Ship Finance International Limited
2Q 2008 results

August 21, 2008

Ship Finance International LIMITED

FORWARD LOOKING STATEMENTS

This presentation contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Ship Finance management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although Ship Finance believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, Ship Finance cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies, fluctuations in currencies and interest rates, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the markets in which we operate, changes in demand resulting from changes in OPEC's petroleum production levels and world wide oil consumption and storage, developments regarding the technologies relating to oil exploration, changes in market demand in countries which import commodities and finished goods and changes in the amount and location of the production of those commodities and finished goods, increased inspection procedures and more restrictive import and export controls, changes in our operating expenses, including bunker prices, drydocking and insurance costs, performance of our charterers and other counterparties with whom we deal, timely delivery of vessels under construction within the contracted price, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission.

Agenda

- **2Q 2008 Highlights and subsequent events**
- **2Q 2008 Financial results**
- **Q & A**

- **Appendix**
  - Ship Finance overview
  - Accounting: Finance Leases and Deferred Equity

Highlights

- **Increased the quarterly cash dividend to $0.58 per share**
  - 8.5% dividend yield(1)
  - Stable or increasing dividends for 18 consecutive quarters

- **Net income for the second quarter of $71.3m ($0.98/share)**
  - $10.6m gain on sales related to hire/purchase arrangement for single-hull VLCC Front Sabang
  - Net interest expenses reduced to $28.8m from $34.3m in Q1 mainly due to lower interest rate level
  - $3.2m non-cash adjustment in mark-to-market of derivatives

- **Significant profit share contribution**
  - Continued strong tanker market through the second quarter
  - $33.1m ($0.46/share) profit share accumulated in 2Q 2008 alone
  - $66.8m profit share YTD - more than full year 2007

(1) Announced dividend, annualized / SFL share price $27.24 (August 20, 2008)

Highlights

- **The single-hull VLCC Front Sabang commenced its new hire/purchase arrangement in April**
  - Charter hire increased to $29,900 per day
  - Charter period of 3.5 years with a purchase obligation at the end

- **Took delivery of the first of two 17,000 dwt chemical tankers in April**
  - Total purchase price of $30.1m
  - 10 year bareboat charter to Bryggen Shipping and Trading AS with sub-charter to Sinochem for both vessels
  - The second vessel is expected to be delivered in 3Q 2008

Highlights

- **Took delivery of the ultra-deepwater drillship West Polaris in July**
  - 15 years bareboat charter to a subsidiary of Seadrill Limited
  - Total project cost of $850m and $700m loan facility
  - $23m ($0.32/share) average net cash contribution first 5 years (after interest/debt repayment) – equal to 15% return on invested equity
  - No opex or interest rate risk

- **Announced the sale of two newbuilding Suezmax tankers in July**
  - Record high sales price of $111m per vessel
  - Vessels will be delivered to the new owner after delivery from the yard in 2009
  - Expected book profit of approximately $68m, or $34m per vessel

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Profit & Loss

INCOME STATEMENT [1] *(in thousands of $ except per share data)*	Three months ended June 30, 2008	June 30, 2007	Six months ended June 30, 2008	June 30, 2007	Twelve months Dec 31, 2007 *(audited)*
Gross operating revenue [2]	158,832	127,033	295,124	249,499	519,458
Less revenues classified as Repayment of investment in finance leases [2]	(71,061)	(46,200)	(119,137)	(82,126)	(173,193)
Profit share contribution	33,111	15,718	66,781	15,718	52,527
Total operating revenues	**120,882**	**96,551**	**242,768**	**183,091**	**398,792**
Gain / -loss on sale of assets	10,586	4,332	17,377	35,096	41,669
Vessel operating expenses	(24,672)	(25,494)	(49,990)	(54,826)	(107,161)
Administrative expenses	(2,835)	(1,706)	(5,532)	(3,722)	(7,783)
Depreciation	(7,194)	(3,197)	(13,193)	(6,195)	(20,636)
Total operating expenses	**(34,701)**	**(30,397)**	**(68,715)**	**(64,743)**	**(135,580)**
Operating income	**96,767**	**70,486**	**191,430**	**153,444**	**304,881**
Interest income	1,082	2,866	1,909	4,302	6,781
Interest expense	(29,871)	(37,125)	(63,341)	(69,187)	(130,401)
Results in associate	233	229	461	463	923
Other financial items	(140)	(408)	(390)	(1,160)	(1,902)
Mark to Market of Derivatives	3,214	3,442	1,036	6,983	(12,557)
Foreign currency exchange gain / loss	(4)	7	(14)	(67)	(17)
Taxes	-	-	-	-	-
Net income	**71,281**	**39,497**	**131,091**	**94,778**	**167,708**
Basic earnings per share ($)	**$0.98**	**$0.54**	**$1.80**	**$1.30**	**$2.31**
Weighted average number of shares	**72,743,737**	**72,743,737**	**72,743,737**	**72,743,737**	**72,743,737**
Common shares outstanding	**72,743,737**	**72,743,737**	**72,743,737**	**72,743,737**	**72,743,737**

1) Operating revenues excludes a 100% owned subsidiary accounted for as ‘investments in associates’
2) In 2Q08 an extraordinary charter payment of approx. $21.6 mill. is recorded as ‘Repayment of investment in finance leases’ in connection with the hire/purchase arrangement for the single hull VLCC Front Sabang

Balance Sheet

BALANCE SHEET *(in thousands of $)*	June, 30 2008	June, 30 2007	Dec 31, 2007 *(audited)*
ASSETS			
Short term			
Cash and cash equivalents	86,422	99,116	78,255
Restricted cash	34,927	11,707	26,983
Amount due from related parties	60,736	14,021	42,014
Other current assets	202,106	183,331	186,343
Long term			
Newbuildings	47,681	259	46,259
Vessels and equipment, net	571,562	366,399	583,244
Investment in finance leases	1,990,050	2,061,048	1,963,470
Investment in associate	4,993	4,069	4,530
Deferred charges	16,454	16,995	16,922
Other long-term assets	4,028	27,993	2,008
Total assets	**3,018,959**	**2,784,938**	**2,950,028**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Short term and current portion of long term interest bearing debt	163,759	182,969	179,428
Other current liabilities	42,811	20,246	42,804
Amount due to related parties	6,485	42,118	5,693
Long term			
Long term interest bearing debt	2,098,165	1,903,591	2,090,566
Other long term liabilities	35,087	1,227	17,060
Stockholders' equity[1]	672,652	634,787	614,477
Total liabilities and stockholders' equity	**3,018,959**	**2,784,938**	**2,950,028**

1) As of June 30, 2008 Stockholders' equity excludes $221.9 million of deferred equity which is being recognized over time. In connection with the initial and subsequent acquisitions of vessels from Frontline, Ship Finance has accounted for the difference between the historical cost of the vessels and the net investment in the lease as a deferred equity contribution. This deferred equity contribution is shown as a reduction in the net investment in finance leases in the balance sheet. This results from the related party nature of both the transfer of the vessel and the subsequent charter. This deferred equity is amortized to Stockholders' equity in line with the charter payments received from Frontline.

Cashflow Statement

STATEMENT OF CASHFLOWS *(in thousands of $)*	Three months ended June 30, 2008	 June 30, 2007	Six months ended June 30, 2008	 June 30, 2007	Twelve Dec 31, 2007 *(audited)*
OPERATING ACTIVITIES					
Net income	71,281	39,497	131,091	94,778	167,708
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortisation	7,716	4,186	14,664	7,953	23,554
Adjustment of financial derivatives to market value	(3,214)	(3,442)	(1,036)	(6,983)	12,557
Gain on sale of assets	(10,586)	(4,332)	(17,377)	(35,096)	(41,669)
Result in associate	(233)	(228)	(461)	(463)	(923)
Stock based compensation	328	159	721	311	785
Other	(894)	72	(2,074)	90	(51,278)
Change in operating assets and liabilities	(46,067)	(6,954)	(23,144)	82,410	91,684
Net cash provided by operating activities	**18,331**	**28,958**	**102,384**	**143,000**	**202,418**
INVESTING ACTIVITIES					
Repayment of investments in finance leases	71,062	46,200	119,137	82,126	173,193
Net placement of restricted cash	624	1,775	(7,944)	1,230	(14,046)
Proceeds from sale of vessel/new buildings	(26,847)	-	23,005	142,018	152,659
Acquisition of subsidiaries, net of cash acquired	-	-	-	-	-
Net investment in newbuildings	(483)	(259)	(734)	7,399	(47,383)
Purchase of vessels	(30,100)	(247,635)	(134,100)	(430,500)	(644,287)
Investment in associate companies	(2)	(2)	(2)	92	92
Purchase of short term investment	-	-	-	2,996	3,000
Other investments	(2,020)	(2,008)	(2,020)	(2,008)	(2,008)
Net cash (used in) provided by investing activities	**12,234**	**(201,929)**	**(2,658)**	**(196,647)**	**(378,780)**
FINANCING ACTIVITIES					
Repurchase of shares	-	-	-	-	-
Proceeds from long-term debt	52,500	209,162	129,500	336,350	620,225
Expenses paid in connection with securing finance	(606)	(500)	(1,383)	(1,905)	(3,432)
Repayment of long-term debt	(54,673)	(42,638)	(137,570)	(164,989)	(265,430)
Cash settlement of Equity TRS	(1,358)	-	(1,358)		
Cash dividends paid	(40,737)	(40,001)	(80,745)	(79,283)	(159,335)
Deemed dividends paid	-	(321)	-	(1,979)	(1,983)
Net cash provided by (used in) financing activities	**(44,874)**	**125,702**	**(91,556)**	**88,194**	**190,045**
Net (decrease) increase in cash and cash equivalents	**(14,309)**	**(47,269)**	**8,170**	**34,547**	**13,683**
Cash and cash equivalents at start of period	**100,731**	**146,385**	**78,252**	**64,569**	**64,569**
Cash and cash equivalents at end of period	**86,422**	**99,116**	**86,422**	**99,116**	**78,252**

SFL operational performance

- **Pro-forma illustration of cash flow** [1]
  - Not as accounted per US GAAP
  - Used as an internal guideline to assess the Company's performance
  - Excluding extraordinary and non-cash items

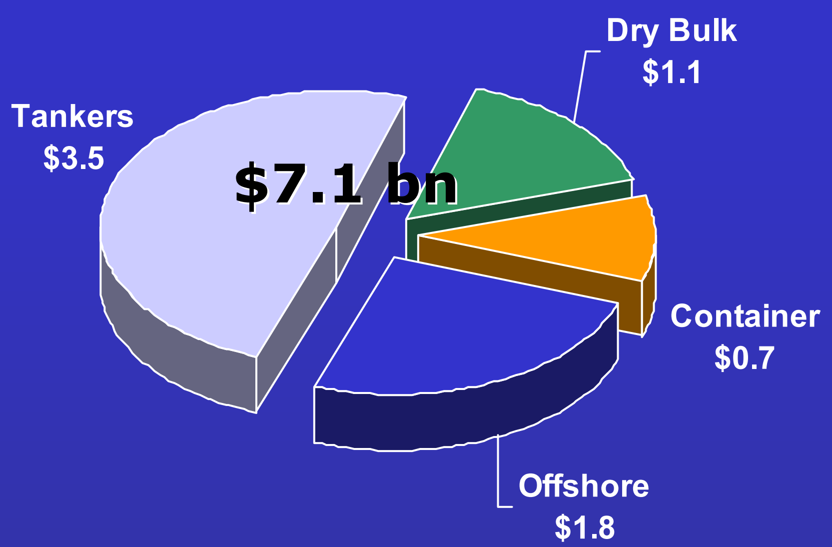
	2Q 08		1Q 08		Change
	$ mill.	$/share	$ mill.	$/share	
Fixed charter hire					
VLCC [2]	64.8	0.89	63.8	0.88	2%
Suezmax	11.3	0.16	11.5	0.16	(2)%
Container	12.9	0.18	12.8	0.18	0%
Dry bulk incl. OBOs	16.0	0.22	15.8	0.22	1%
Offshore	31.9	0.44	32.7	0.45	(2)%
Sum fixed charter hire	**136.9**	**1.88**	**136.7**	**1.88**	**0%**
Vessel operation expenses and G&A	(27.5)	(0.38)	(28.0)	(0.39)	(2)%
EBITDA[3] excluding profit share	**109.4**	**1.50**	**108.7**	**1.49**	**1%**
Accumulated profit share	33.1	0.46	33.7	0.46	(2)%
EBITDA including accumulated profit share	**142.5**	**1.96**	**142.4**	**1.96**	**0%**

(1) Including cash flow from a 100% owned subsidiary not consolidated based on US GAAP
(2) Excluding a $21.6 million upfront payment in 2Q 2008 relating to the hire/purchase arrangement on Front Sabang
(3) On this slide 'EBITDA' is defined as gross charter hire received less Vessel operation expenses and General & Administrative expenses

Diversification and growth

Pro Forma Current Asset Base (1)

$ in billions



Capital expenditures (2)

	2008 (3Q-4Q)	2009	2010
Scheduled investments	$1,048m	$313m	$111m
Committed financing	$(830)m	$(145)m	-
Contracted sale of vessels(3)	-	$(217)m	-
Net investments	**$219m**	**$(49)m**	**$111m**

Sources of additional growth

- **Financial leases**
- **Market positioning**
- **Strategic acquisitions**
- **Offshore market**
- **Container market**
- **Tankers and bulkers**

(1) Pro forma for all vessels contracted for delivery based on estimated charter free market values. OBO's included in dry bulk segment.
(2) As per June 30, 2008 and including the recently announced drillship.
(3) Net of commissions

Financing and liquidity

- **$2.3 bn interest bearing debt per June 30, 2008**
  - $1.8 bn bank loans
  - $0.5 bn bond loan
  - Approximately 75% of interest rate exposure fixed[1]

- **Liquidity sources**
  - $86.4m net cash[2] per June 30, 2008
  - $155.7m available under revolving credit facilities
  - $66.8m profit share accumulated YTD – payable in March 2009
  - Several vessels with no or very limited associated debt
  - Sale of the two Suezmax newbuildings delivered in 2009

(1) Combination of fixed interest rates, interest rate swaps or interest compensation clauses with charterers
(2) Excluding $34.9m of restricted cash, and excluding $1.2m cash in a 100% owned subsidiary which is not consolidated based on US GAAP

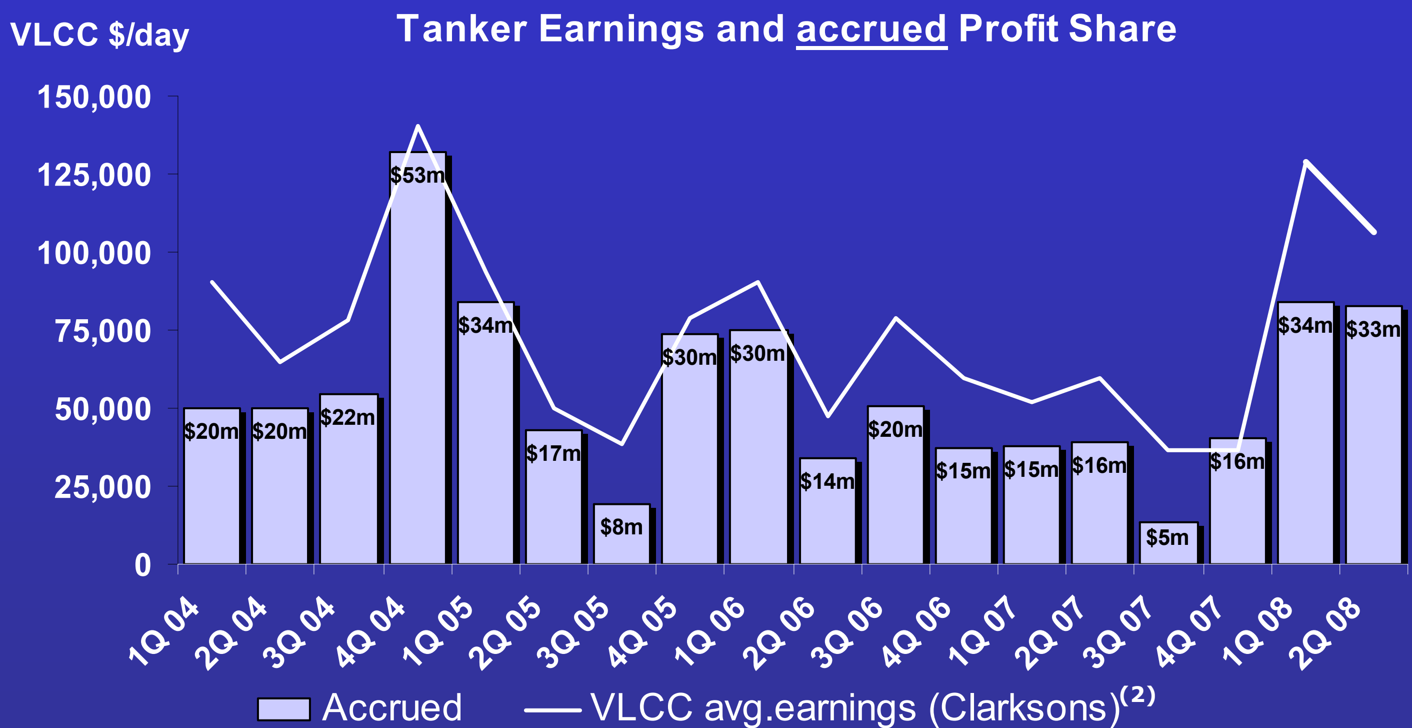
Consistent dividend track-record

- **$0.58 dividend per share for 2Q 2008 = 8.5% dividend yield***
- **$2.32 on an annualized basis**
- **$2.24 per share on trailing 4 quarter basis**
- **Additional transactions expected to increase dividend capacity further**

* Latest announced dividend (annualized) / SFL share price $27.24 (August 20, 2008)

Profit share = Incremental cashflow

- **Capturing incremental cashflow in strong markets**
  - 20 % profit share of tankers/OBO earnings in excess of base charter rates
  - Spot tanker market exposure represents upside for SFL shareholders
- **Quarterly average Profit Share[(1)] of $22.3m or $0.31 per share from 1Q 2004**



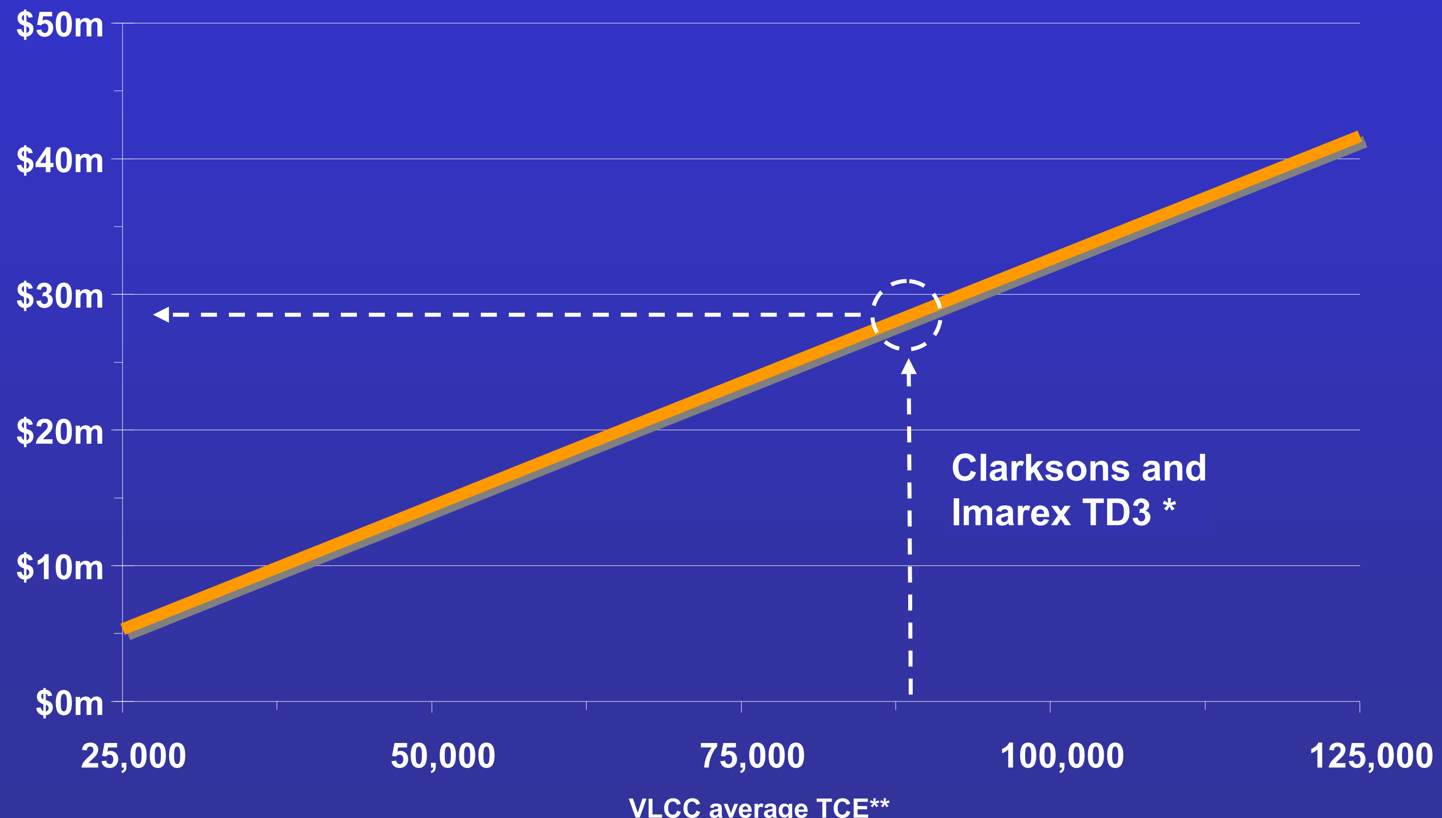
(1) The profit share is paid on an annual basis. Pro-forma accumulated profit share per quarter based on management estimate. Based on US GAAP, the recognized amounts in the quarterly P&L statement may differ from the pro-forma management estimate.

(2) Adjusted 1 month to compensate for estimated time between fixing and loading.

Quarterly profit share - sensitivity

3Q08-4Q08 profit share estimate vs. VLCC market rates

Average per quarter 1Q04 – 2Q08: $22.3m



* Average of 3Q earnings for a modern VLCC (Clarksons) and 3Q-4Q forward market rates as quoted by Imarex (August 18, 2008), adjusted 1 month to compensate for estimated time between fixing and loading. TD3 is a representative VLCC round trip from the Arabian Gulf to Japan.

** Time charter equivalent earnings. Ratio between VLCC and Suezmax of 1.26, based on historical average

Substantial charter backlog

- **Nominal values[1] as per June 30, 2008**
- **Excluding any profit share**
- **Virtually no exposure to escalating operating expenses**

Total charter payments	**$6.5 bn** ($90/share)
Net cash flow from charters[2]	**$5.5 bn** ($75/share)
Average term of charters[3]	**13.4 years**

(1) Assuming certain call options are not exercised.
(2) Cash flow net of vessel operating expenses (EBITDA).
(3) Weighted by charter revenue.

Summary

- **Net income for the second quarter of $71.3m ($0.98/share)**
  - $33.1m profit share generated in 2Q08 alone
- **Continued growth**
  - Increased fixed charter backlog and dividend capacity
  - Demonstrates the ability to structure accretive transactions in an otherwise challenging financing environment
- **Quarterly dividend increased to $0.58/share**
  - 8.5% dividend yield*
  - New projects expected to grow the dividend capacity further
- **Charter backlog supports long-term dividend capacity**
  - $6.5 bn fixed-rate charter backlog
  - 13.4 year weighted average term of charters

* Announced dividend (annualized) / SFL share price $27.24 (August 20, 2008)

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Appendix

- **Ship Finance customers and assets**
- **Accounting: Finance Leases and Deferred Equity**

Total fleet of 71 vessels

Charterers	Vessels (1)	Avg. remaining charter (2)
	▪ 25 x VLCCs ▪ 6 x Suezmaxes ▪ 8 x OBOs	11.3 years
	▪ 5 x 2,800 TEU Container vessels	10.7 years
	▪ 2 x Jack-up drilling rigs ▪ 1 x Ultra deep-water drillship	14.0 years
	▪ 2 x Capesize ▪ 1 x Panamax	12.7 years
	▪ 3 x seismic vessels	12.0 years
	▪ 6 x offshore supply vessels	11.3 years
	▪ 2 x 17,000 dwt Chemical tankers	9.9 years
	▪ 2 x VLCC ▪ 3 x 1,700 TEU ▪ 5 x Container vessels	2.8 years 0.3 – 11.6 years -

(1) As of June 30, 2008 and adjusted for subsequent transactions. Excluding two Suezmax tankers recently announced sold.
(2) Certain assets are subject to call options by charterers.

Appendix

- Ship Finance customers and assets
- Accounting: Finance Leases and Deferred Equity

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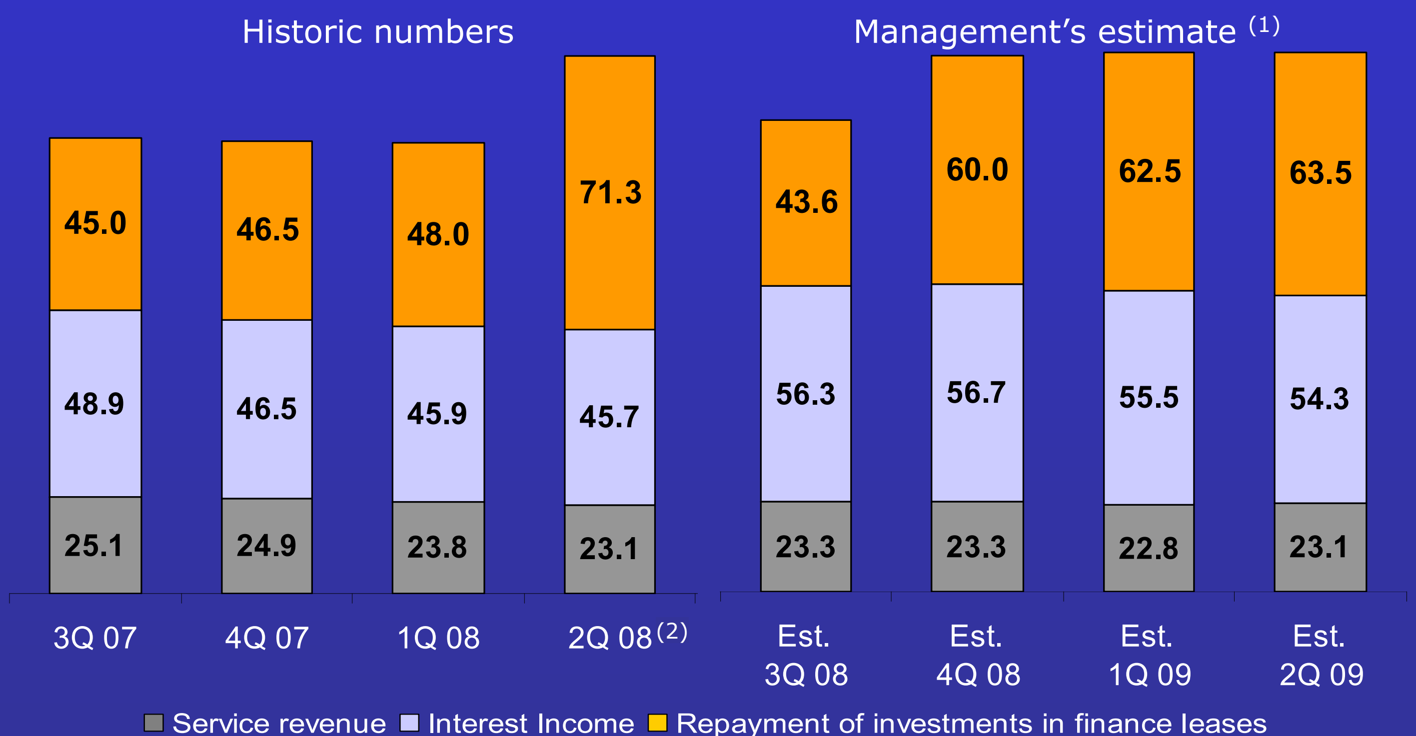
Finance lease accounting

- **Charters to Frontline, Seadrill, Golden Ocean, Deep Sea Supply and TMT are classified as finance leases**

- **Charter revenues are split in 3 parts:**
  - Service Income
    - OPEX component of the charter ($6,500 per day)
    - Included in 'Total operating revenues' in the Income statement
    - Applicable for Frontline charters only
  - Interest income
    - The 'interest component' of the charter payment
    - Calculated essentially as the interest expense in an annuity
    - Included in 'Total operating revenues' in the Income statement
  - Repayment of investment in finance lease
    - The 'capital component' of the charter payment
    - Calculated essentially as the repayment of principal in an annuity
    - Deducted from the charter revenues in the Income statement. Is included under 'Investing Activities' in the Statement of Cashflows

Finance leases - accounting

- Vessels/rigs chartered to Frontline, Seadrill, Deep Sea Supply and TMT are accounted for as finance leases
- The numbers below reflects the aggregate fixed charter hire payments from those charters classified as finance leases, excluding any profit share
- Excluding vessels accounted for as operating leases ($18.7 mill. in 2Q08)



(1) The management's estimate includes lease schedules for assets on the balance sheet as of August 1, 2008 - Newbuildings that may be classified as finance leases are not included.
(2) In 2Q08 an upfront payment of approximately $21.6 mill. is recorded as 'repayment of investments in finance lease' in connection with the hire/purchase arrangement on Front Sabang.

Accounting - Deferred Equity

- Ship Finance has accounted for the difference between the historical cost of the vessels and the net investment in the lease as a deferred equity contribution.
- This deferred equity contribution is shown as a reduction in the net investment in finance leases in the balance sheet. This results from the related party nature of both the transfer of the vessel and the subsequent charter.
- The deferred equity contribution is amortized as a credit to contributed surplus over the life of the finance lease.
- The effect of this is that the assets of Ship Finance are reduced by the deferred equity contribution.
- As per June 30, 2008, the non-amortized portion of the deferred equity contribution was approximately $221.9 million.