

**S-OIL Corporation and Subsidiary**  
**Consolidated Statements of Cash Flows**  
**Three-Month Periods Ended March 31, 2014 and 2013**

<i>(in millions of Korean won)</i>	Notes	2014	2013
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	₩ (594,680)	₩ 42,594
Interest received		6,114	6,591
Interest paid		(10,296)	(14,449)
Income tax refund (paid)		(9,509)	30,824
<b>Net cash generated from operating activities</b>		<u>(608,371)</u>	<u>65,560</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		852	1,108
Proceeds from sale of intangible assets		-	-
Decrease in other receivables		5,049	6,383
Decrease in other financial assets		137,722	93,015
Decrease in other assets		1,371	739
Purchases of property, plant and equipment		(87,111)	(45,870)
Purchases of intangible assets	9	(677)	(31)
Increase in other receivables		(5,290)	(5,371)
Acquisition of jointly controlled entities	7	(264)	-
Settlement of derivative financial instruments		(969)	13,188
Increase in financial assets		-	-
Increase in other assets		(2,979)	(2,940)
<b>Net cash generated from investing activities</b>		<u>47,704</u>	<u>60,221</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		756,408	244,310
Repayment of borrowings		(844)	(619)
Dividends paid		(37)	-
<b>Net cash generated from financing activities</b>		<u>755,527</u>	<u>243,691</u>
<b>Net increase in cash and cash equivalents</b>		194,860	369,472
<b>Cash and cash equivalents at the beginning of year</b>		584,603	434,414
<b>Exchange gain(loss)on cash and cash equivalents</b>		14	45
<b>Cash and cash equivalents at the end of period</b>		<u>₩ 779,477</u>	<u>₩ 803,931</u>

The accompanying notes are an integral part of these consolidated financial statements.