



2Q 2013

Earnings

Release

S-OIL IR Team

Disclaimer

Financial results for 2Q 2013 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.



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2Q 2013 Performance

**Performance by
Business Segment**

**2H 2013 Industry Outlook
& Roadmap for Future Growth**

& Attachment

**2Q 2013
Performance**

2Q 2013 Financial Result

Financial Status

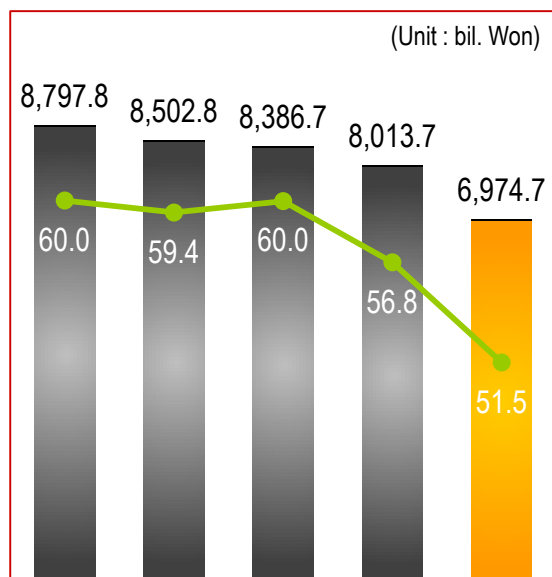
Capital Expenditure

Major Business Index

**Performance
by
Business Segment**

**2H 2013
Industry Outlook
&
Roadmap for
Future Growth**

Revenue



2Q'12 3Q'12 4Q'12 1Q'13 2Q'13

■ Revenue ● Sales Volume (mil. bbl)

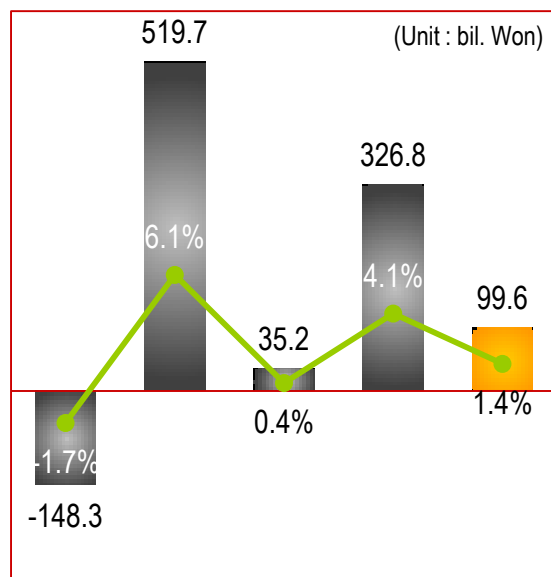
**Inevitable QoQ decrease
due to heavy maintenance**

Sales volume decline due to heavy maintenance coupled with ASP decrease on lowered crude oil price

- ASP: 4.3% ↓, QoQ

- Sales volume: 9.1% ↓, QoQ

Operating Income



2Q'12 3Q'12 4Q'12 1Q'13 2Q'13

■ Operating Income ● OP Margin

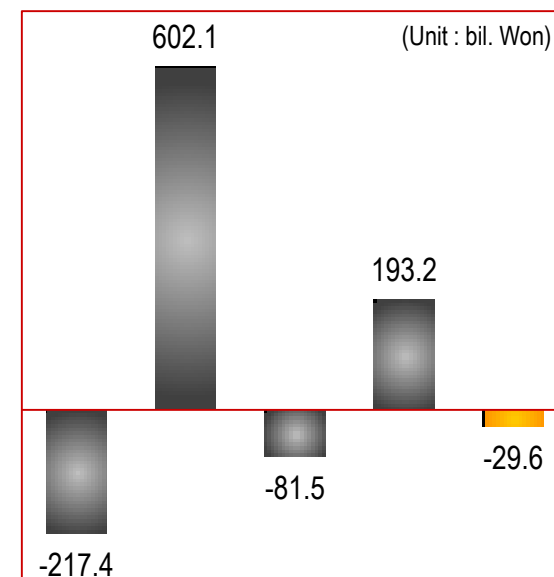
**QoQ decrease due to
T/A and weak seasonality**

Drop of refining margin and downward correction of PX spread

- Singapore complex margin (\$/bbl):
2Q 2.3 (2.7 ↓, QoQ)

- PX spread (\$/ton): 2Q 559 (90 ↓, QoQ)

Income before Tax



2Q'12 3Q'12 4Q'12 1Q'13 2Q'13

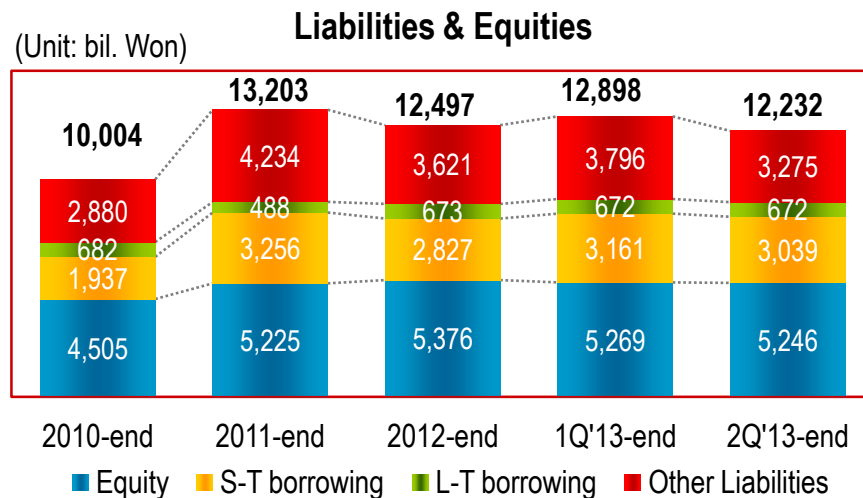
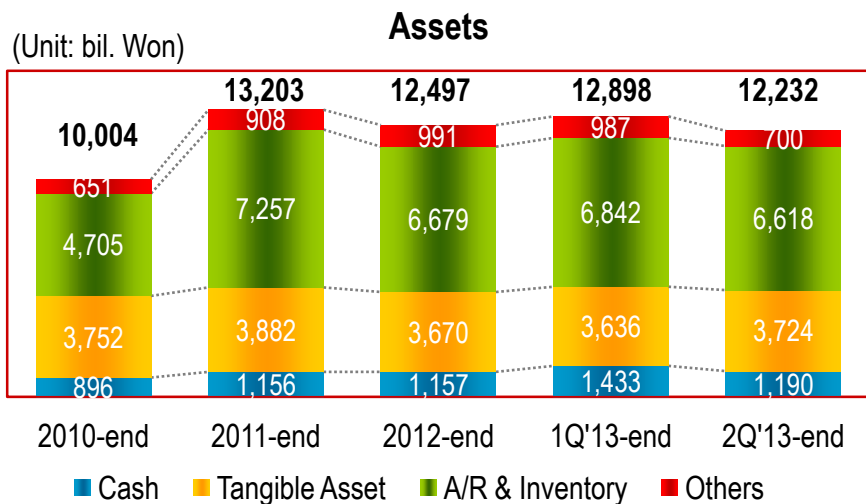
■ Income before Tax

**Slight loss on
one-off impact from weak Won**

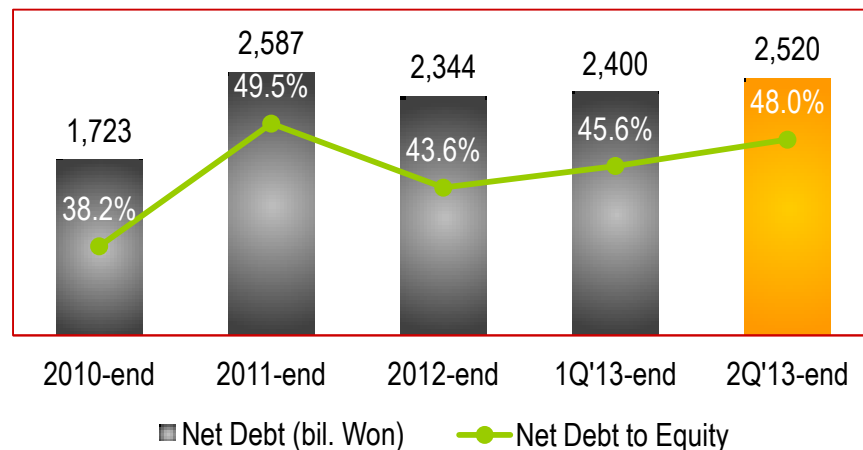
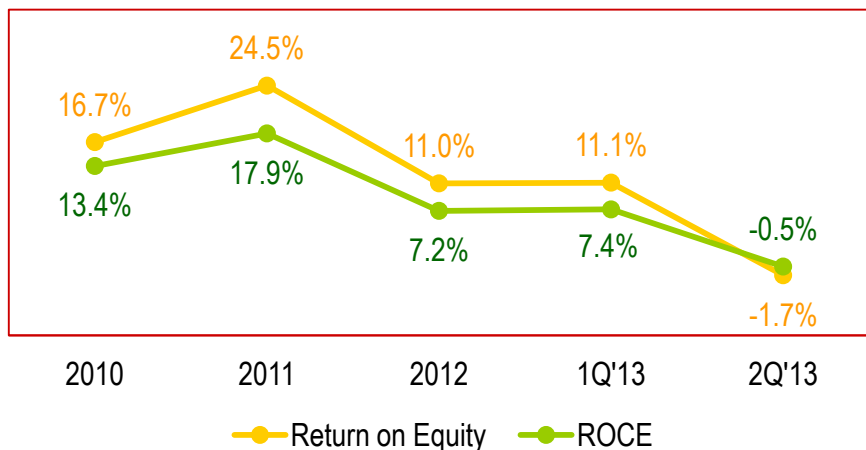
F/X related loss triggered by Won depreciation

- ₩/\$ rate: 2Q-end 1,149.7 (37.6 ↑, QoQ)

Financial Status



Financial Ratios



CAPEX

2013 CAPEX will increase to somewhat higher level than normal due to heavy maintenance and process improvements. Some investment items in core business for future growth would be announced within 2H'13 after in-depth review.

(Unit: bil. Won)	FY '11	FY '12	FY '13 (Plan)	1H '13
Major Projects	172.0	23.8	90.7	50.3
- New SPM Construction*	-	23.8	81.3	50.3
Upgrade & Maintenance	107.3	50.9	296.2	113.6
- Lube Base Oil (Group III) Capacity Increase (+3 k bpd)*	-	1.5	12.1	4.8
- Asphalt Production Increase (+3 k bpd)*	-	0.1	5.4	0.7
Marketing related expenditure	47.7	34.9	48.5	14.4
Others	400.3	16.0	31.3	10.6
Total	727.3	125.7	466.7	189.0

* Expected completion: 4Q, 2013

Depreciation

(Unit: bil. Won)	FY '11	FY '12	FY '13 (E)	1H '13
Depreciation (Including catalyst amortization cost)	375.8	391.2	374.9	180.5

Utilization Rate

(Unit: k bpd, %)	Capacity	1Q '12	2Q '13
CDU	669.0	94.2%	78.4%
HYC FH	76.5	100.2%	64.1%
RFCC	73.0	90.4%	92.4%
Lube Plants	38.0	94.9%	69.2%
PX Center	34.7	106.2%	80.9%

2013 T/A Schedule

	April	July
CDU	#3 CDU CFU	#1 CDU
Refining	HYC FH #1 RHDS	RFCC #2 RHDS
Petrochemical	#2 Aromatics	-
Lube Base Oil	HYC SH	#1 & 2 HDT

Sales Breakdown

Focused on long-term customers amid inevitable decline of sales volume due to maintenance

(Unit: k bpd, %)	2Q '12	1Q '13	2Q '13
Sales Total	660	630	566
Domestic	246	254	254
Export	414	376	312
(% in Total)	(62.7)	(59.6)	(55.2)

(% in Export)	2Q '12	1Q '13	2Q '13
China	18.7	21.4	20.5
Japan	17.3	25.6	19.7
Singapore	6.5	8.9	11.0
USA	7.0	7.4	9.7
South East Asia	11.3	8.6	9.2
Australia	12.9	9.1	7.8

Financial Result by Business Segment
Market Trend and the Company's Action



Financial Result by Business Segment

Performance by Business Segment

Refining

(Unit: bil. Won)	2Q '12	YoY	1Q '13	QoQ	2Q '13
Revenue	7,124.3	19.9% ↓	6,532.3	12.7% ↓	5,703.8
Operating Income	-458.2	-	131.0	-	-59.4
(Margin)	(-6.4%)	-	(2.0%)	-	(-1.0%)

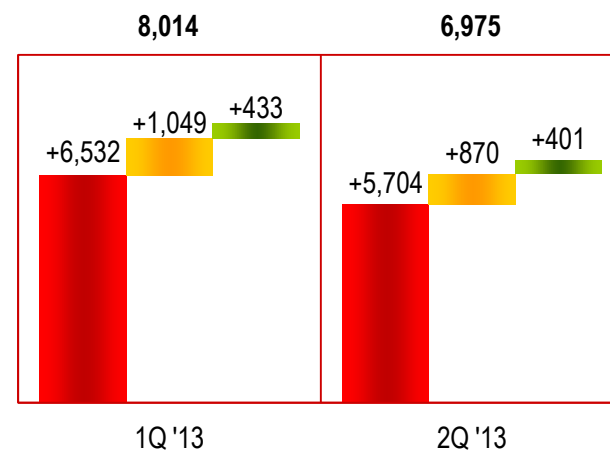
Petrochemical

(Unit: bil. Won)	2Q '12	YoY	1Q '13	QoQ	2Q '13
Revenue	1,065.6	18.4% ↓	1,048.6	17.0% ↓	869.9
Operating Income	188.2	41.8% ↓	181.7	39.7% ↓	109.5
(Margin)	(17.7%)	-	(17.3%)	-	(12.6%)

Lube Base Oil

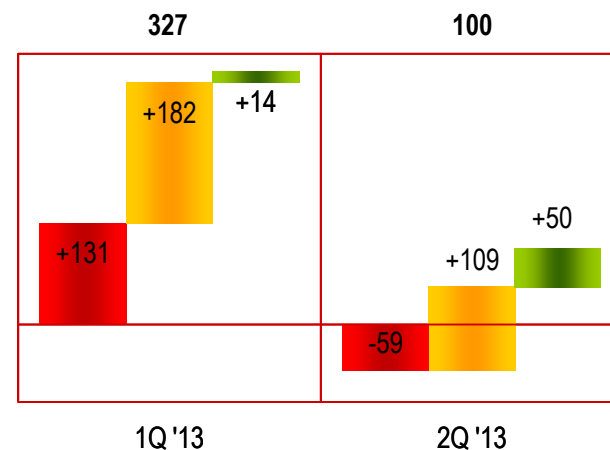
(Unit: bil. Won)	2Q '12	YoY	1Q '13	QoQ	2Q '13
Revenue	607.9	34.0% ↓	432.8	7.3% ↓	401.0
Operating Income	121.7	59.3% ↓	14.2	248.6% ↑	49.5
(Margin)	(20.0%)	-	(3.3%)	-	(12.3%)

Revenue



■ Refining ■ Petrochem ■ Lube

Operating Income



Market Trend and the Company's Action

Performance by Business Segment

Refining

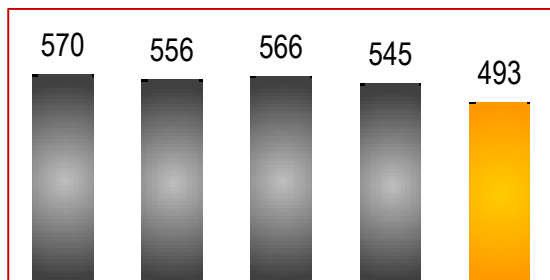
Singapore Refining Margin (\$/bbl)

[GRM-Variable Cost]

Hydroskimming Complex



2Q '12 3Q '12 4Q '12 1Q '13 2Q '13

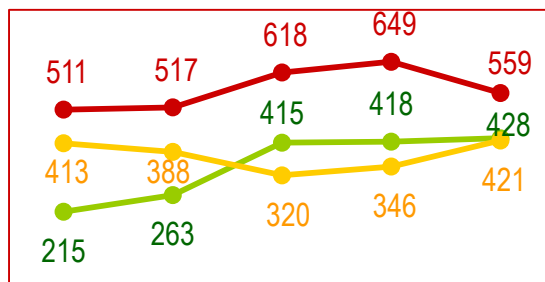


■ Sales Volume (k bpd)

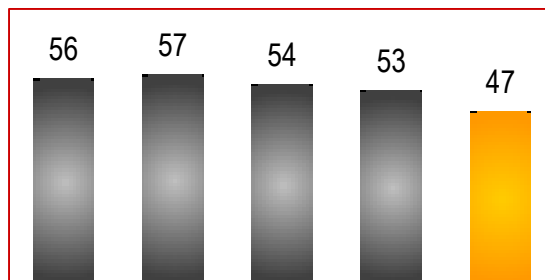
Petrochemical

Product Spread (\$/ton)

Benzene P-Xylene Propylene



2Q '12 3Q '12 4Q '12 1Q '13 2Q '13

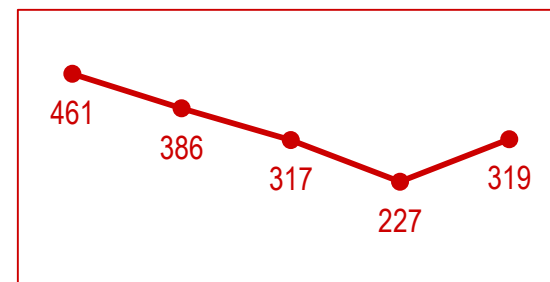


■ Sales Volume (k bpd)

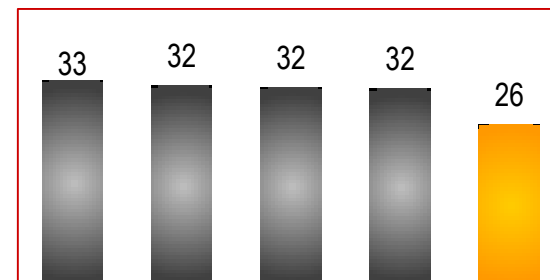
Lube Base Oil

Product Spread (\$/ton)

ICIS150N-HSFO380



2Q '12 3Q '12 4Q '12 1Q '13 2Q '13



■ Sales Volume (k bpd)

The Company has timely completed sizable maintenance during the period of thin margin and then capitalized on the recovery of refining margin in June.

(\$/bbl)

April

May

June

Singapore Refining Complex Margin

1.5

2.0

3.3

**2Q 2013
Performance**

**Performance
by
Business Segment**

**2H 2013
Outlook &
Roadmap for
Future Growth**

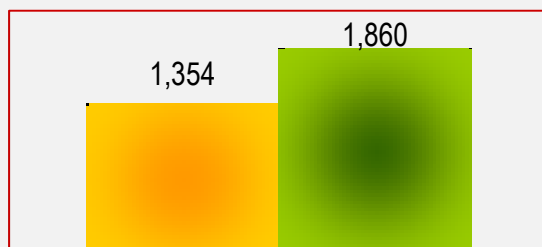
2H Industry Outlook – Refining

2H Industry Outlook - Petrochemical
& Lube Business

Roadmap for Future Growth

Refining business for 2H is expected to show meaningful betterment than 1H thanks to considerable demand growth despite rising utilization rate.

(Unit: k bpd)



2H'13 vs. 1H'13

- Incremental Supply
- Incremental Demand

2H Outlook

Global demand is expected to grow substantially from improvement of global economy and seasonal peak outside Asia.

Global supply would increase mainly upon increasing operation rate and new capacities, but the amount would be limited given start-up timing & facility closure.

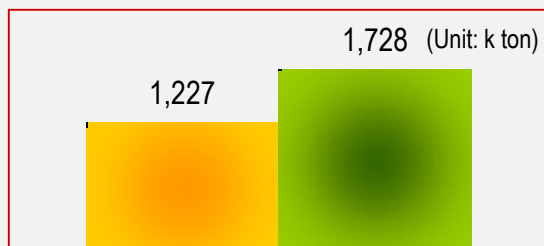
- New capacity(k bpd): 400 in ME, 352 in Asia
- Closure(k bpd) : 230 in Asia

Demand-Supply Change (HoH)

(Unit: k bpd)	Demand Increase (A)	Net Supply Increase* (B)	Var. (A-B)
Asia	225	-235	+460
Middle East	315	328	-13
Europe	460	380	+80
America	515	669	-154
Others	345	212	+133
Global	1,860	1,354	+506

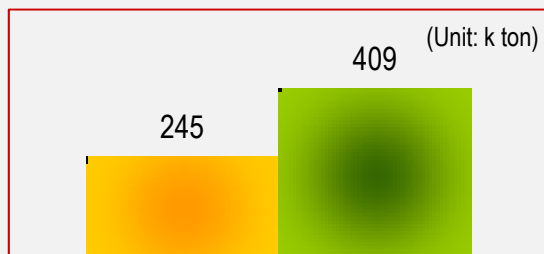
* Assumptions on utilization rate change: Asia -0.8%p, ME +3.0%p, US +3.0%p, Europe & Others +2.0%p

Petrochemical



2H'13 vs. 1H'13

- Incremental Supply
- Incremental Demand



2H'13 vs. 1H'13

Para-Xylene 2H Outlook →

Decent spread will be sustained thanks to possible lower operation rate of MX based facilities and strong demand from capacity addition and higher run rate in PTA industry despite PX expansion.

- New PX capacity (mil. tpa): 3.8 (3Q 0.8 / 4Q 3.0)
- New PTA capacity (mil. tpa): 4.4 (3Q 2.2 / 4Q 2.2)

Benzene 2H Outlook →

Demand growth from capacity addition of downstream (SM, Phenol, etc) will support favorable balance against supply increase from new benzene capacity.

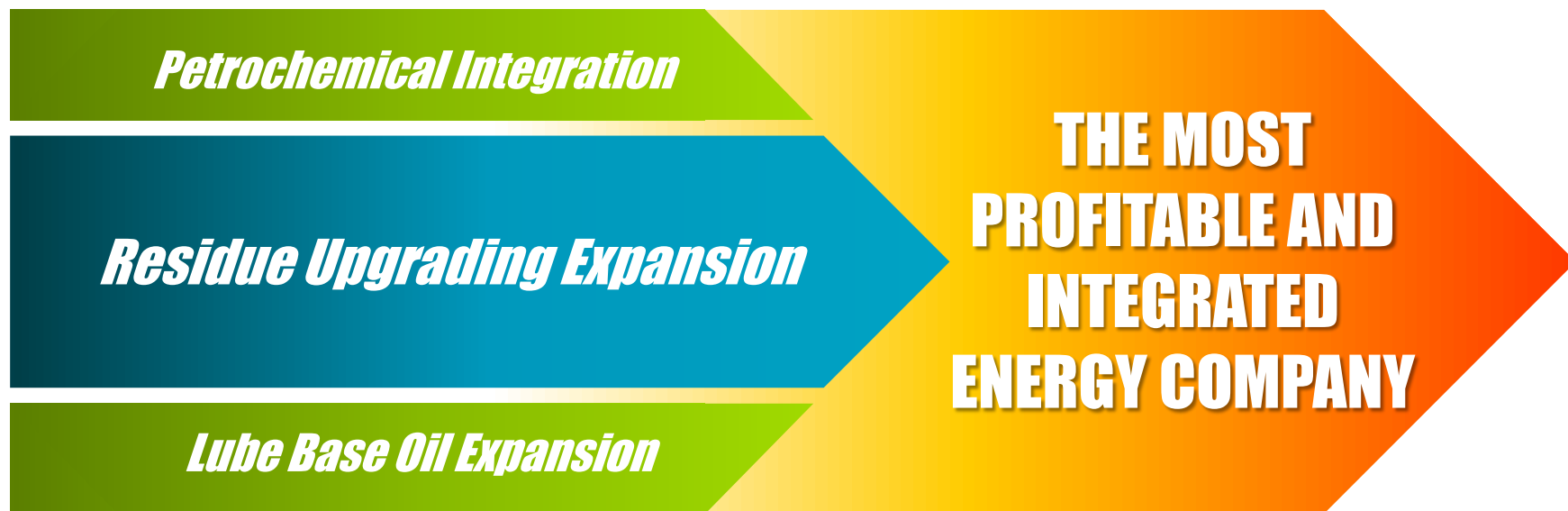
- New benzene capacity (mil. tpa): 1.6 (3Q 0.5 / 4Q 1.1)
- New downstream capacity (mil. tpa): 2.3 (3Q 1.1 / 4Q 1.2)

Lube Base Oil

Lube Base Oil 2H Outlook →

Current spread is likely to be maintained because the growth in automotive sales and increasing demand for high performance lubricants will compensate for the supply increase by the scheduled capacity additions during 2H.

- Global automotive sales growth (vs. 2012): 7~8% (China, India 8~10% / US, Europe 4~5%)
- Global net capacity additions (2H '13): 50 k bpd



	2012	Beyond 2018	Var.
Upgrading Ratio*	41%	46%	5%P ↑
Business Portfolio			
- Heavy Oil	12%	4%	8%P ↓
- High Value-added Products**	88%	96%	8%P ↑

* (Naphtha reforming + Refining upgrading) / CDU

** Including light oil, petrochemical & lube base oil

Summarized Income Statement

(Unit: bil. Won)	2Q '12	YoY	1Q '13	QoQ	2Q '13
Revenue	8,797.8	20.7% ↓	8,013.7	13.0% ↓	6,974.7
Operating Income (Margin)	-148.3 (-1.7%)	-	326.8 (4.1%)	69.5% ↓ -	99.6 (1.4%)
Finance & Other Income	-61.1	-	-136.0	-	-131.3
- <i>Net Interest Gain</i>	-14.4	-	-5.9	-	-2.9
- <i>Net F/X Gain*</i>	-51.9	-	-130.1	-	-129.8
- <i>Others</i>	5.2	-	-	-	1.4
Equity Method Gain	-8.0	-	2.3	4.3% ↓	2.2
Income before Tax	-217.4	-	193.2	-	-29.6

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

Sales Volume

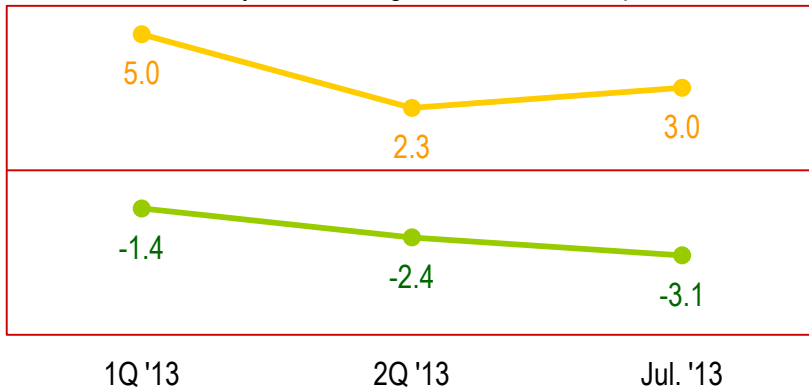
(Unit: k bpd)		2Q '12	YoY	1Q '13	QoQ	2Q '13
Refining	Gasoline	76	6.9% ↓	65	8.8% ↑	70
	Jet/Kero	148	12.1% ↓	152	14.7% ↓	130
	Diesel	190	22.2% ↓	167	11.5% ↓	148
	Naphtha	62	11.7% ↓	63	14.4% ↓	54
	Fuel Oil	59	8.2% ↓	59	9.2% ↓	54
	Others	37	0.2% ↑	38	4.4% ↓	37
	Sub-Total	570	13.5% ↓	545	9.6% ↓	493
Petrochemical	P-Xylene	37	17.7% ↓	35	13.4% ↓	30
	Benzene	12	16.0% ↓	11	10.5% ↓	10
	Propylene	7	7.7% ↓	6	2.0% ↑	6
	Sub-Total	56	16.1% ↓	53	11.0% ↓	47
Lube Base Oil	Group II	10	3.4% ↓	10	8.6% ↓	9
	Group III	24	29.7% ↓	21	22.8% ↓	17
	Sub-Total	33	21.7% ↓	32	18.1% ↓	26
TOTAL		660	14.3% ↓	630	10.1% ↓	566

Recent Market Snapshot

Singapore Refining Margin (\$/bbl)

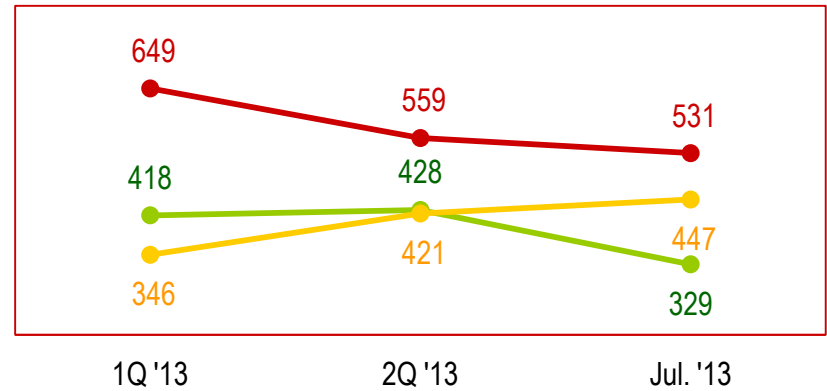
[GRM-Variable Cost]

Hydroskimming Complex



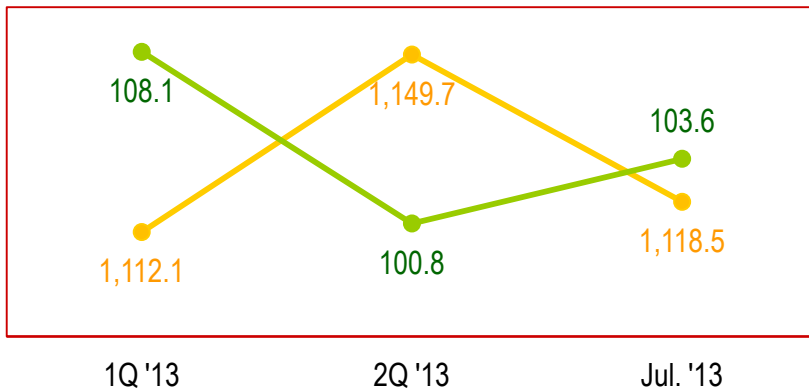
Petrochemical Product Spread (\$/ton)

Benzene P-Xylene Propylene



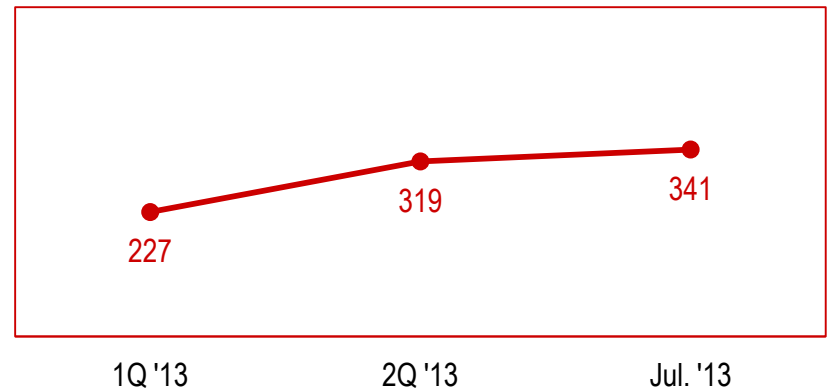
Market Indices

Dubai Crude (\$/bbl) F/X Rate (KRW/USD)



Lube Base Oil Product Spread (\$/ton)

ICIS150N-HSFO380



* Jul. '13: MTD as of July 23.

** F/X rate is based on 1Q '13-end, 2Q '13-end and July 23.

A yellow graphic frame consisting of a horizontal line at the top, a horizontal line at the bottom, and two diagonal lines connecting them on the left and right sides, forming a trapezoidal shape.

THANK YOU