA capacity increase in 4Q : 445 k tpa (Samsung Petrochemical 200 k tpa, Capco 200 k tpa and etc.)
- Supply : Small size of increase with no capacity expansion of PX
 - QoQ incremental production : 31 k ton ↑ (3Q) → 96 k ton ↑ (4Q)

Benzene : Challenging market on the back of limited demand growth and plants' restart up from T/A

- Demand : Lackluster increase due to weak demand from sluggish phenol industry
 - QoQ incremental demand : 483 k ton ↑ (3Q) → 176 k ton ↑ (4Q)
- Supply : Larger quarterly increase due to completion of sizable maintenance around the region
 - QoQ incremental production : 128 k ton ↑ (3Q) → 228 k ton ↑ (4Q)

Lube

Tight market is expected to be soften due to considerable supply increase

- Group III: Sizable supply increase from new capacities in M.East and slower demand growth in US and Europe
- Group II: Sustainable demand growth in Asia offset by supply increase from China

Source: CMAI, PCI



Thank You!