

## **FRO – Demerger of Golden Ocean Group Limited**

On December 1, 2004, the Board of Frontline Ltd (“Frontline” or the “Company”) has approved the de-merger and spin off to Frontline’s shareholders of the Company’s newly formed Bermuda subsidiary, Golden Ocean Group Limited (“Golden Ocean”). Golden Ocean is expected to be listed on the Oslo Stock Exchange (“OSE”) and will maintain its share register through the Norwegian VPS (the Norwegian paperless securities depository system) with all shareholders required to hold VPS accounts. All non United States (“U.S.”) shareholders of Frontline, subject to certain exceptions as set out in the attached appendix, will receive three shares in Golden Ocean for each share they have in Frontline. All U.S. shareholders who are Qualified Institutional Buyers (QIBs) in accordance with Rule 144A under the U.S. Securities Act of 1933, and who hold 7,500 or more Frontline shares, will receive the same allotment of Golden Ocean shares. U.S. shareholders who have less than 7,500 Frontline shares will not be entitled to shares and, together with all other shareholders exempted from the share distribution (together the “Cash Recipients”), will receive a cash distribution based on the market value of the Golden Ocean shares on the OSE. Golden Ocean’s shares will not be listed in the United States.

The record date for the spin off and share distribution will be December 10, 2004 and the share distribution will take place on December 13, 2004 (the “Distribution Date”). The Golden Ocean shares are expected to be listed on the OSE with the first trading date expected to be as soon as practically possible after the Distribution Date, subject to OSE approval. On the Distribution Date, a number of shares equal to the estimated Cash Recipients’ allotment will be transferred to a VPS account under Nordea Bank, a VPS custodian. Twenty percent (20%) of these shares will be sold in the open market, each day for the first five trading days on the OSE. The average share price (the “Cash Price”) determined as a result of the sales over those five days will be used to calculate subsequent distributions to Cash Recipients.

At the Distribution Date, Golden Ocean will control the two Capesize dry bulk vessels Channel Alliance 172,000 dwt built 1996 and Channel Navigator 172,000 dwt built 1997. These two vessels are fixed on charters until September 2006 and October 2005, respectively. In addition, Golden Ocean has taken the Capesize Irfon on charter until 2009 and chartered the vessel out again for the period until 2007.

Golden Ocean has in the first nine months of 2004 produced a pro forma profit of approximately US\$15.6 million. It is expected that the results achieved in the fourth quarter of 2004 will be better than the average quarterly results in the first nine months of 2004. With effect from December 1, 2004 Golden Ocean will have equity of US\$22.4 million, working capital of US\$22.5 million, book value of vessels of US\$48.9 million and debt of US\$48.9 million.

The shares in Golden Ocean will be spun off to Frontline’s shareholders according to the following schedule.

Declaration Date	December 1, 2004
Record Date	December 10, 2004
Ex Trade Date in Norway	December 8, 2004
Shares to be received in VPS accounts	December 13, 2004

The ex dividend date on the New York Stock Exchange will be set once the Cash Price has been determined and announced.

In connection with the listing of Golden Ocean, a summary of the company will be provided including an unaudited pro forma income statement for the nine months ended September 30, 2004, and a pro forma balance sheet as of September 30, 2004.

Golden Ocean will after the start-up purchase certain management services from Frontline. It is, however, the Company's strategy over time to develop its own fully independent management.

The Board of Golden Ocean is currently evaluating several business opportunities. The Company's cash generating assets, combined with an initial cash position, give a reasonable start-up basis. It is anticipated that the Company will show an active growth through a combination of cargo contracts, ship purchases, charter arrangement, as well as activity in the financial futures market.

### **Forward Looking Statements**

This press release contains forward-looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Frontline Management's examination of historical operating trends. Although Frontline 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, Frontline cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in this press release include the strength of world economies and currencies, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the shipping market, changes in the Company's operating expenses including bunker prices, dry-docking and insurance costs, 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 United States Securities and Exchange Commission.

December 1, 2004  
The Board of Directors  
Frontline Ltd.  
Hamilton, Bermuda

Questions should be directed to:

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## Appendix 1

The following information sets out the terms of the de-merger and spin off to Frontline's shareholders of the shares in Golden Ocean to holders of Frontline shares in Norway, the United States and the United Kingdom respectively.

### Norwegian Register

1. All non U.S. shareholders (a) will receive three shares in Golden Ocean for each share of Frontline.
2. All U.S. shareholders holding less than 7,500 Frontline shares will receive the Cash Price for each share.
3. U.S. shareholders holding 7,500 or more Frontline shares and who confirm they are QIBs will receive three shares in Golden Ocean for each share of Frontline.
4. U.S. shareholders holding 7,500 or more Frontline shares who do not confirm they are QIBs will receive the Cash Price for each share.

### U.S. Register

1. All U.S. shareholders holding less than 7,500 Frontline shares will receive the Cash Price for each share.
2. U.S. shareholders holding 7,500 or more Frontline shares who (i) confirm they are QIBs and (ii) provide a VPS account (b) for receipt of the Golden Ocean shares will receive three shares in Golden Ocean for each share of Frontline. In the absence of these confirmations, these shareholders will receive the Cash Price for each share.
3. All non U.S. shareholders who provide a VPS account for receipt of the Golden Ocean shares will receive three shares in Golden Ocean for each share of Frontline. In the absence of this VPS account confirmation, these shareholders will receive the Cash Price for each share.

### U.K. Register

1. All non U.S. shareholders will receive three shares in Golden Ocean for each share of Frontline.
2. All U.S. shareholders holding less than 7,500 Frontline shares will receive the Cash Price for each share.
3. U.S. shareholders holding 7,500 or more Frontline shares who confirm they are QIBs will receive three shares in Golden Ocean for each share of Frontline.

All shareholders on the U.K. register who are entitled to receive Golden Ocean shares in accordance with the above terms, will have their shares placed in a nominee account in VPS. A sub-register will continue to be maintained in the U.K. and shareholders will be given the opportunity to establish an individual VPS account and transfer their Golden Ocean shares to that account in due course.

### Note:

- (a) For the purposes of this spin off, U.S. shareholders refers to all shareholders with addresses in the United States, including shareholders on each of the U.S., U.K. and Norwegian Frontline branch share registers.
- (b) Shareholders will be provided with details regarding the opening of VPS accounts in material distributed after the record date.