

TAX TREATMENT OF NON-CORPORATE U.S. SHAREHOLDERS OF FRONTLINE

Frontline will be treated as a “qualified foreign corporation” for U.S. federal income tax purposes, and therefore our non-corporate U.S. shareholders will be subject to a lower U.S. federal income tax rate on “qualifying dividends” paid by the Company through 2008.

What is a “qualified foreign corporation”?

A non-U.S. corporation is considered to be a qualified foreign corporation if, among other things, its shares are readily tradable on an established securities market in the United States and it is not a (i) passive foreign investment company (“PFIC”), (ii) foreign personal holding company (“FPHC”) or (iii) foreign investment company (“FIC”) with respect to the taxable year during which the dividend was paid or the preceding taxable year.

The Company’s shares are readily tradable on the New York Stock Exchange, which is an “established securities market,” and the Company is not and has never been a PFIC, FPHC or FIC. Accordingly, the Company expects that it will be a “qualified foreign corporation” for U.S. federal income tax purposes.

What is the consequence of the Company’s being a “qualified foreign corporation”?

Since the Company is a “qualified foreign corporation,” non-corporate U.S. shareholders may receive more favorable U.S. tax treatment with respect to dividend distributions by the Company. Specifically, the maximum U.S. federal income tax rate paid by those shareholders on dividends (by reason of the Company’s payment of “qualifying dividends” to such shareholders) will be 15% through 2008 rather than the 35% rate applicable to ordinary income.

THIS IS NOT TAX ADVICE. EACH INVESTOR IN THE COMPANY MUST CONSULT HIS/HER OWN TAX ADVISOR WITH RESPECT TO THE CONSEQUENCES OF OWNERSHIP OF THE COMPANY’S SHARES.