



1Q 2012 Corporate Performance

April 2012



Disclaimer

Financial results for 1Q '12 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 refining 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 2012 Performance

Performance by Business Segment

2Q & 2H 2012 Industry Outlook



1Q 2012 Performance

1Q 2012 Financial Result

Financial Status

Capital Expenditure for 1Q 2012

Major Business Index



1Q 2012 Financial Result

Revenue

Decreased 2.5% QoQ due to sales volume decline despite rise of ASP

- ASP: 6.0% ↑ / Sales volume: 8.0% ↓, QoQ

Operating Income

Expanded 1.7% QoQ mainly driven by increase of crude oil price and slight improvement of refining margin

- Dubai crude oil price: 4Q '11 \$106.5/bbl → 1Q '12 \$116.5/bbl, \$10.0/bbl ↑
- Singapore complex margin: 4Q '11 \$2.0/bbl → 1Q '12 \$2.5/bbl, \$0.5/bbl ↑

Income before Tax

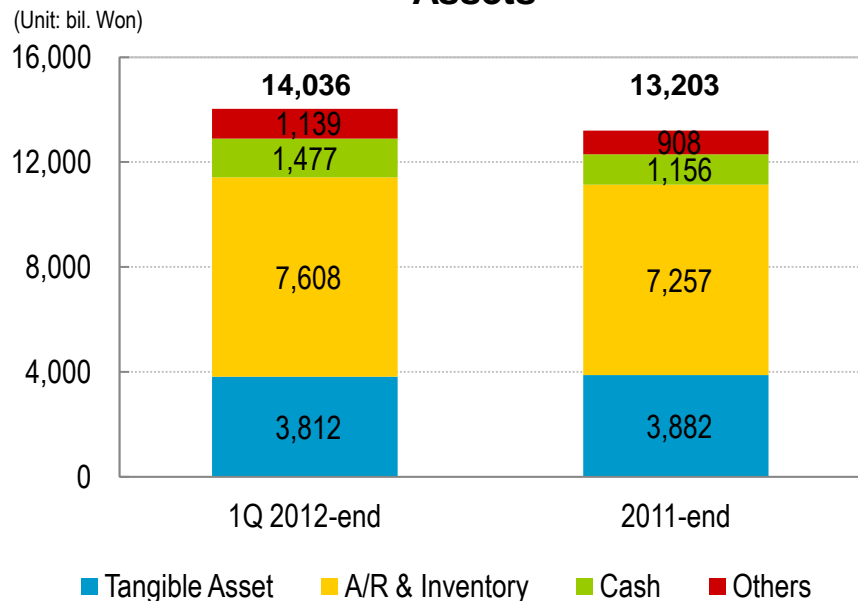
Declined 9.5% QoQ as F/X gain diminished

- ₩/\$ rate: 4Q '11-end 1,153.3 → 1Q '12-end 1,137.8, 15.5 ↓

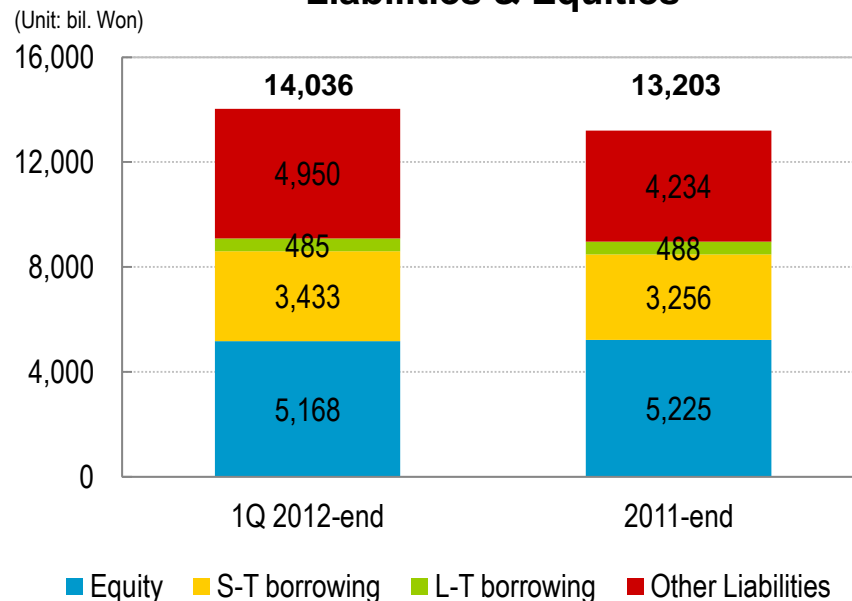
(Unit: bil. Won)	1Q '12	QoQ	4Q '11	1Q '11	YoY
▪ Revenue	9,036.0	2.5% ↓	9,264.0	6,817.3	32.5% ↑
▪ Operating Income	382.2	1.7% ↑	375.7	647.5	41.0% ↓
(Margin)	(4.2%)	-	(4.1%)	(9.5%)	-
▪ Net Finance Gain	30.7	62.3% ↓	81.4	71.2	56.8% ↓
– Net Interest Gain	-8.2	-	-8.7	4.1	-
– Net F/X Gain	38.9	56.8% ↓	90.1	67.1	41.9% ↓
▪ Equity Method Gain	1.8	102.8% ↑	0.9	1.4	24.4% ↑
▪ Income before Tax	414.7	9.5% ↓	458.1	720.2	42.4% ↓

Financial Status

Assets



Liabilities & Equities



Financial Ratios

(Unit: %)	1Q '12	FY '11
Return on Equity	24.3	24.5
ROCE	16.5	17.9
Net debt to equity	47.2	49.5
Net debt (bil. Won)	2,441.1	2,587.2

Capital Expenditure for 1Q 2012

CAPEX

(Unit: bil. Won)	1Q '12	FY '12 (Budget)
1. Major projects	4.6	45.3
New SPM Construction	4.6	37.8
2. Upgrade & Maintenance	9.0	125.4
3. Marketing Investment	4.8	58.7
4. Others	0.9	28.8
Total	19.3	258.2

Depreciation

(Unit: bil. Won)	FY '10	FY '11	FY '12 (E)
Depreciation*	276.1	375.8	378.2

* Including catalyst amortization cost

Major Business Index

Utilization Rate

(Unit: k bpd, %)	Capacity	1Q '12	4Q '11
CDU	669.0	97.5	97.9
HYC FH	76.5	100.1	100.3
RFCC	73.0	100.4	99.5
Lube Plants	38.0	102.6	102.9
PX Center	34.7	105.5	106.9

※ 1Q CDU utilization rate(E) - Asia: 84.0% / N. America: 82.2% / Europe: 75.6%
(Source: ESAI)

Turnaround

Time	Unit
1Q	-
2Q	#2 RHDS
3Q	#1 RHDS
4Q	-

Sales Breakdown

Focused on domestic & Asia market to capitalize relatively stable demand amid shrunk demand in Europe

(Unit: bpd, %)	1Q '12	4Q '11	1Q '11
Sales Total	642,574	691,044	567,695
Domestic	255,861	254,196	249,311
Export	386,713 (60.2%)	436,848 (63.2%)	318,384 (56.1%)
China	24.2	32.6	22.8
Japan	24.1	20.7	23.1
Australia	10.2	6.8	7.2
Indonesia	9.0	8.4	5.9
Singapore	8.1	5.1	11.2
USA	4.6	2.0	5.9
Europe	0.8	4.7	1.6

Performance by Business Segment

Financial Result by Business Segment

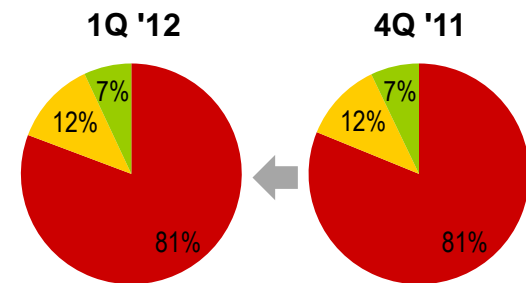
Refining Business

Petrochemical & Lube Business

Financial Result by Business Segment

Revenue

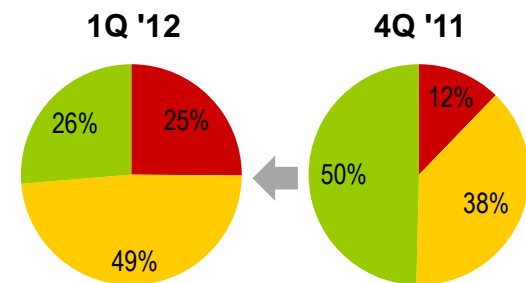
(Unit: bil. Won)	1Q '12	QoQ	4Q '11	1Q '11	YoY
Refining	7,294.5	3.0% ↓	7,519.6	5,738.3	27.1% ↑
Petrochem	1,111.4	2.4% ↑	1,085.4	566.7	96.1% ↑
Lube	630.1	4.4% ↓	659.0	512.3	23.0% ↑
Total	9,036.0	2.5% ↓	9,264.0	6,817.3	32.5% ↑



Operating Income

(Unit: bil. Won)	1Q '12	QoQ	4Q '11	1Q '11	YoY
Refining	96.0	109.2% ↑	45.9	424.7	77.4% ↓
(Margin)	(1.3%)		(0.6%)	(7.4%)	
Petrochem	185.6	29.4% ↑	143.4	92.3	101.1% ↑
(Margin)	(16.7%)		(13.2%)	(16.3%)	
Lube	100.6	46.0% ↓	186.4	130.5	22.9% ↓
(Margin)	(16.0%)		(28.3%)	(25.5%)	
Total	382.2	1.7% ↑	375.7	647.5	41.0% ↓
(Margin)	(4.2%)		(4.1%)	(9.5%)	

■ Refining ■ Petrochem ■ Lube

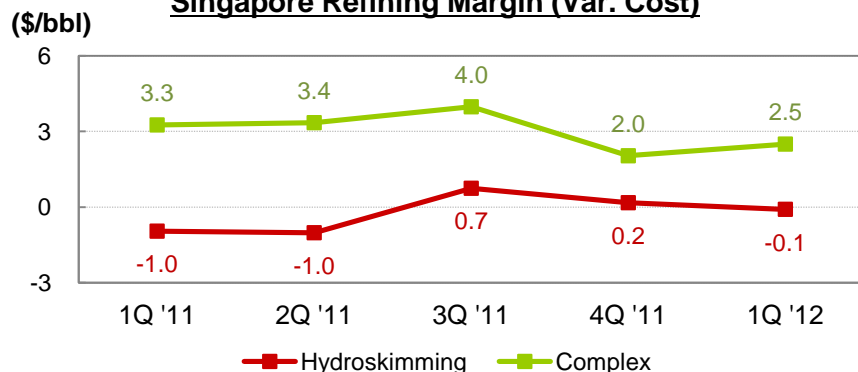


Refining Business

Market

Margin slightly rose driven by strong gasoline and improved naphtha spread despite dampened spreads of middle distillate

Singapore Refining Margin (Var. Cost)



Product/Dubai Spread

(Unit: \$/bbl)	1Q '12	4Q '11	1Q '11
Dubai crude	116.5	106.5	100.9
Gasoline	11.8	7.6	10.5
Jet/Kero	15.6	18.2	20.3
Diesel	16.2	17.8	18.4
Naphtha	-4.2	-9.1	0.0
HSFO 380	-4.3	-3.8	-9.7

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

Company

Replenished operational inventory after inventory reduction at the year-end and built-up fuel oil inventory ahead of maintenance of #2 RHDS

Sales Volume

(Unit: bpd)	1Q '12	4Q '11	QoQ
Gasoline	69,258	67,370	2.8% ↑
Jet/Kero	157,893	163,935	3.7% ↓
Diesel	170,363	196,941	13.5% ↓
Naphtha	52,811	57,253	7.8% ↓
Fuel Oil	64,567	75,686	14.7% ↓
Others	32,920	33,787	2.6% ↓
Total	547,813	594,972	7.9% ↓

Increased gasoline sales volume into South East Asia to capture growing demand

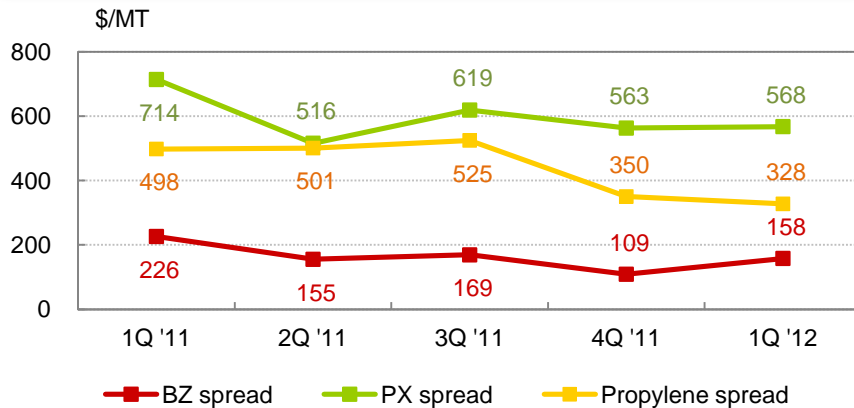
(Unit: bpd)	1Q '12	4Q '11	QoQ
Indonesia	18,183	14,595	24.6% ↑
Philippines	2,558	1,443	77.2% ↑

Petrochemical & Lube Business

Market

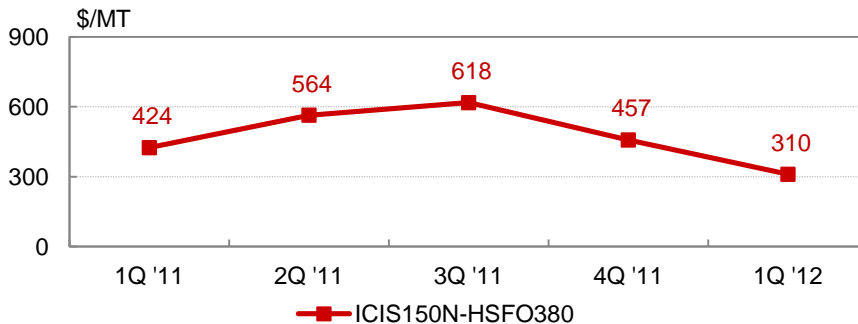
Petrochemical

PX spread remained flat while benzene spread increased due to tighter supply



Lube

Spread continued to drop due to capacity addition and increase in feedstock price



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

Company

Maintained maximum production and sales to capitalize robust margin

Sales volume

(Unit: bpd)	1Q '12	4Q '11	QoQ
P-X	36,489	39,301	7.2% ↓
Benzene	11,645	11,281	3.2% ↑
Propylene	6,731	7,136	5.7% ↓
Total	54,865	57,717	4.9% ↓

Domestic sales increased sharply thanks to strong demand from the automobile and shipping industries

Sales volume

(Unit: bpd)	1Q '12	4Q '11	QoQ
Domestic	11,902	11,020	8.0% ↑
Export	27,993	27,335	2.4% ↑
Total	39,895	38,355	4.0% ↑

※ Lube sales volume includes by-products.

2Q & 2H 2012 Industry Outlook

**2Q & 2H 2012 Industry Outlook –
Refining**

**2Q & 2H 2012 Industry Outlook –
Petrochemical & Lube**



2Q & 2H 2012 Outlook – Refining

Regional Demand: Slight QoQ decline, however rebound in 2H

(Unit: k bpd)

Market environment would be weakened in 2Q due to soften seasonality, but recover in 2H thanks to growing demand for gasoline and naphtha.

- QoQ demand: 28,640 (1Q '12) → **28,010 (2Q '12)**, 2.2% ↓ QoQ / 3.1% ↑ YoY
 - Weaker kerosene demand due to the end of cold weather, but stronger diesel demand mainly from agricultural sector
- HoH demand: 28,325 (1H '12) → **28,715 (2H '12)**, 1.4% ↑ HoH / 2.5% ↑ YoY
 - Demand pick-up for consumer related products boosted by recovery of global economy

Regional Oil Demand

(Unit: k bpd)	1Q '12	QoQ	2Q '12	1H '12	HoH	2H '12
Gasoline	4,971	-4	4,967	4,969	160	5,128
Jet/Kero	2,474	-489	1,985	2,230	-94	2,136
Diesel	8,154	195	8,349	8,251	8	8,259
Naphtha	3,900	-129	3,771	3,836	30	3,866
Fuel Oil	3,603	-149	3,454	3,529	-66	3,463
Others	5,538	-54	5,484	5,510	352	5,863
Total	28,640	-630	28,010	28,325	390	28,715

2Q & 2H 2012 Industry Outlook – Petrochemical & Lube

Petrochemical

PX

2Q '12 vs. 1Q '12		
Demand	240 k ton ↓	Utilization rate of PTA : 1Q 91.4% → 2Q 85.9%
Supply	327 k ton ↑	PX capacity expansion : 800 k tpa in China
Outlook	↘	

2H '12 vs. 1H '12		
Demand	1,407 k ton ↑	PTA capacity addition during 2Q ~ 4Q: 5.4 mil. tpa
Supply	1,111 k ton ↑	PX capacity addition during 2Q ~ 4Q: 2.6 mil. tpa
Outlook	↗	

Benzene

2Q '12 vs. 1Q '12		
Demand	187 k ton ↑	Demand growth from SM industry: 131 k ton ↑, QoQ
Supply	195 k ton ↑	Utilization rate: 1Q 76.0% → 2Q 79.1%
Outlook	→	

2H '12 vs. 1H '12		
Demand	520 k ton ↑	Demand growth from SM market: 516 k ton ↑, HoH
Supply	702 k ton ↑	Utilization rate: 1H 77.6% → 2H 80.4%
Outlook	↘	

Lube

Downward adjustment from capacity increase would be over and slight recovery is expected

- Group III: High-quality product market to remain healthy in developed countries
- Group II: Demand in Asia to continue steady growth from on-going industrialization

Thank You!

