



1 Q 2013

Earnings

Release

S-OIL IR Team

Disclaimer

Financial results for 1Q '13 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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1Q 2013 Performance

**Performance by
Business Segment**

2Q & 2H Industry Outlook

& Attachment

**1Q 2013
Performance**

1Q 2013 Financial Result

Financial Status

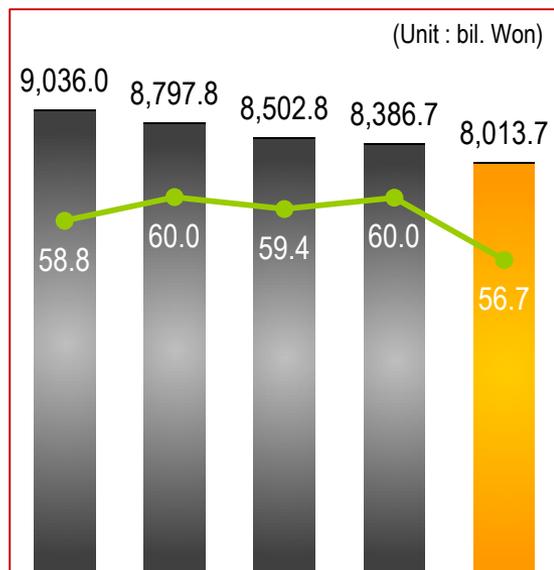
Capital Expenditure

Major Business Index

**Performance
by
Business Segment**

**2Q & 2H
Industry Outlook**

Revenue



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

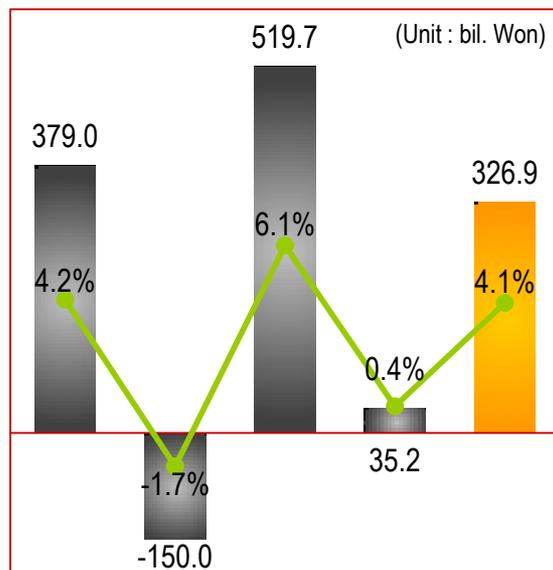
■ Revenue ● Sales Volume (mil. bbl)

**Slight QoQ decrease
by 4.4%**

Sales volume decline on inventory build-up ahead of turnaround despite increased ASP

- ASP: 1.1% ↑, QoQ
- Sales volume: 5.5% ↓, QoQ

Operating Income



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

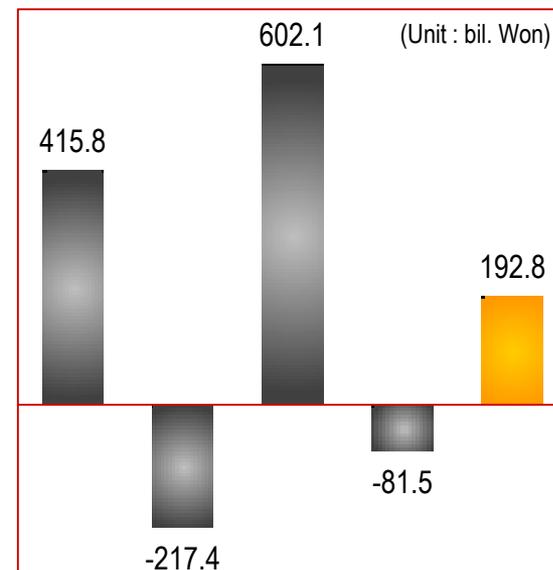
■ Operating Income ● OP Margin

**Remarkable QoQ improvement
by more than nine-fold**

Higher refining margin amid quarterly flat movement in FX rate and crude price

- Singapore complex margin (\$/bbl):
4Q 3.3 → 1Q 4.7, 1.4 ↑, QoQ

Income before Tax



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

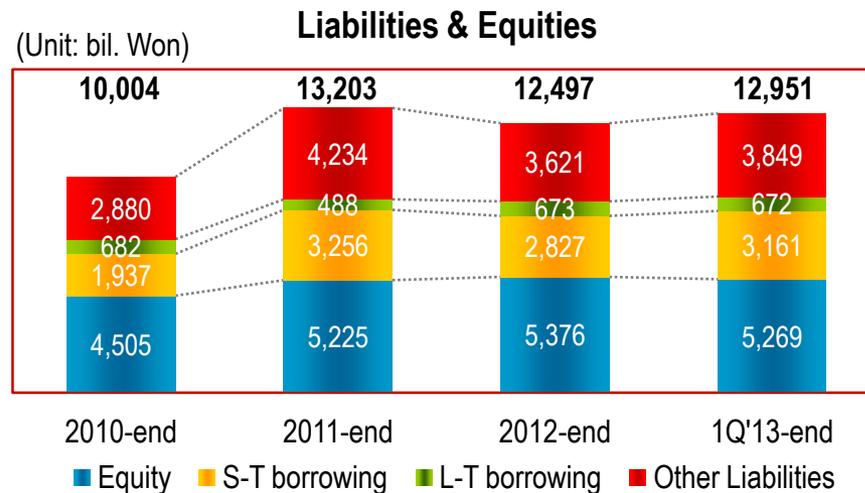
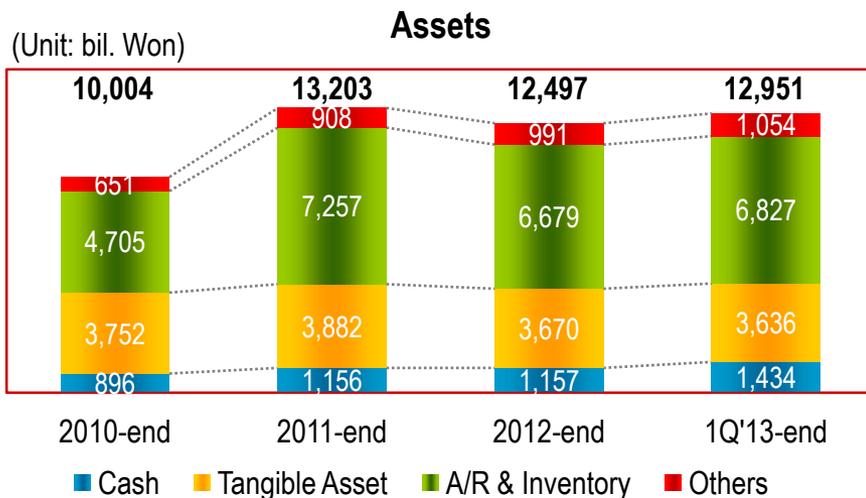
■ Income before Tax

**Turned into decent profit
with increase of 274.3 bil. Won**

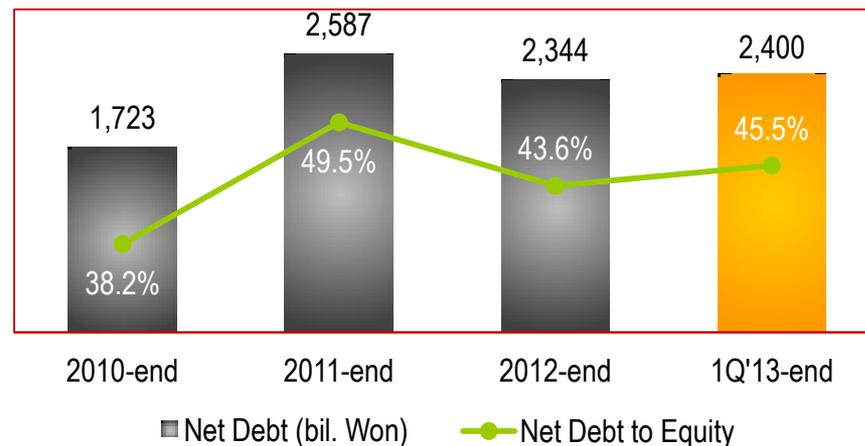
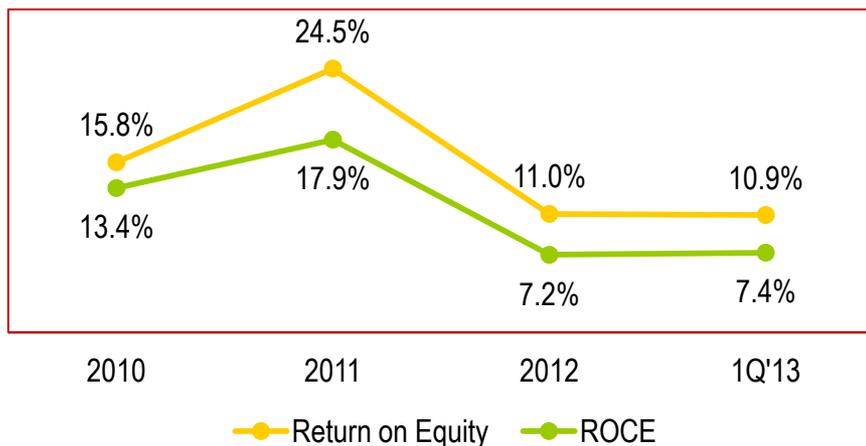
Limited profit increase due to F/X related loss (130.5 bil. Won) on Won depreciation

- ₩/\$ rate: 1Q-end 1,112.1
(41.0 ↑ vs. 4Q-end)

Financial Status



Financial Ratios



CAPEX

2013 CAPEX will increase largely due to heavy maintenance and process improvements.
Some investment items in core business for future growth are under in-depth review.

(Unit: bil. Won)	FY '11	FY '12	FY '13 (Budget)	1Q '13
Major Projects	172.0	23.8	90.7	14.2
- New SPM Construction	-	23.8	81.3	14.2
Upgrade & Maintenance	107.3	50.9	296.2	29.6
- Lube Base Oil (Group III) Capacity Increase (+3 k bpd)	-	1.5	12.1	0.5
- Asphalt Production Increase (+3 k bpd)	-	0.1	5.4	0.3
Marketing related expenditure	47.7	34.9	48.5	4.9
Others	400.3	16.0	31.3	4.0
Total	727.3	125.7	466.7	52.7

Depreciation

(Unit: bil. Won)	FY '11	FY '12	FY '13 (E)	1Q '13
Depreciation (Including catalyst amortization cost)	375.8	390.3	386.2	88.1

Utilization Rate

(Unit: k bpd, %)	Capacity	4Q '12	1Q '13
CDU	669.0	96.2%	94.2%
HYC FH	76.5	100.2%	100.2%
RFCC	73.0	100.6%	90.4%
Lube Plants	38.0	102.3%	94.9%
PX Center	34.7	104.0%	106.2%

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

Expanded sales into countries with healthy demand such as Australia and Indonesia

(Unit: k bpd, %)	1Q '12	4Q '12	1Q '13
Sales Total	645	652	630
Domestic	256	260	254
Export	389	392	376
(% in Total)	(60.3)	(60.2)	(59.6)

(% in Export)	1Q '12	4Q '12	1Q '13
China	24.2	22.7	21.4
Japan	24.1	28.3	25.6
Australia	10.2	7.8	9.1
Indonesia	9.0	0.9	3.7
Singapore	8.1	12.1	8.9
USA	4.6	5.6	7.4

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)	1Q '12	YoY	4Q '12	QoQ	1Q '13
Revenue	7,294.5	10.4% ↓	6,840.7	4.5% ↓	6,532.3
Operating Income	81.6	60.4% ↑	-235.9	-	131.0
(Margin)	(1.1%)	-	(-3.4%)	-	(2.0%)

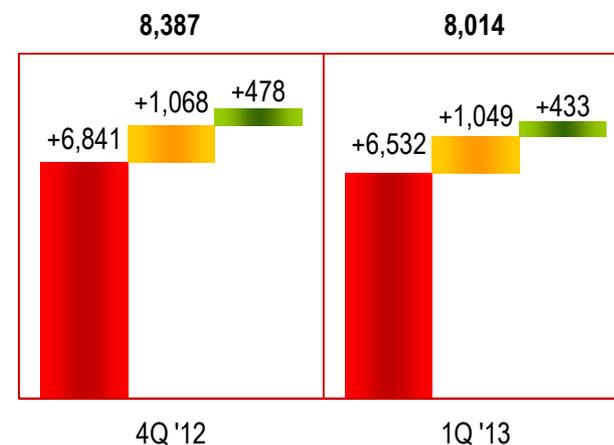
Petrochemical

(Unit: bil. Won)	1Q '12	YoY	4Q '12	QoQ	1Q '13
Revenue	1,111.4	5.7% ↓	1,067.8	1.8% ↓	1,048.6
Operating Income	191.4	5.1% ↓	244.6	25.7% ↓	181.7
(Margin)	(17.2%)	-	(22.9%)	-	(17.3%)

Lube Base Oil

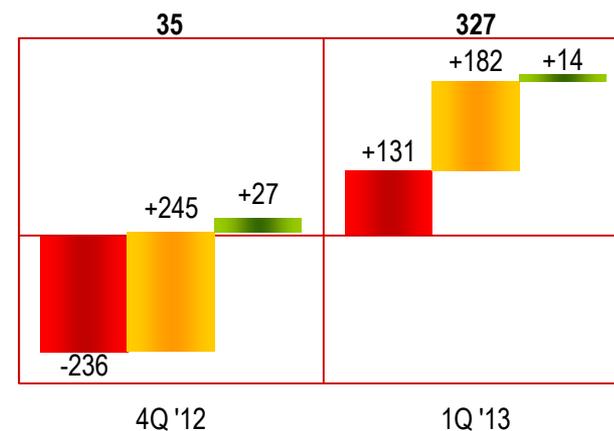
(Unit: bil. Won)	1Q '12	YoY	4Q '12	QoQ	1Q '13
Revenue	630.1	31.3% ↓	478.2	9.5% ↓	432.8
Operating Income	105.9	86.6% ↓	26.5	46.4% ↓	14.2
(Margin)	(16.8%)	-	(5.5%)	-	(3.3%)

Revenue



■ Refining ■ Petrochem ■ Lube

Operating Income



Market Trend and the Company's Action

Performance by Business Segment

Refining

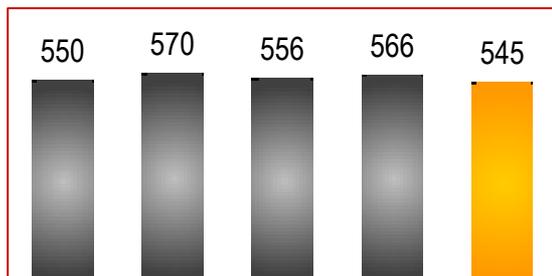
Singapore Refining Margin (\$/bbl)

[GRM-Variable Cost]

Hydroskimming Complex



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



■ Sales Volume (k bpd)

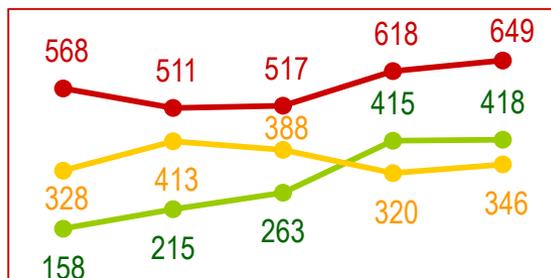
Increased kerosene and diesel sales to benefit from high seasonal demand

(QoQ)	Sales Volume	Spread in \$/bbl
Kerosene	11.0% ↑	20.2 (0.9 ↑)
Diesel	3.5% ↑	19.5 (2.0 ↑)

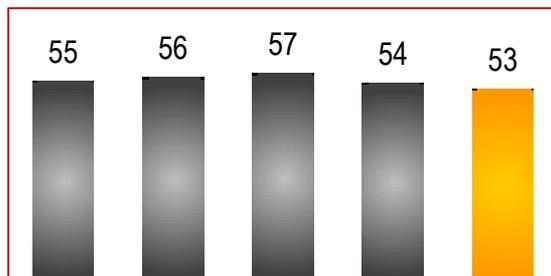
Petrochemical

Product Spread (\$/ton)

Benzene P-Xylene Propylene



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



■ Sales Volume (k bpd)

Expanded PX export through active sales to capture new PTA capacity

(QoQ)	Sales Volume
China	4.5% ↑
Total Export	2.2% ↑

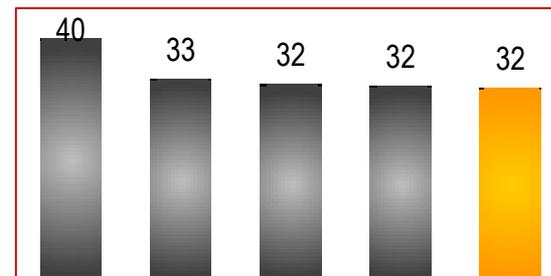
Lube Base Oil

Product Spread (\$/ton)

ICIS150N-HSFO380



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



■ Sales Volume (k bpd)

Strengthened domestic sales to cope with sluggish demand in overseas market

(QoQ)	Sales Volume
Domestic	14.5% ↑
Export	5.2% ↓

**1Q 2013
Performance**

**Performance
by
Business Segment**

**2Q & 2H
Industry
Outlook**

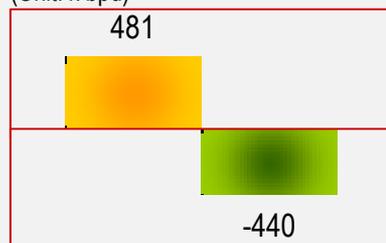
2Q & 2H Industry Outlook - Refining

2Q & 2H Industry Outlook -
Petrochemical & Lube Business

During 2Q, refining business would lose the benefit from high winter demand as the weather gets warm. Upswing in global economy, however during 2H, is expected to pull up global petroleum demand.

2Q Outlook ↘

(Unit: k bpd)



Demand will retreat heavily in Asia as winter season has ended amid lasting impact of 1Q's capacity additions.
- New Capacity in 1Q: 855k bpd

2Q'13 vs. 1Q'13

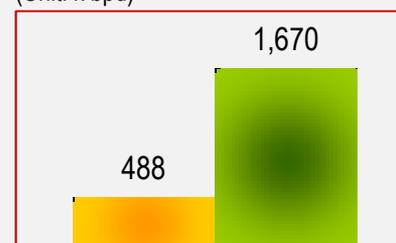
- Incremental Supply
- Incremental Demand

Global Demand by Product

(Unit: k bpd)	2Q '13	QoQ
Gasoline	23,172	+588
Jet/Kero	6,382	-410
Diesel	25,932	+423
Naphtha	6,194	-230
Fuel Oil	8,226	-316
Others	19,834	-494
Total	89,740	-440

2H Outlook ↗

(Unit: k bpd)



Demand growth is expected to outpace supply increase thanks to meaningful improvement of global economy, especially in Europe and America.

2H'13 vs. 1H'13

- Incremental Supply
- Incremental Demand

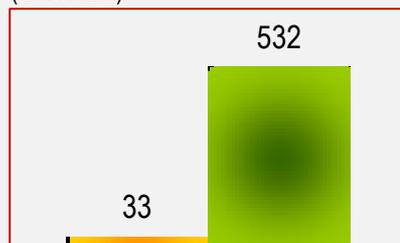
Supply-Demand Change (HoH)

(Unit: k bpd)	Demand Increase (A)	Net Supply Increase (B)	Var. (A-B)
Asia	-40	211	-251
Middle East	410	300	+110
Europe	470	-	+470
America	520	-59	+579
Others	310	36	+274
Global	1,670	488	+1,182

Petrochemical

Para-Xylene

(Unit: k ton)



2Q'13 vs. 1Q'13

- Incremental Supply
- Incremental Demand

2Q Outlook ↗

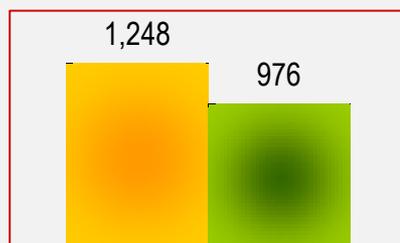
Strength will be maintained on demand increase from start-up of new PTA capacity and slightly higher run rate amid flat supply change.

- PTA new capacity: 2.7 mil. tpa

2H Outlook ↘

Tight market balance will be eased due to large size of PX expansion despite consistent PTA addition.

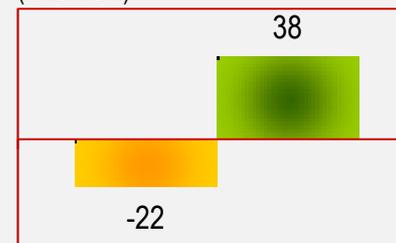
- PTA new capacity: 3.4 mil. tpa
- PX new capacity: 2.2mil. tpa



2H'13 vs. 1H'13

Benzene

(Unit: k ton)



2Q'13 vs. 1Q'13

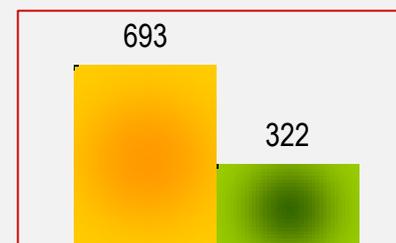
- Incremental Supply
- Incremental Demand

2Q Outlook ↗

Margin is expected to slightly increase due to tight supply from heavy maintenance.

2H Outlook ↘

To be corrected downward due to supply increase outweighing demand increase with addition of new capacity and return from maintenance.



2H'13 vs. 1H'13

Lube Base Oil

2Q & 2H Outlook ↗

The spread is expected to improve due to tight supply from maintenance and peak season for lube base oil change in 2nd quarter. In 2H, the upward trend will continue due to demand growth from industrial and automotive lubricants in line with recovery of global economy.

Summarized Income Statement

(Unit: bil. Won)	1Q '12	YoY	4Q '12	QoQ	1Q '13
Revenue	9,036.0	11.3% ↓	8,386.7	4.4% ↓	8,013.7
Operating Income (Margin)	379.0 (4.2%)	13.8% ↓ -	35.2 (0.4%)	829.6% ↑ -	326.9 (4.1%)
Finance & Other Income	35.6	-	-113.1	-	-136.4
- Net Interest Gain	-8.2	-	-6.4	-	-5.8
- Net F/X Gain*	40.1	-	137.5	-	-130.5
- Others	3.7	-	-244.2	-	-0.1
Equity Method Gain	1.1	106.8% ↑	-3.6	-	2.3
Income before Tax	415.8	53.6% ↓	-81.5	-	192.8

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

Sales Volume

(Unit: k bpd)		1Q '12	YoY	4Q '12	QoQ	1Q '13
Refining	Gasoline	69	6.6% ↓	72	9.9% ↓	65
	Jet/Kero	158	3.7% ↓	148	2.6% ↑	152
	Diesel	171	1.9% ↓	162	3.5% ↑	167
	Naphtha	54	16.4% ↑	62	2.8% ↑	63
	Fuel Oil	65	8.5% ↓	81	26.8% ↓	59
	Others	33	17.0% ↑	41	5.9% ↓	38
	Sub-Total	550	0.8% ↓	566	3.6% ↓	545
Petrochemical	P-Xylene	37	4.0% ↓	36	1.6% ↓	35
	Benzene	12	2.1% ↓	11	0.3% ↓	11
	Propylene	7	7.0% ↓	7	13.8% ↓	6
	Sub-Total	55	4.0% ↓	54	3.0% ↓	53
Lube Base Oil	Group II	11	4.6% ↓	10	7.3% ↑	10
	Group III	24	10.7% ↓	23	4.6% ↓	21
	Lubricant & etc	5	98.1% ↓	0	-	0
	Sub-Total	40	20.3% ↓	32	0.7% ↓	32
TOTAL		645	2.3% ↓	652	3.4% ↓	630

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THANK YOU