FRONTLINE

www.frontline.bm

Presentation at Pareto's Oil and Offshore Conference August 31, 2005

CEO Oscar Spieler and CFO Tom E. Jebsen

Introduction

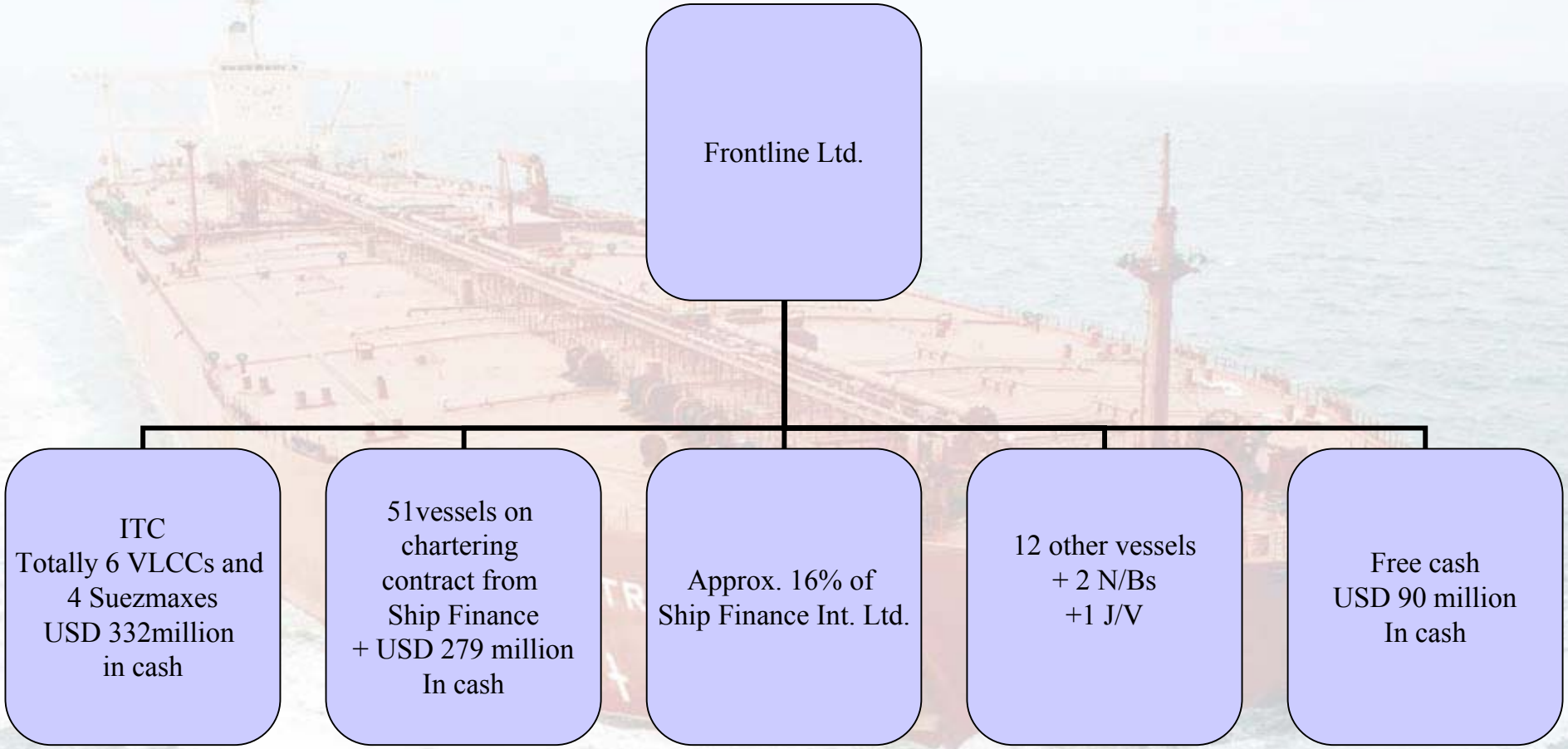
	Cargo intake per vessel	Frontline	World fleet
VLCC	2 mbls	41 + 2 N/B + 1J/V	461
Suezmax	1 mbls	23	329
Suezmax OBOs	1 mbls	8	

World crude demand / consumption 2005E (IEA) 83,7 mbls p.d.

FRO listed on NYSE and OSE

SFL (16% owned) listed on NYSE

What is Frontline now?

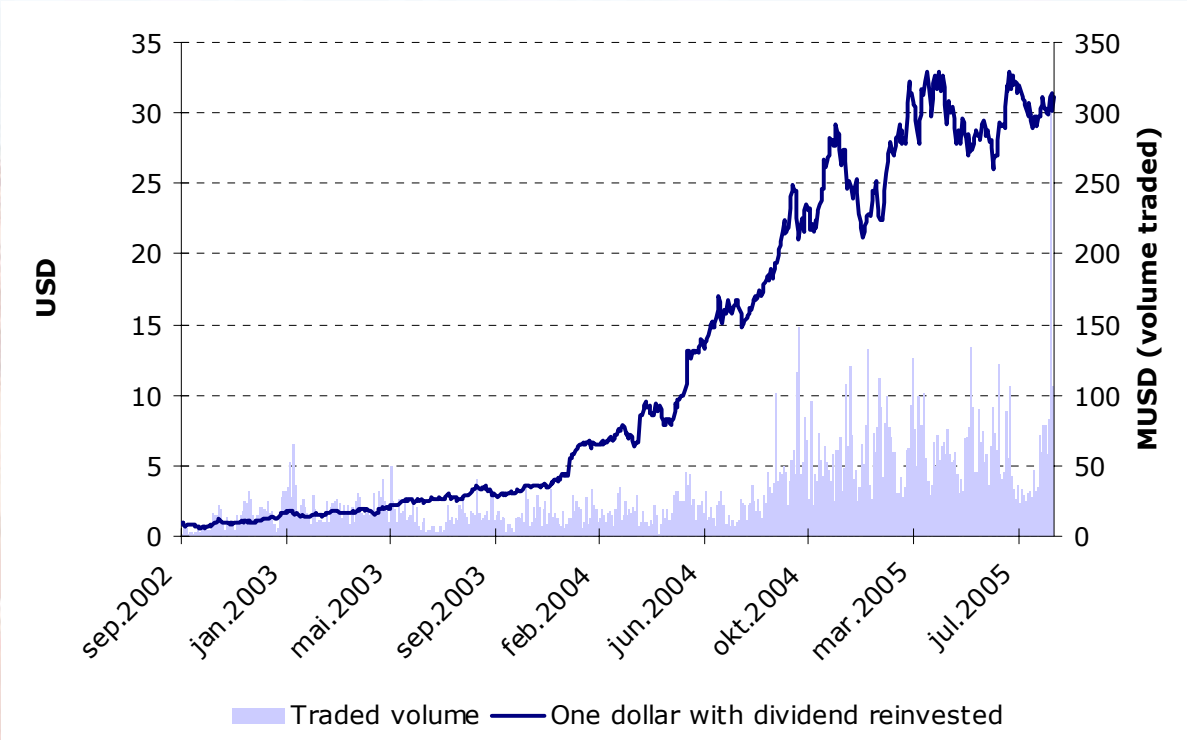


Cash B/E after spinoff:

VLCC –	**$ 27,749 p.d.**
Suezmax –	**$ 20,985 p.d.**
Suezmax OBO -	**$ 20,523 p.d.**

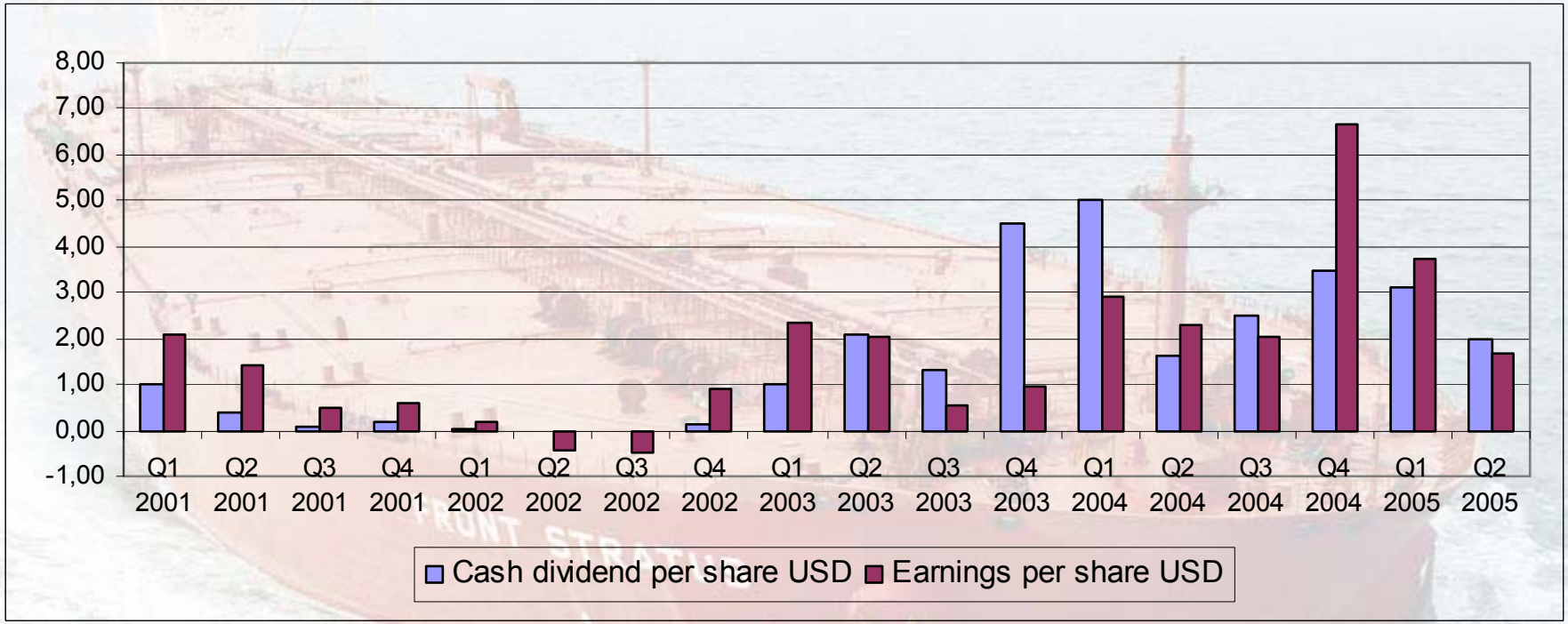
The FRO share

- Total of 74.8 million shares
- OSE and NYSE volume first 7 months 2005 – 186 and 127 million shares respectively (720% velocity annualised)
- Estimated 15 million shares short



Source: OSE

EPS and dividend per share



- **Cash dividend paid in total => USD 28.50 per share**
- **Spin off paid in total => USD 18.56 per share**

Dividend capacity (USD / share)

- **Dividend capacity per share if TCE are USD 40,000/day for VLCCs and USD 30,000/day for Suezmax=> USD 2.63 per share / year**

- **Sensitivity +/- 1000 USD p.d.=> 20 cents per share / year**

2010 A Threat or Possibility

All single hull to be phased out at anniversary date in 2010

IMO have made a opening for further trading provided that

- Approval of flag state
- Approval of coast states authorities at loading and discharge port
- Extended surveys

Is it possible to replace the single hull vessels by 2010?

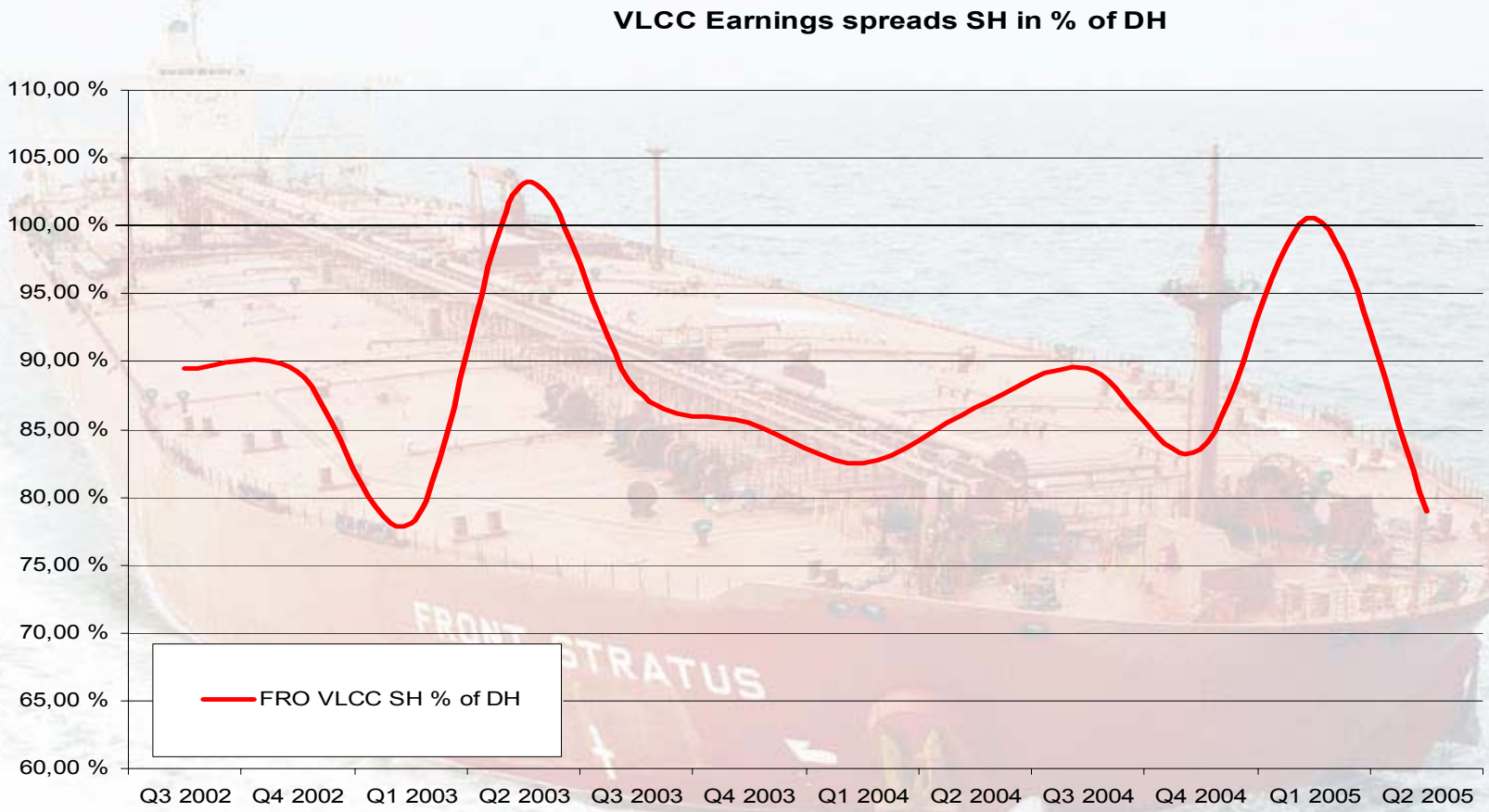
Will owners take the risk of order newbuilding ?

2010 Trading or Conversion

- 5 of our single hulls VLCC on time charter to 2010 with a 50% profit split above 35,000 USD/day
- Frontlines breakeven cost for operating the single hull vessels after 2010 is around 10,000 USD/day (BB hire USD 1,000 USD/day).
- Single hull potential candidates for conversion projects
- FPSO marked will grow
- Conversion fast track to production
- Limited newbuilding slots for FPSO

With high oil prices, limited new oil production capacity, full newbuilding yards and low break even cost after 2010 Frontline will have an opportunistic approach to either trade or convert the single hull vessels

A divided market…

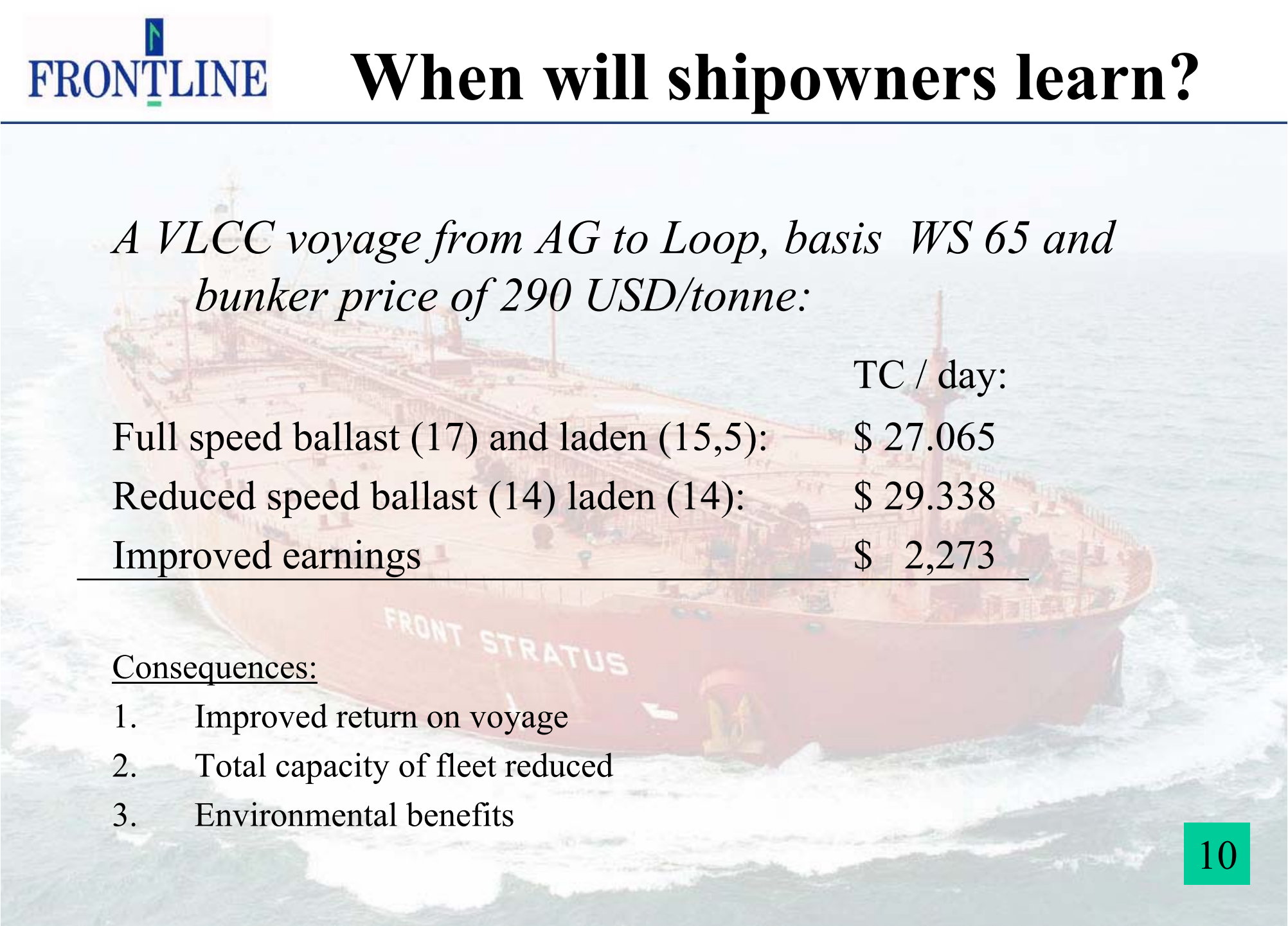


Source: FRO based on spot vessels

When will shipowners learn?

A VLCC voyage from AG to Loop, basis WS 65 and bunker price of 290 USD/tonne:

	TC / day:
Full speed ballast (17) and laden (15,5):	$ 27.065
Reduced speed ballast (14) laden (14):	$ 29.338
Improved earnings	$ 2,273



Consequences:

1. Improved return on voyage
2. Total capacity of fleet reduced
3. Environmental benefits

Supply & Demand

- Controlled fleet growth
- Less growth in oil demand first half 2005
- Uncertainties with regards to oil production capacity and refinery capacity
- Increased demand in Q4 05 and Q1 06
- More production on line during 2006

Supply & Demand

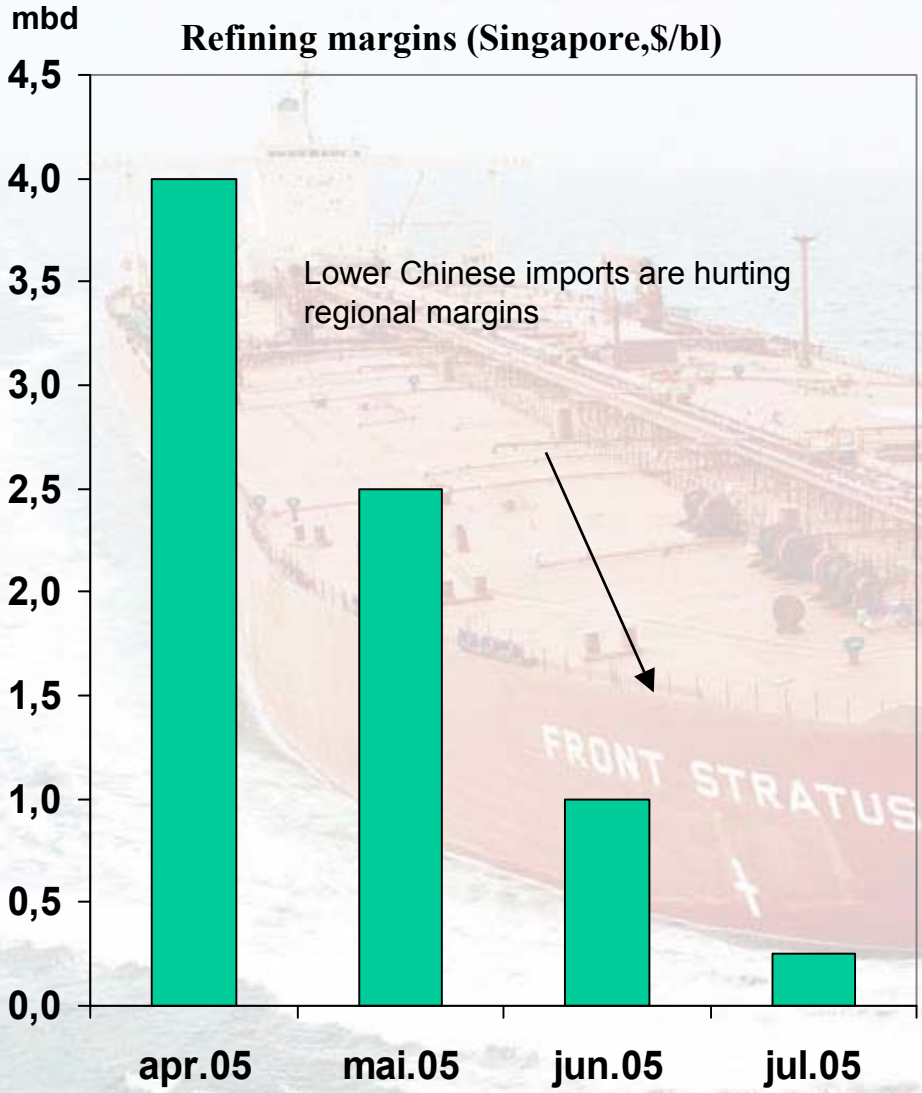
- Controlled fleet growth
- Less growth in oil demand first half 2005
- Uncertainties with regards to oil production capacity and refinery capacity
- Increased demand in Q4 05 and Q1 06
- More production on line during 2006

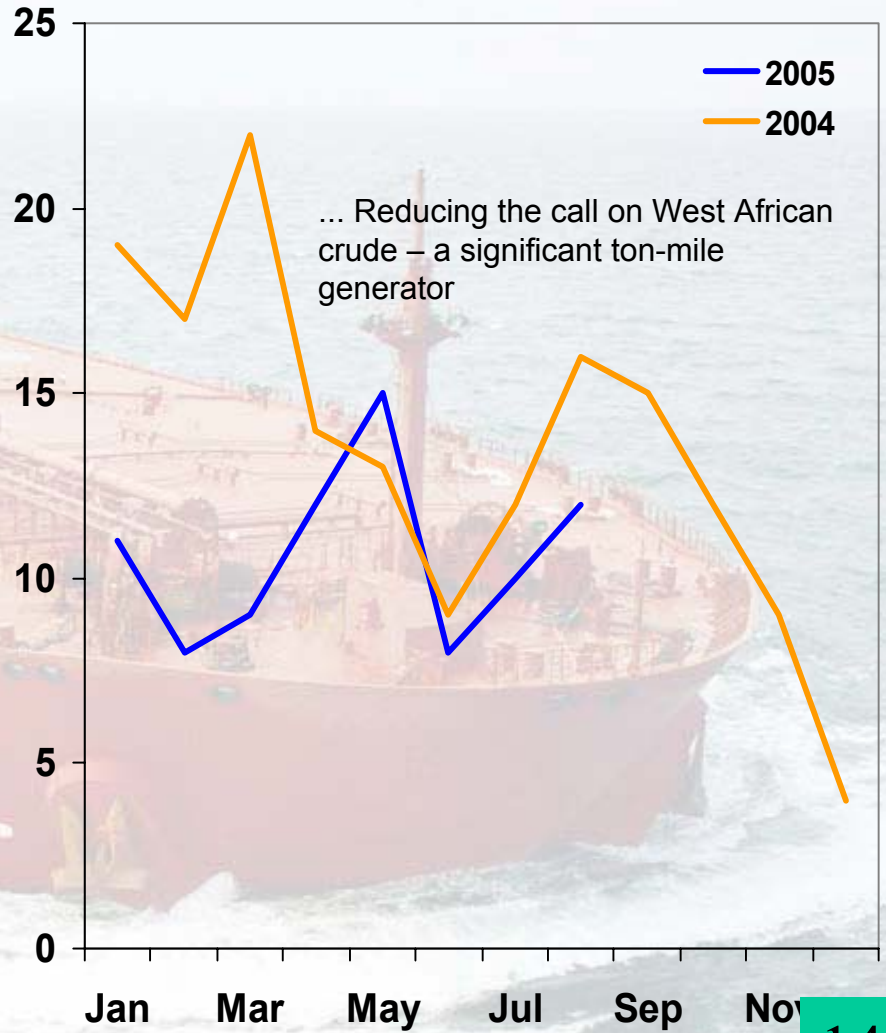
Key figures

	2004			2005		
	GDP	Oil demand	Oil demand growth in % of GDP growth	GDP	Oil demand	Oil demand growth in % of GDP growth
USA	4,4 %	3,5 %	79,6 %	3,6 %	1,0 %	27,8 %
China	9,5 %	15,2 %	160,0 %	9,5 %	4,9 %	51,6 %
World	5,1 %	3,7 %	72,6 %	4,3 %	1,2 %	27,9 %

Source: The Economist, IEA, IMF

Marginal crude demand is weakening in Asia

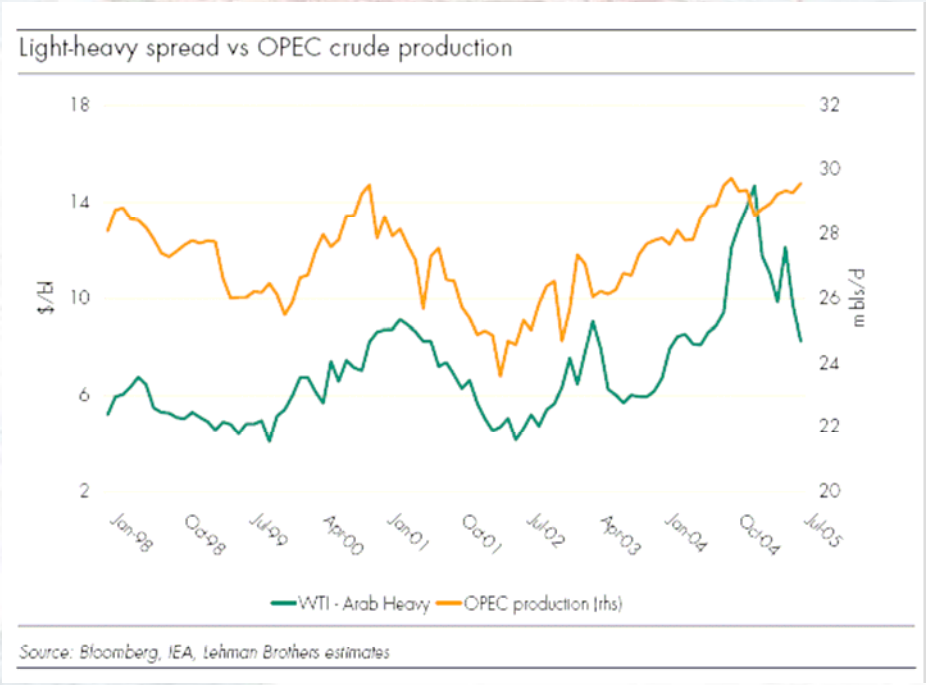


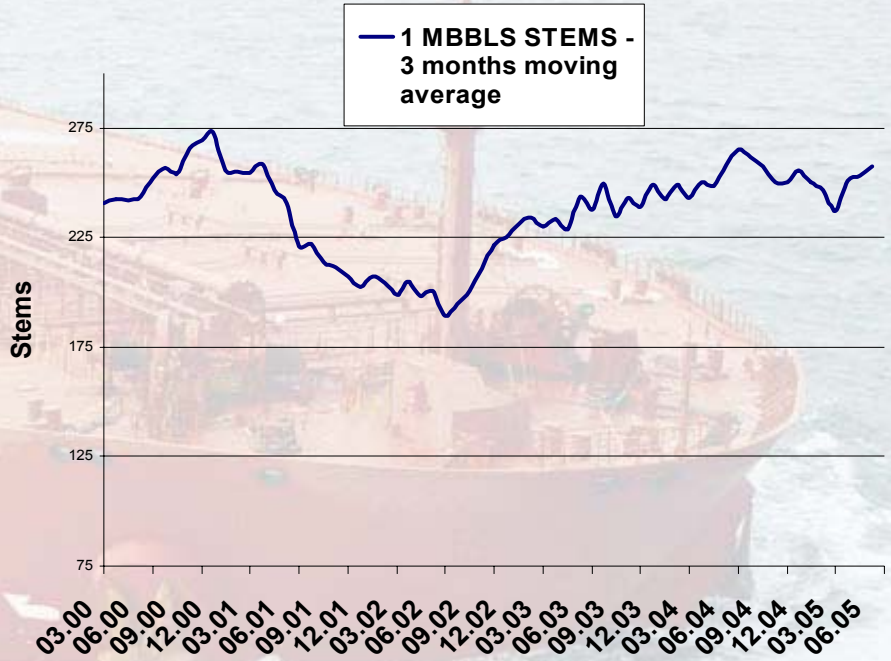


Source: Bassøe

Effect on ton miles?

- Number of cargoes lifted in AG shows no evidence of a significant production increase



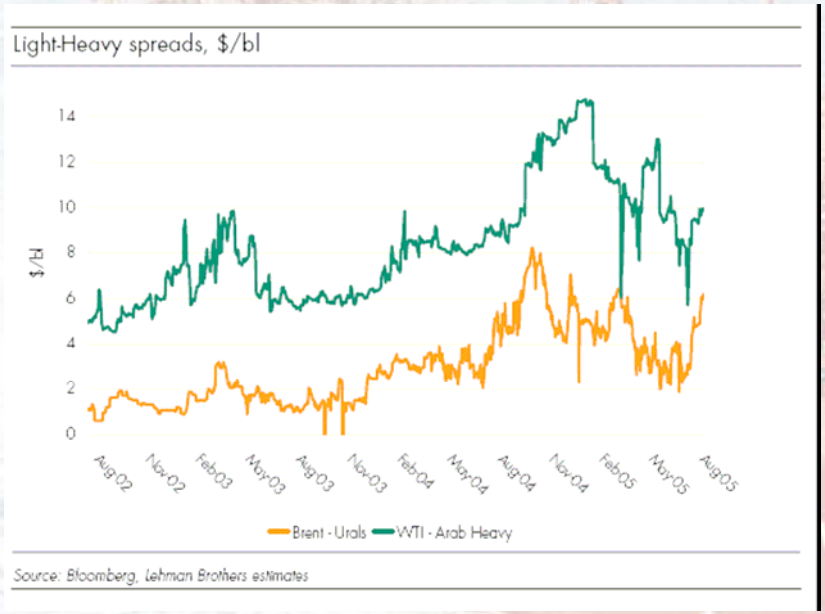


Supply & Demand

- Controlled fleet growth
- Less growth in oil demand first half 2005
- Uncertainties with regards to oil production capacity and refinery capacity
- Increased demand in Q4 05 and Q1 06
- More production on line during 2006

Refining capacity – a bottleneck?

Heavy crudes' price has been hampered by low upgrading capacity



Incremental upgrading capacity, m bls/d*

	Refinery upgrading projects, m bls/d						
Region	2003	2004	2005F	2006F	2007F	2008F	2009F+
North America	0.2	0.2	0.5	0.6	0.6	0.1	1.2
South & Central America	0.1	0.4	0.3	0.2	0.1	0.1	0.3
Europe & FSU	0.1	0.1	0.6	0.2	0.1	0.3	-
Middle East	0.1	0.1	0.3	0.5	0.1	-	0.7
Africa	0.1	0.1	-	0.1	0.2	0.1	-
Asia Pacific	0.12	0.1	1.0	0.5	0.4	0.5	0.6
Total	0.7	1.0	2.7	2.1	1.6	1.0	2.8

*Includes new refinery builds, catalytic cracking, hydro cracking, thermal cracking and coking capacity

Source: Oil and Gas Journal construction survey April 2005, Lehman Brothers estimates

A surge in upgrading capacity will solve the refinery bottleneck!

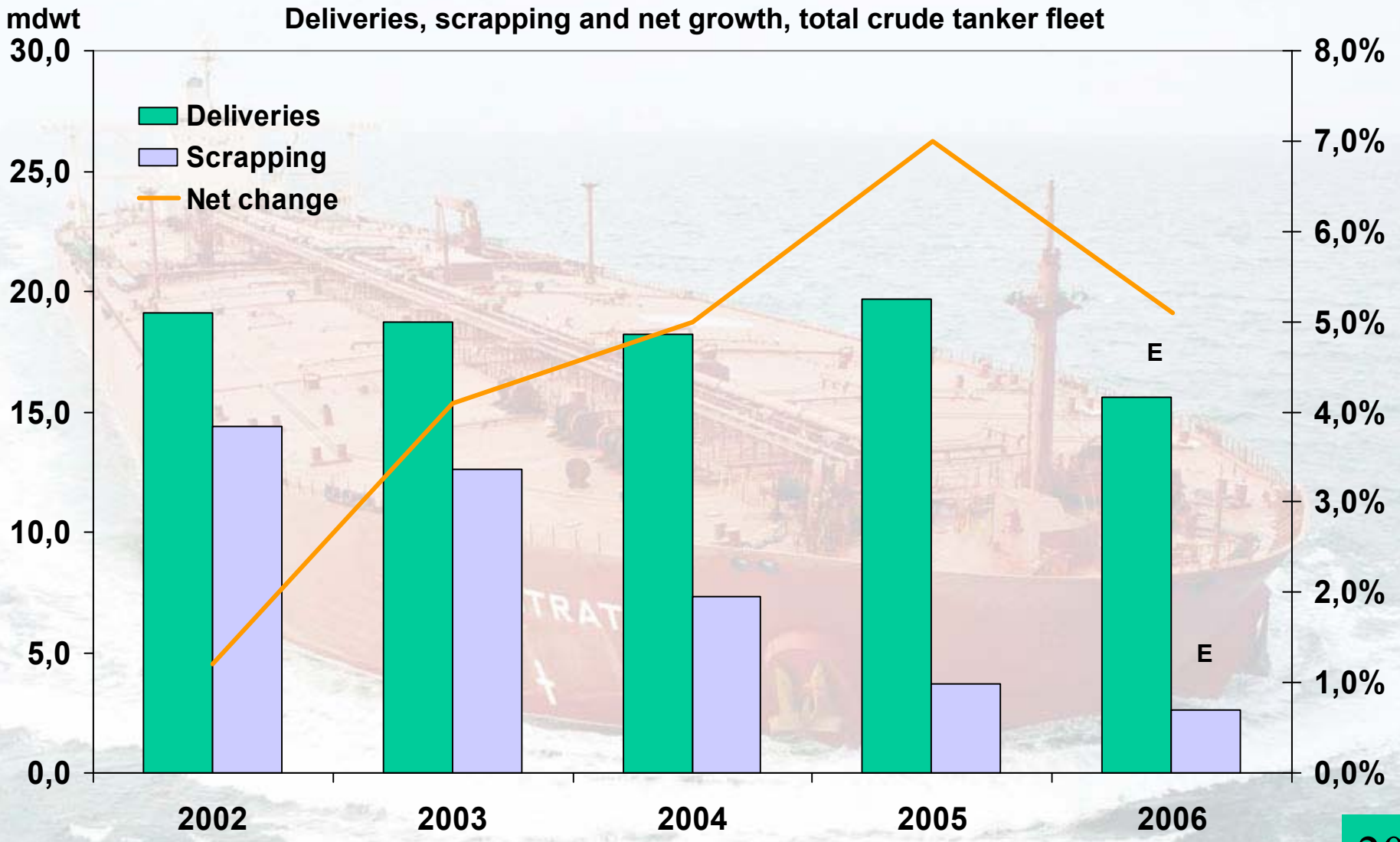
Supply & Demand

- Controlled fleet growth
- Less growth in oil demand first half 2005
- Uncertainties with regards to oil production capacity and refinery capacity
- Increased demand in Q4 05 and Q1 06
- More production on line during 2006

High volatility – industry still very profitable

Appendixes

Supply: no significant changes



Source: Bassøe