



3Q 2013

Earnings

Release

S-OIL IR Team

Disclaimer

Financial results for 3Q 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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3Q 2013 Performance

**Performance by
Business Segment**

4Q 2013 Industry Outlook

& Attachment

**3Q 2013
Performance**

3Q 2013 Financial Result

Financial Status

Capital Expenditure

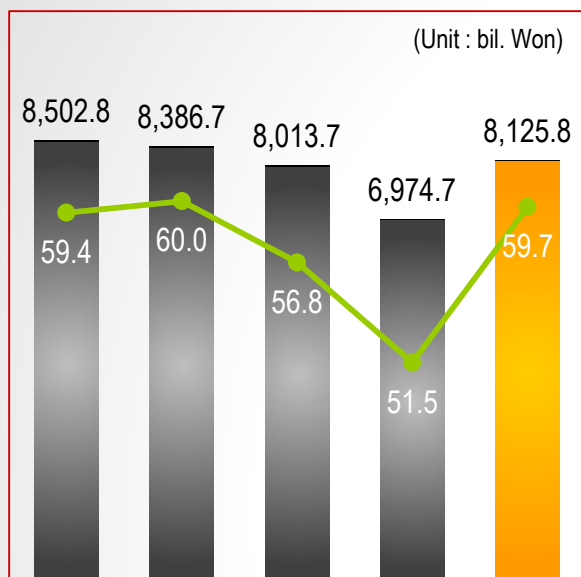
Major Business Index

**Performance
by
Business Segment**

**4Q 2013
Industry Outlook**

3Q 2013 Financial Result

Revenue



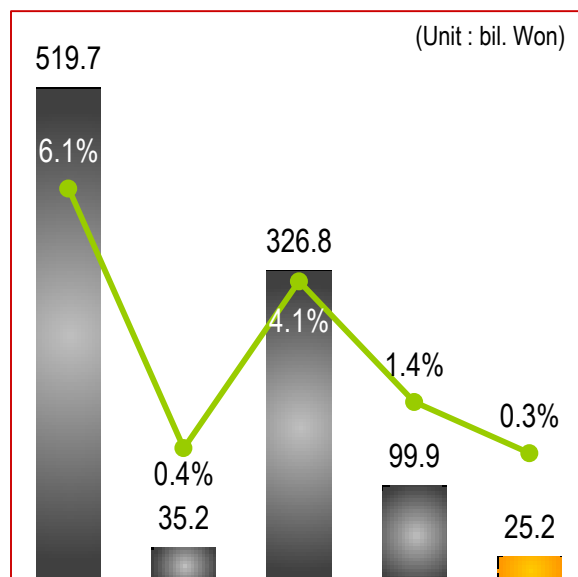
3Q'12 4Q'12 1Q'13 2Q'13 3Q'13
 ■ Revenue ● Sales Volume (mil. bbl)

16.5% QoQ increase driven by recovered sales volume

Slightly higher ASP and expanded sales volume on successful ramp-up after heavy maintenance

- ASP: 0.6% ↑, QoQ
- Sales volume: 15.8% ↑, QoQ

Operating Income



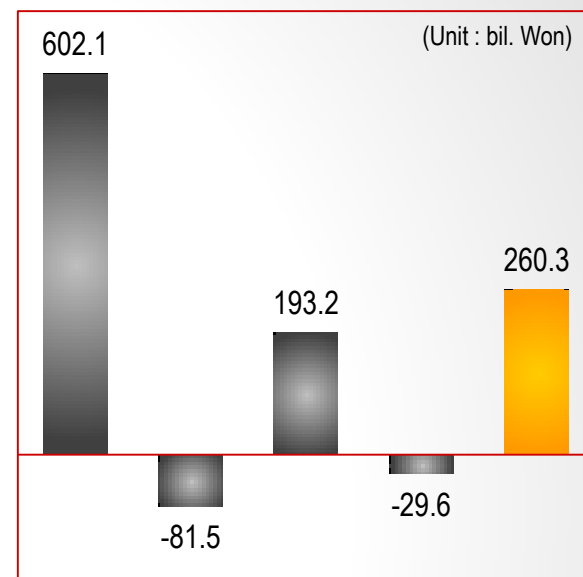
3Q'12 4Q'12 1Q'13 2Q'13 3Q'13
 ■ Operating Income ● OP Margin

Fall on negative F/X impact and weak refining margin

Decline of refining margin and rapid fall of F/X rate

- Singapore complex margin (\$/bbl): 3Q 1.6 (0.7 ↓, QoQ)
- ₩/\$ rate: 3Q-avg 1,110.6 (11.3 ↓, QoQ)

Income before Tax



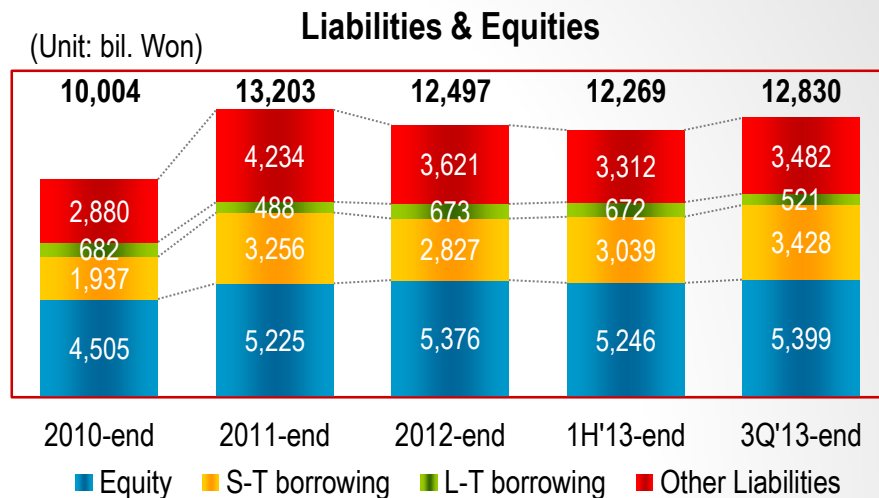
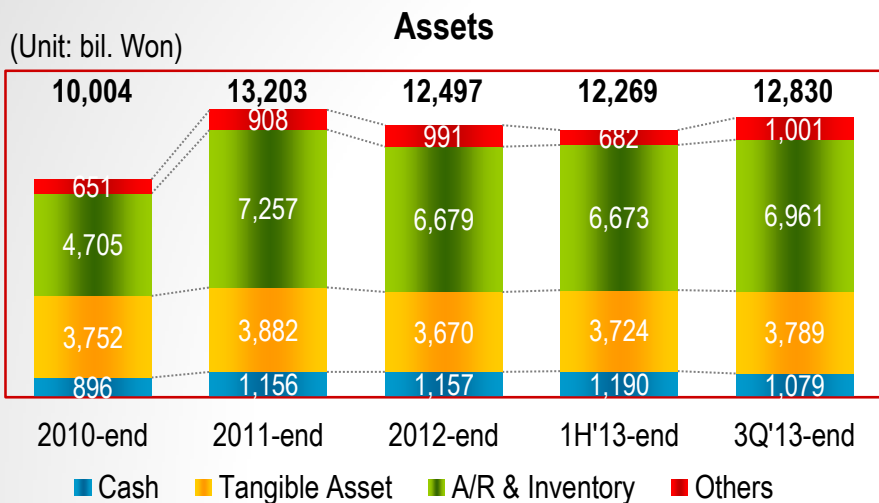
3Q'12 4Q'12 1Q'13 2Q'13 3Q'13
 ■ Income before Tax

Turn into big profit thanks to F/X gain of 220.0 bil. Won

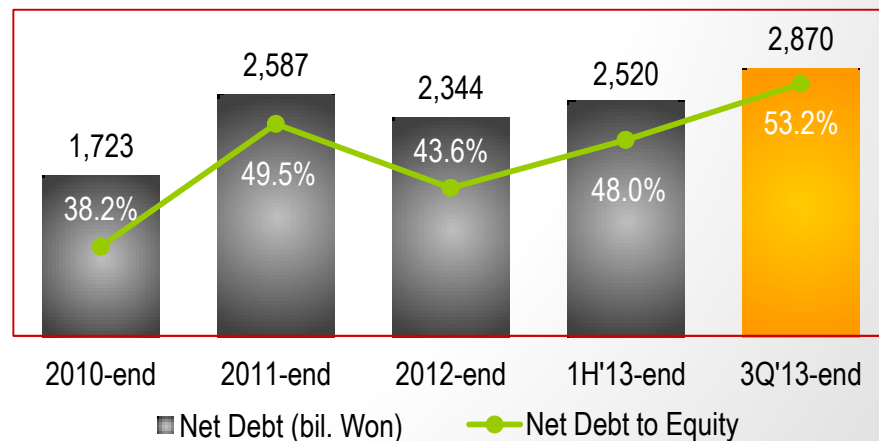
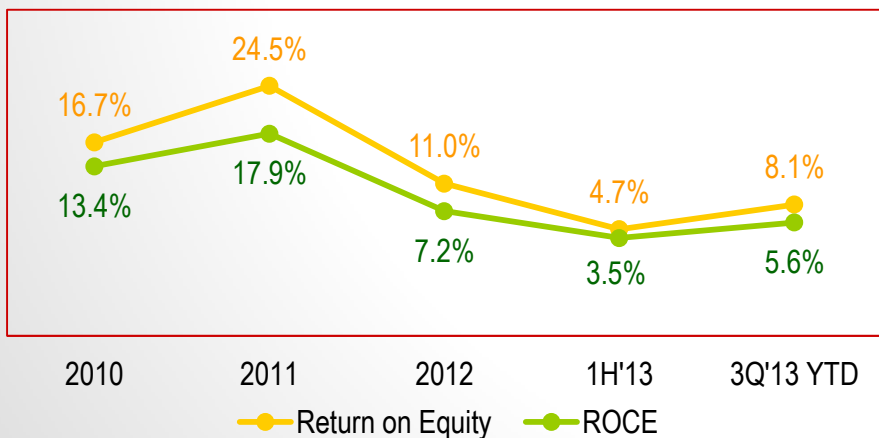
Sizable F/X gain on Won appreciation
 - ₩/\$ rate: 3Q-end 1,075.6 (74.1 ↓, QoQ)

Financial Status

Financial Status



Financial Ratios



Capital Expenditure

CAPEX

2013 CAPEX will increase to higher-than-normal level due to heavy maintenance and process improvements.
New investment items in core business for future growth would be announced until the early 2014 after thorough review.

(Unit: bil. Won)	FY '11	FY '12	FY '13 (Plan)	3Q '13 YTD
Major Projects	172.0	23.8	90.7	64.4
- New SPM Construction	-	23.8	81.3	64.4
Upgrade & Maintenance	107.3	50.9	296.2	217.5
- Lube Base Oil (Group III) Capacity Increase (+3 k bpd)*	-	1.5	12.1	9.8
- Asphalt Production Increase (+3 k bpd)*	-	0.1	5.4	2.5
Marketing related expenditure	47.7	34.9	48.5	24.6
Others	400.3	16.0	31.3	16.7
Total	727.3	125.7	466.7	323.1

* Expected completion: 4Q '13

Depreciation

(Unit: bil. Won)	FY '11	FY '12	FY '13 (E)	3Q '13 YTD
Depreciation (Including catalyst amortization cost)	375.8	391.2	364.8	267.0

Major Business Index

Utilization Rate

(Unit: k bpd, %)	Capacity	2Q '13	3Q '13
CDU	669.0	79.5%	90.3%
HYC FH	76.5	65.2%	98.4%
RFCC	73.0	93.3%	38.6%
Lube Plants	38.0	70.2%	90.4%
PX Center	34.7	82.1%	106.0%

2013 T/A

	2Q	3Q
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

(Unit: k bpd, %)	3Q '12	2Q '13	3Q '13
Sales Total	646	566	649
Domestic	246	254	250
Export	400	312	399
(% in Total)	(62.0)	(55.2)	(61.6)

(% in Export)	3Q '12	2Q '13	3Q '13
Japan	19.5	19.7	24.8
China	19.3	20.5	15.5
Europe	8.0	3.4	8.6
USA	7.9	9.7	8.1
Australia	11.3	7.8	7.1
Singapore	7.8	11.0	7.0
South East Asia*	5.0	9.2	6.2

* Excluding Singapore

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



Financial Result by Business Segment

Refining

(Unit: bil. Won)	3Q '12	YoY	2Q '13	QoQ	3Q '13
Revenue	6,912.5	3.2% ↓	5,703.8	17.3% ↑	6,693.3
Operating Income	240.3	-	-59.1	-	-168.6
(Margin)	(3.5%)	-	(-1.0%)	-	(-2.5%)

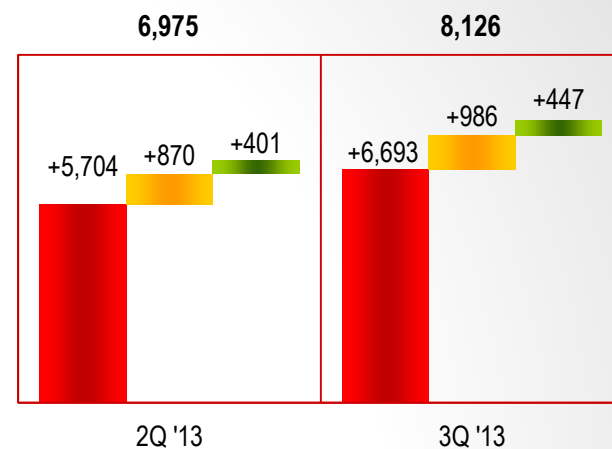
Petrochemical

(Unit: bil. Won)	3Q '12	YoY	2Q '13	QoQ	3Q '13
Revenue	1,052.2	6.3% ↓	869.9	13.3% ↑	985.8
Operating Income	203.1	24.4% ↓	109.4	40.3% ↑	153.6
(Margin)	(19.3%)	-	(12.6%)	-	(15.6%)

Lube Base Oil

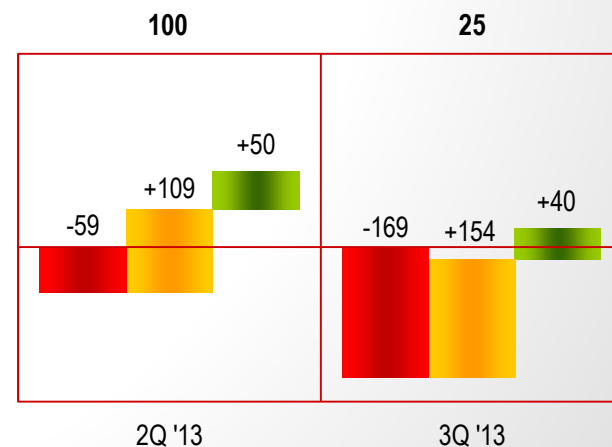
(Unit: bil. Won)	3Q '12	YoY	2Q '13	QoQ	3Q '13
Revenue	538.0	17.0% ↓	401.0	11.4% ↑	446.7
Operating Income	76.3	47.3% ↓	49.5	18.8% ↓	40.2
(Margin)	(14.2%)	-	(12.3%)	-	(9.0%)

Revenue



■ Refining ■ Petrochem ■ Lube

Operating Income



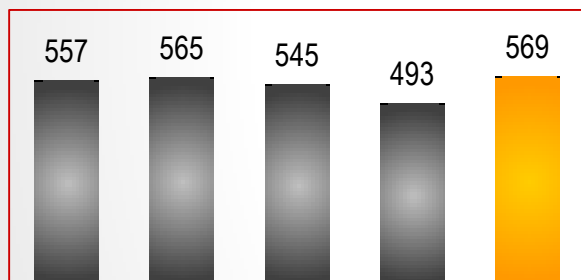
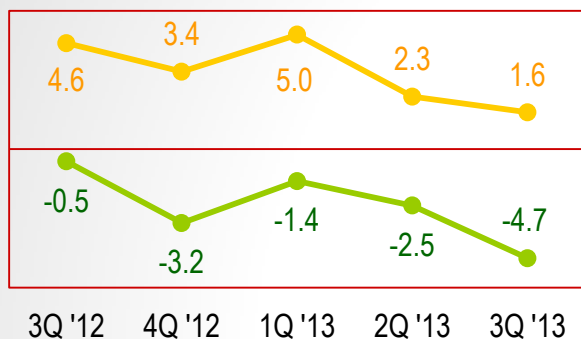
Market Trend and the Company's Action

Refining

Singapore Refining Margin (\$/bbl)

[GRM-Variable Cost]

Hydroskimming Complex



■ Sales Volume (k bpd)

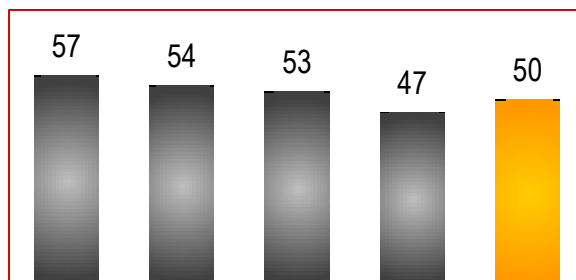
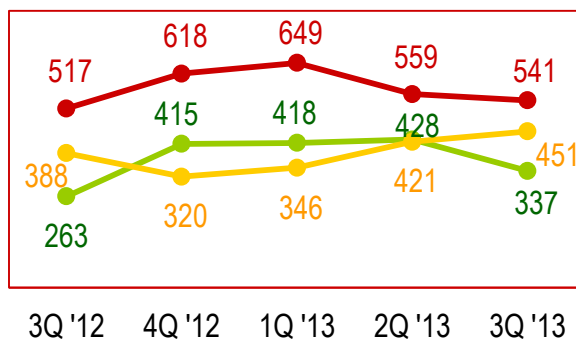
Increased jet fuel and naphtha sales toward Europe and Japan respectively

(QoQ)	Sales Volume
Jet	14.1% ↑
Naphtha	27.7% ↑

Petrochemical

Product Spread (\$/ton)

Benzene P-Xylene Propylene



■ Sales Volume (k bpd)

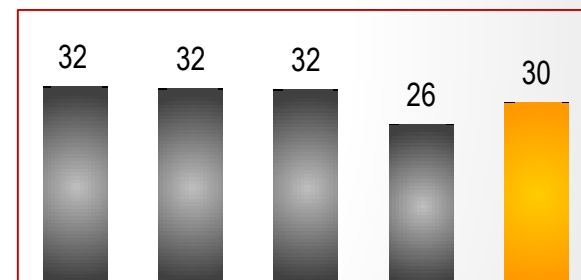
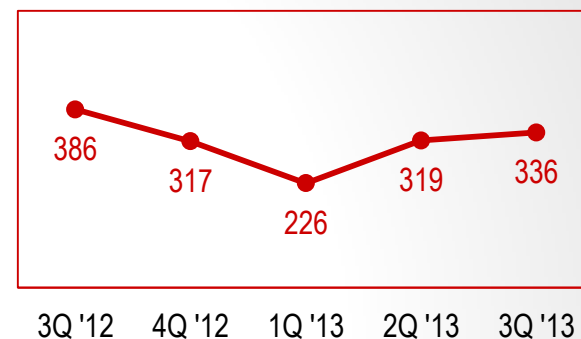
Expanded export through active sales to capture new downstream capacity

(QoQ)	Sales Volume(Export)
Para Xylene	20.2% ↑
Benzene	14.8% ↑

Lube Base Oil

Product Spread (\$/ton)

ICIS150N-HSFO380



■ Sales Volume (k bpd)

Maximized Group III sales through successful restart-up after T/A

(QoQ)	Sales Volume
Group II	11.6% ↓
Group III	29.1% ↑

**3Q 2013
Performance**

**Performance
by
Business Segment**

**4Q 2013
Outlook**

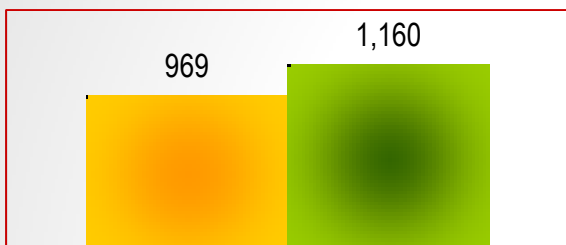
4Q Industry Outlook – Refining

4Q Industry Outlook - Petrochemical
& Lube Business

4Q 2013 Industry Outlook – Refining

Refining industry for 4Q in Asia is expected to improve slightly from 3Q's sluggish status thanks to strong seasonal demand despite considerable capacity addition in China and higher operation rate.

(Unit: k bpd)



4Q'13 vs. 3Q'13

- Incremental Supply
- Incremental Demand

4Q Outlook : Positive

Asian petroleum demand is likely to increase significantly due to seasonal demand in Asia, driven by kerosene and diesel.

Asian supply would also rise upon large capacity additions in China and higher operation rates to catch up the winter demand in the region.

- New capacity(k bpd): 840 in China / Closure(k bpd): 40 in China

Asia Demand Change

(Unit: k bpd)	4Q '13	QoQ	YoY
Gasoline	5,716	29	230
Jet/Kero	2,470	311	21
Diesel	8,715	433	180
Naphtha	4,100	-41	-60
Fuel Oil	3,260	-70	-147
Others	6,538	498	46
Total	30,800	1,160	270

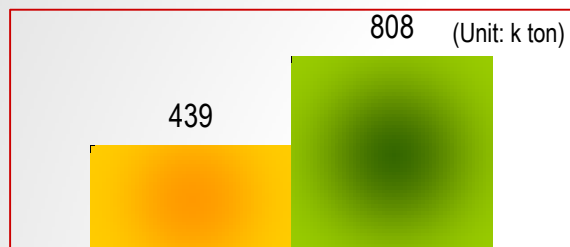
Asia Capacity Addition/Closure

(Unit: k bpd)	4Q '13		3Q '13	
	Addition	Closure	Addition	Closure
China	840	40	-	30
Japan	-	-	-	130
Total	840	40	-	160

Source: IEA, FACTS, ESAI, The Company

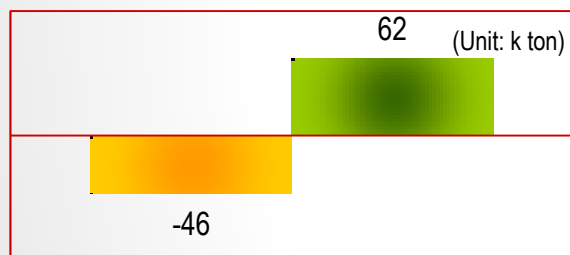
4Q 2013 Industry Outlook – Petrochemical & Lube

Petrochemical



4Q'13 vs. 3Q'13

- Incremental Supply
- Incremental Demand



4Q'13 vs. 3Q'13

Para-Xylene 4Q Outlook : Positive

Healthy spread is likely to continue, as supply increase will be absorbed by demand increase from new PTA capacity additions amid stable operating rates of PTA facilities.

- New PX capacity (mil. tpa): 4Q 2.3
- New PTA capacity (mil. tpa): 4Q 4.4

Benzene 4Q Outlook : Positive

The spread will remain robust thanks to upcoming downstream capacity expansions and start-up of downstream plants after heavy maintenance in 3Q.

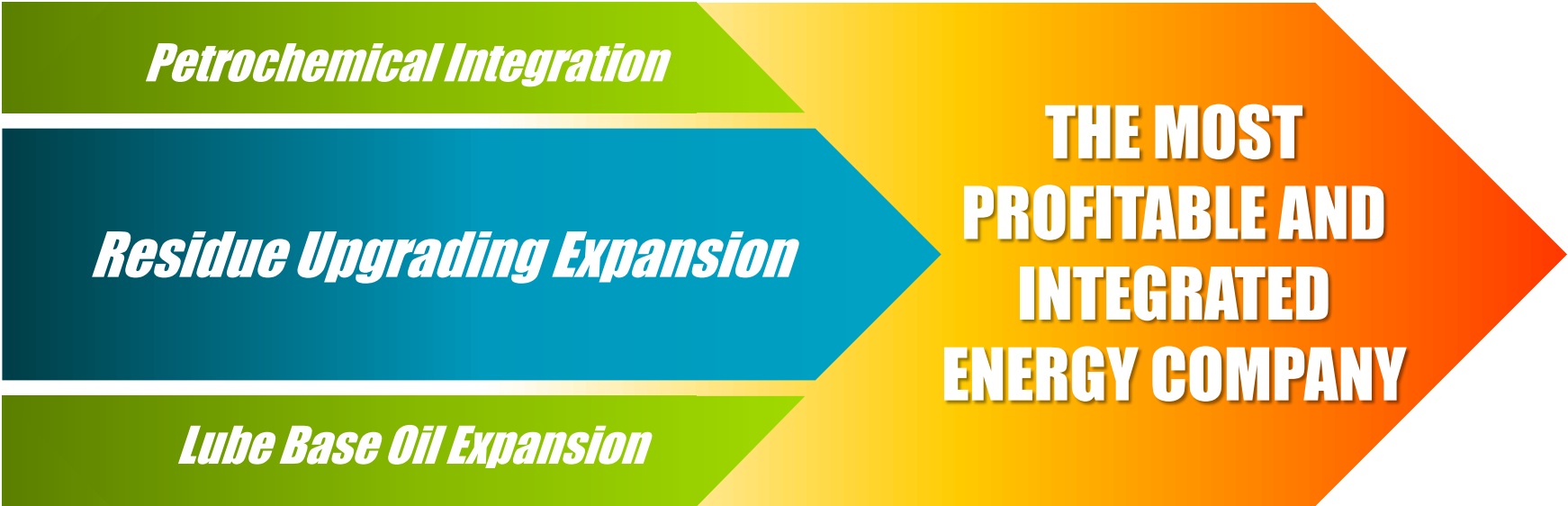
- New benzene capacity (mil. tpa): 4Q 0.4
- New downstream capacity (mil. tpa) : 4Q 0.7
- SM & Phenol Maintenance : 3Q 372 k ton → 4Q 52 k ton

Lube Base Oil

Lube Base Oil 4Q Outlook : Neutral

Rising demand for high quality lube base oil will be offset by continuous supply increase along with start-up of new capacities concentrated in 4Q '13.

Roadmap for Future Growth



	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)	3Q '12	YoY	2Q '13	QoQ	3Q '13
Revenue	8,502.8	4.4% ↓	6,974.7	16.5% ↑	8,125.8
Operating Income (Margin)	519.7 (6.1%)	95.1% ↓ -	99.9 (1.4%)	74.8% ↓ -	25.2 (0.3%)
Finance & Other Income	85.9	172.6% ↑	-131.5	-	234.2
- Net Interest Gain	-11.4	-	-2.9	-	-2.8
- Net F/X Gain*	99.5	121.1% ↑	-130.1	-	220.0
- Others	-2.2	-	1.5	1,033.3% ↑	17.0
Equity Method Gain	-3.5	-	2.1	54.5% ↓	1.0
Income before Tax	602.1	56.8% ↓	-29.6	-	260.3

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

Sales Volume

(Unit: k bpd)		3Q '12	YoY	2Q '13	QoQ	3Q '13
Refining	Gasoline	66	0.7% ↓	70	7.5% ↓	65
	Jet/Kero	151	5.5% ↓	130	10.0% ↑	143
	Diesel	171	9.5% ↓	148	4.2% ↑	154
	Naphtha	60	16.6% ↑	54	28.2% ↑	70
	Fuel Oil	69	47.4% ↑	54	89.5% ↑	102
	Others	41	-13.7% ↓	37	4.3% ↓	35
	Sub-Total	557	2.2% ↑	493	15.4% ↑	569
Petrochemical	P-Xylene	38	4.9% ↓	30	20.4% ↑	37
	Benzene	12	5.5% ↓	10	7.8% ↑	11
	Propylene	7	58.1% ↓	6	-54.2% ↓	3
	Sub-Total	57	11.5% ↓	47	7.5% ↑	50
Lube Base Oil	Group II	10	16.7% ↓	9	11.6% ↓	8
	Group III	22	4.4% ↓	17	29.1% ↑	21
	Sub-Total	32	7.9% ↓	26	14.3% ↑	30
TOTAL		646	0.5% ↑	566	14.7% ↑	649

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 wide, shallow trapezoidal shape.

THANK YOU