

To Shareholders of Frontline Ltd.
Who Own Shares Listed on the New York Stock Exchange:

On December 17, 2004, Frontline Ltd. (the “Company,” “we” or “us”) distributed cash to its shareholders who own shares listed on the New York Stock Exchange (the “Distribution”). The Company simultaneously made a distribution of cash to shareholders who own shares of the Company listed on the Oslo Stock Exchange and the London Stock Exchange. Each shareholder of the Company received \$2.50 in cash for each share of the Company which he owned.

This letter provides a summary of the principal United States federal income tax consequences of the Distribution. This summary does not purport to be a comprehensive description of all of the tax consequences arising from the Distribution and does not address all federal income tax consequences applicable to particular types of stockholders or stockholders with unusual individual circumstances. This summary applies only to our shareholders that are (1) citizens or residents, as defined in Section 7701(b) of the Internal Revenue Code of 1986, as amended (the “Code”), of the United States, (2) corporations, or other entities that are taxable as corporations, created or organized under the laws of the United States or any state or political subdivision thereof (including the District of Columbia), (3) estates, the income of which is subject to United States federal income taxation regardless of its source, and (4) trusts, if a United States court can exercise primary supervision over the administration of such trust and one or more United States persons has the authority to control all substantial decisions of the trust (each, a “U.S. Holder”).

You are directed to consult your own tax advisors regarding the particular federal, foreign, state and local tax consequences of the Distribution.

Taxation of the Distribution

Based on the amount of the Company’s current and accumulated earnings and profits, the Distribution will be characterized as a taxable dividend for United States federal income tax purposes.

Treatment of U.S. Individual Holders

The Distribution to a U.S. Holder who is an individual, trust or estate (a “U.S. Individual Holder”) will be treated as “qualified dividend income” taxable at a maximum rate of 15% to such holder if the U.S. Individual Holder has held his common shares in the Company on which the Distribution is made for more than 60 days during the 121-day period beginning 60 days before the common shares in the Company becomes ex-dividend with respect to the Distribution. If the holding period requirements are not met, the Distribution will be treated as ordinary income taxable at a maximum rate of 35%.

In addition, if the Distribution is treated as an “extraordinary dividend” with respect to a U.S. Individual Holder’s shares in the Company (i.e., if the amount of the Distribution exceeds ten percent of the adjusted tax basis of the U.S. Individual Holder’s Company common shares, or, in certain cases, the fair market value of the Company’s common

shares) then any loss on the sale or exchange of a U.S. Individual Holder's Company common shares will be treated as long-term capital loss to the extent of such dividend.

Treatment of U.S. Corporate Holders

The Distribution will be treated as ordinary income taxable at a maximum rate of 35% to U.S. Holders which are corporations.

THIS SUMMARY IS BASED ON THE TAX LAWS OF THE UNITED STATES, INCLUDING THE CODE, TREASURY REGULATIONS (FINAL, TEMPORARY AND PROPOSED), ADMINISTRATIVE RULINGS AND PRACTICE, AND JUDICIAL DECISIONS IN EFFECT AS OF THE DATE OF THIS INFORMATION STATEMENT, ALL OF WHICH ARE SUBJECT TO CHANGE, POSSIBLY WITH RETROACTIVE EFFECT. SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION, INCLUDING, BUT NOT LIMITED TO, THE APPLICATION AND EFFECT OF ANY STATE, LOCAL FOREIGN AND OTHER TAX LAWS, AS WELL AS THE CONSEQUENCES OF ANY RECENT, PENDING OR PROPOSED CHANGES IN THE APPLICABLE LAWS.

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