



Korea National Oil Corporation

(a statutory juridical corporation established under the laws of the Republic of Korea)

Issue of U.S.\$400,000,000 Floating Rate Notes due 2023 under the U.S.\$9,000,000,000 Global Medium Term Note Programme

THE NOTES TO WHICH THIS PRICING SUPPLEMENT RELATES (THE “NOTES”) HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE NOTES WILL BE OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S.

Lead Manager and Joint Bookrunner

SG Securities (HK) Limited, Taipei Branch

Joint Bookrunners

**Crédit Agricole Corporate and Investment
Bank, Taipei Branch**

HSBC Bank (Taiwan) Limited

Co-managers

**Bank of Taiwan
E.SUN Commercial Bank, Ltd.
KGI Bank
Mega International Commercial Bank Co., Ltd.
SinoPac Securities Corporation**

**Capital Securities Corporation
Fubon Securities Co., Ltd.
KGI Securities Co. Ltd.
President Securities Corporation**

The date of this Pricing Supplement is 29 June 2018.

Korea National Oil Corporation
Issue of U.S.\$400,000,000 Floating Rate Notes due 2023
under the U.S.\$9,000,000,000
Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 17 March 2017 (the “Offering Circular”). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

1. Issuer: Korea National Oil Corporation
2. (i) Series Number: 46
(ii) Tranche Number: 1
3. Specified Currency or Currencies: United States dollars (“U.S.\$”)
4. Aggregate Nominal Amount:
(i) Series: U.S.\$400,000,000
(ii) Tranche: U.S.\$400,000,000
5. (i) Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
(ii) Net proceeds (after deducting a combined management and underwriting commission but not estimated expenses): U.S.\$399,200,000
(iii) Use of proceeds: The Issuer expects to use the net proceeds from the Notes offering principally for the repayment of maturing borrowings and bonds.
6. Specified Denominations: U.S.\$200,000 and, in excess thereof, integral multiples of U.S.\$1,000
7. (i) Issue Date: 16 July 2018
(ii) Interest Commencement Date: 16 July 2018
8. Maturity Date: 16 July 2023
9. Interest Basis: 3 month USD LIBOR + 0.875 per cent. Floating Rate (further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis or Redemption/Payment Basis: None
12. Put (other than Condition 8(d)(i))/Call Options: Not Applicable
13. (i) Status of the Notes: Senior
(ii) Date Board approval for issuance of Notes obtained: 21 December 2017
14. Listing: Application will be made to list the Notes on the Taipei Exchange (“TPEX”) of the Republic of China (the “ROC”). Effective date of listing of the Notes on the TPEX is on or about 16 July 2018.

Application will also be made to list the Notes on the Singapore Exchange Securities Trading Limited (“SGX-

ST”). Effective date of listing of the Notes on the SGX-ST is on or about 17 July 2018.

15. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions: Not Applicable

17. Floating Rate Note Provisions: Applicable

(i) Specified Period(s)/Specified Interest Payment Dates: Quarterly on each of 16 January, 16 April, 16 July and 16 October in each year, subject to adjustment in accordance with the Business Day Convention, commencing on 16 October 2018.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(ii) Business Day Convention: Modified Following Business Day Convention

(iii) Additional Business Centre(s): London, New York City, Seoul, Taipei

(iv) Manner in which the Rate of Interest and Interest Amount is to be determined: Screen Rate Determination

(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): Not Applicable

(vi) Screen Rate Determination:

— Reference Rate: 3 month USD LIBOR

— Interest Determination Date(s): Second London business day prior to the start of each Interest Period

— Relevant Screen Page: Reuters Page LIBOR01

(vii) ISDA Determination: Not Applicable

(viii) Margin(s): +0.875 per cent. per annum

(ix) Minimum Rate of Interest: Not Applicable

(x) Maximum Rate of Interest: Not Applicable

(xi) Day Count Fraction: Actual/360, adjusted

(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in As set out in the Conditions

the Conditions:

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| 18. | Zero Coupon Note Provisions: | Not Applicable |
| 19. | Index Linked Interest Note Provisions: | Not Applicable |
| 20. | Dual Currency Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 21. | Issuer Call: | Not Applicable |
| 22. | Investor Put (other than Condition 8(d)(i)): | Not Applicable |
| 23. | Final Redemption Amount of each Note: | Par |
| 24. | Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8(e)): | Not Applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 25. | Form of Notes: | Registered Notes |
| 26. | Additional Financial Centre(s) or other special provisions relating to Payment Days: | |
| | (i) Additional Financial Centre(s): | Seoul |
| | (ii) Relevant cities for Payment Days: | London, New York City, Seoul, Taipei |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): | No |
| 28. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 29. | Details relating to Installment Notes: amount of each installment, date on which each payment is to be made: | Not Applicable |
| 30. | Redenomination applicable: | Redenomination not applicable. |
| 31. | Other terms or special conditions: | Not Applicable |

DISTRIBUTION

32. (i) If syndicated, names of Managers: Lead Manager and Joint Bookrunner:
SG Securities (HK) Limited, Taipei Branch
- Joint Bookrunners:
Crédit Agricole Corporate and Investment Bank, Taipei Branch
HSBC Bank (Taiwan) Limited
- Co-managers:
Bank of Taiwan
Capital Securities Corporation
E.SUN Commercial Bank, Ltd.
Fubon Securities Co., Ltd.
KGI Bank
KGI Securities Co. Ltd.
Mega International Commercial Bank Co., Ltd.
President Securities Corporation
SinoPac Securities Corporation
- (ii) Stabilising Manager (if any): Not Applicable
33. If non-syndicated, name of relevant Dealer: Not Applicable
34. U.S. Selling Restrictions: Reg. S Category 2
TEFRA Rules Not Applicable
35. Additional selling restrictions: **The Republic of China**
The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than “professional investors” as defined under Paragraph 1 of Article 2–1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds (the “TPEX Rules”). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a professional investor.

OPERATIONAL INFORMATION

36. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
37. Delivery: Delivery against payment
38. In the case of Registered Notes, specify the Registrar: Citibank, N.A., London Branch
39. Specify the Principal Paying Agent: Citibank, N.A., London Branch
40. In the case of Registered Notes, specify the location of the office of the Registrar if other than New York: Dublin, Ireland
41. Additional Paying Agent(s) (if any): Not Applicable
ISIN: XS1850316750
Common Code: 185031675

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$9,000,000,000 Global Medium Term Note Programme of Korea National Oil Corporation.

Application will be made to list and trade the Notes on the TPEX pursuant to the applicable rules of the TPEX. The TPEX is not responsible for the content of this Pricing Supplement and the Offering Circular and any supplement or amendment thereto and no representation is made by the TPEX to the accuracy or completeness of this Pricing Supplement and the Offering Circular and any supplement or amendment thereto. The TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Pricing Supplement and the Offering Circular and any supplement or amendment thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes.

Application will also be made to the SGX-ST for the listing and quotation of the Notes. The SGX-ST assumes no responsibility for any of the statements made, reports contained or opinions expressed in this Pricing Supplement and the Offering Circular. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer or the Notes.

ROC TAXATION

The following is a general description of the principal ROC tax consequences for investors receiving interest in respect of, or disposing of, the Notes and is of a general nature based on the Company's understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.

This general description is based upon the law as in effect on the date hereof and that the Notes will be issued, offered, sold and re-sold to professional investors as defined under Paragraph 1 of Article 2-1 of the TPEX Rules. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes.

Interest on the Notes

As the Company is not a ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid by the Company on the Notes.

Payments of any interest or deemed interest under the Notes to a ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC sourced income. However, such holder must include the interests or deemed interests in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax ("AMT"), unless the sum of the interests or deemed interests and other non-ROC sourced income received by such holder and the person(s) who is (are) required to jointly file the tax return in a calendar year is below 1 million New Taiwan Dollars ("NT\$"). If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder's AMT payable.

ROC corporate holders must include any interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20% (unless the total taxable income for a fiscal year is under NT\$500,000), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to 0.1% securities transaction tax ("STT") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from January 1, 2010 to December 31, 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before December 31,

2026. Starting from January 1, 2027, any sale of the Notes will be subject to STT at 0.1% of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC individual and corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to income tax on any capital gains generated from the sale of the Notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business and a business agent in the ROC, they are not subject to income tax or AMT on any capital gains generated from the sale of the Notes.

ROC SETTLEMENT AND TRADING

Investors with a securities book-entry account with an ROC securities broker and a foreign currency deposit account with an ROC bank, may request the approval of the Taiwan Depository & Clearing Corporation (“**TDCC**”) for the settlement of the Notes through the account of TDCC with Euroclear or Clearstream, Luxembourg and if such approval is granted by TDCC, the Notes may be so cleared and settled. In such circumstances, TDCC will allocate the respective book-entry interest of such investor in the Notes to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds.

In addition, an investor may apply to TDCC (by filing in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream, Luxembourg to the TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets.

For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement, including the Recent Developments section in Annex A, which, when read together with the Offering Circular, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By: 울산광역시 중구 종가로 305번지

~~한 국 석 유 공 사~~
Only authorised

Name: 사 장 양 수

Title: 사 장 양 수

