

## *Independent Auditor's Report*

### **To the shareholders and the Board of Directors of SK innovation Co., Ltd.**

**SK innovation**

We have audited the accompanying consolidated financial statements of SK innovation Co., Ltd.(the "Company") and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, respectively, and the related consolidated statements of comprehensive income, consolidated changes in stockholders' equity and consolidated cash flows for the years then ended, all expressed in Korean won, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

The management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Korean International Financial Reporting Standards("K-IFRS") and for such internal control as the management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an audit opinion of these consolidated financial statements based on our audits. We conducted our audits in accordance with the Korean Standards on Auditing("KSAs"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonability of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion of the Audit**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of SK innovation Co., Ltd. and its subsidiaries as of December 31, 2016 and 2015, respectively, and their financial performance and their cash flows for the years then ended, in accordance with the K-IFRS.

10, Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul **Deloitte Anjin LLC**

President Ham Jong-ho

March 3, 2017