

**S-OIL Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years ended December 31, 2018 and 2017**

<i>(In millions of Korean won)</i>	<b>Notes</b>	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	34	₩ 174,707	₩ 1,629,614
Interest received		30,644	62,778
Interest paid		(153,465)	(112,975)
Income tax paid		(346,008)	(443,445)
Dividends received		5,937	7,322
<b>Net cash inflow (outflow) from operating activities</b>		<u>₩ (288,185)</u>	<u>₩ 1,143,294</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		₩ 462	₩ 2,582
Proceeds from disposal of intangible assets		330	460
Decrease in other receivables		19,856	21,235
Decrease in other financial assets		1,673,099	1,722,739
Payments for property, plant and equipment	14	(2,041,370)	(2,414,079)
Payments for intangible assets	15	(339)	(1,768)
Payments for acquisition of subsidiary, net of cash acquired	36	-	(120,459)
Payments for acquisition of associate	13	-	(103)
Increase in other receivables		(27,545)	(16,306)
Settlement of derivative assets and liabilities		(36,597)	(32,592)
Increase in other financial assets		(5,472)	-
Others		2,373	6,051
<b>Net cash outflow from investing activities</b>		<u>₩ (415,203)</u>	<u>₩ (832,240)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		₩ 1,520,510	₩ 923,125
Repayment of borrowings		(14,183)	(717,994)
Decrease in other payables		(1,430)	-
Dividends paid		(617,109)	(803,395)
<b>Net cash inflow (outflow) from financing activities</b>		<u>₩ 887,788</u>	<u>₩ (598,264)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		₩ 184,400	₩ (287,210)
<b>Cash and cash equivalents at the beginning of the year</b>	7	480,052	767,438
Effects of exchange rate changes on cash and cash equivalents		54	(176)
<b>Cash and cash equivalents at the end of the year in the consolidated statement of financial position</b>	7	<u>₩ 664,506</u>	<u>₩ 480,052</u>

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.