

Presentation of
Q4 2004 results,
February 23, 2005



The Fleet

34 VLCCs incl. 1 J/Vs + 2 N/Bs

24 Suezmaxes

8 Suezmax OBOs



Agenda

- **Main events Q4 2004 and Q1 2005**
- **New dividend and partial spin-off of Ship Finance International Limited**
- **Corporate financial status**
- **Market update – outlook**
- **Other**

Main events Q4 2004 / Q1 2005

- A dividend of USD 2.50 per share for Q3 2004 was paid out in December 2004,
- Partial spin-offs of 13.2% and 25% in SFL to existing FL shareholders in December 2004 and January 2005, respectively,
- Acquisition of Marble and New Horizon in October 2004, issued 300,000 shares at NOK 352 per share,
- Exercise of purchase options on Front Century and Front Champion in January 2005. The vessels were immediately sold to SFL and chartered back on long term charters to Frontline. Third vessel Golden Victory to be exercised in similar manner in March,
- Sale of Golden Fountain in October. The vessel was delivered in December 2004,
- Chartered out two 1991 built single hull VLCCs to a subsidiary of Titan Petrochemicals Group in November, for a period that will cover the remaining life of the vessels until IMO's single hull ban comes into effect in 2010,
- Extended charters for 3 OBOs for 3 years in the period,

Main events Q4 2004 / Q1 2005

- On December 1, 2004, the Board of Frontline Ltd approved the de-merger and spin off to Frontline's shareholders of the Company's newly formed Bermuda subsidiary, Golden Ocean Group Limited. Listed from on OSE from December 15,
- 2 Panamax NBs were purchased in December 2004,
- Sale of Front Fighter in January 2005,
- Purchase of General Maritime shares in Q4 2004 / Q1 2005,
- BP COA cancelled in January 2005,
- In order to secure that new share issues are registered in a matter of days, a pre-clearance from SEC is needed in the form of a Shelf Registration. Frontline have been working on such a Shelf registration for a while and the F3 filing done in Feb. 2005 is only a follow up on this,
- SFL profit split for 2004: USD 114.9 million,
- Frontline to take on a further two VLCCs from Ship Finance in Q3 2005.

Accounting issues

- Net income for the third quarter 2004 included a gain of USD 9.1 million which resulted from an issue of shares in July 2004 by our subsidiary Ship Finance. This has been restated in YTD 2004.
- A gain on spin-off of Golden Ocean of USD 99.5 million has been booked in Q4 2004 due to the non-pro rata nature of the share distribution to Frontline shareholders. A further gain of USD 12.5 million will be booked in Q1 2005 in connection with 10% of the spin-off which took place after year end.
- Frontline's share in Ship Finance is now 25.78%, but Ship Finance will still be consolidated into the Frontline accounts.

Partial spin-off of Ship Finance and USD 3.50 dividend per share

- Frontline to distribute a further 10.0 percentage points of its shares in Ship Finance International (SFL) to Frontline's shareholders,
- Each Frontline shareholder will receive 1 share in SFL for every 10 shares held in Frontline. The record date for the distribution will be 11 March 2005, the ex dividend date will be 9 March 2005 and the distribution date is expected to be 24/29 March 2005,
- Dividend USD 3.50 per Frontline share. The record date for the distribution will be 7 March 2005, the ex dividend date will be 3 March 2005, and the dividend will be paid on or about 18 March 2005.

Profit & Loss

2003 Oct-Dec Restated	2004 Oct-Dec	INCOME STATEMENT <i>(in thousands of \$)</i>	2004 Jan-Dec	2003 Jan-Dec Restated <i>(audited)</i>
267,899	656,267	Total operating revenues	1,856,428	1,158,272
(2,700)	19,799	Gain (loss) from sale of assets	19,574	5,626
67,514	105,582	Voyage expenses and commission	361,609	323,378
30,152	37,786	Ship operating expenses	130,395	115,333
21,916	7,890	Charter hire expenses	39,302	80,539
7,603	6,982	Administrative expenses	26,516	17,888
38,132	46,150	Depreciation	181,274	144,470
165,317	204,390	Total operating expenses	739,096	681,608
99,882	471,676	Operating income	1,136,906	482,290
1,688	8,380	Interest income	31,595	9,185
(21,776)	(50,379)	Interest expense	(205,641)	(74,376)
6,609	4,620	Share of results from associated companies	10,553	33,533
(14,893)	17,099	Other financial items	3,566	300
(3,301)	(9,834)	Foreign currency exchange gain (loss)	(5,378)	(11,963)
68,209	441,562	Income before discontinued operations, taxes and minority interest	971,601	438,969
-	(47,335)	Minority interest	(64,995)	-
(5)	(65)	Taxes	(178)	(3)
(33,767)	-	Cumulative effect of change in accounting principle	-	(33,767)
2,265	104,070	Discontinued operations	116,954	4,161
36,702	498,232	Net income	1,023,382	409,360
		Basic Earnings Per Share Amounts (\$)		
\$0.93	\$5.27	EPS from continuing operations before cumulative effect of change in accounting principle	\$12.22	\$5.86
\$0.50	\$6.66	EPS	\$13.79	\$5.47

Dividend history

Cash \$ per share

Q4 2004	2,50	
Q3 2004	1,60	
Q2 2004	5,00	
Q1 2004	4,50	13,60
Q4 2003	1,30	
Q3 2003	1,10	
Q3 2003	1,00	
Q2 2003	1,00	
Q1 2003	0,15	4,55
Q4 2002	0,00	
Q3 2002	0,00	
Q2 2002	0,05	
Q1 2002	0,20	0,25
Q4 2001	0,10	
Q3 2001	0,40	
Q2 2001	1,00	1,50

Spinoff Company \$ per share

Q1 2005	Ship Finance	5,86
Q4 2004	Golden Ocean	1,80
Q4 2004	Ship Finance	3,40
Q3 2004	Ship Finance	1,75
Q2 2004	Ship Finance	3,67
	Value at distribution	16,5
	Value per today	18,4

Income on time charter basis

Q4 2003 Q4 2004

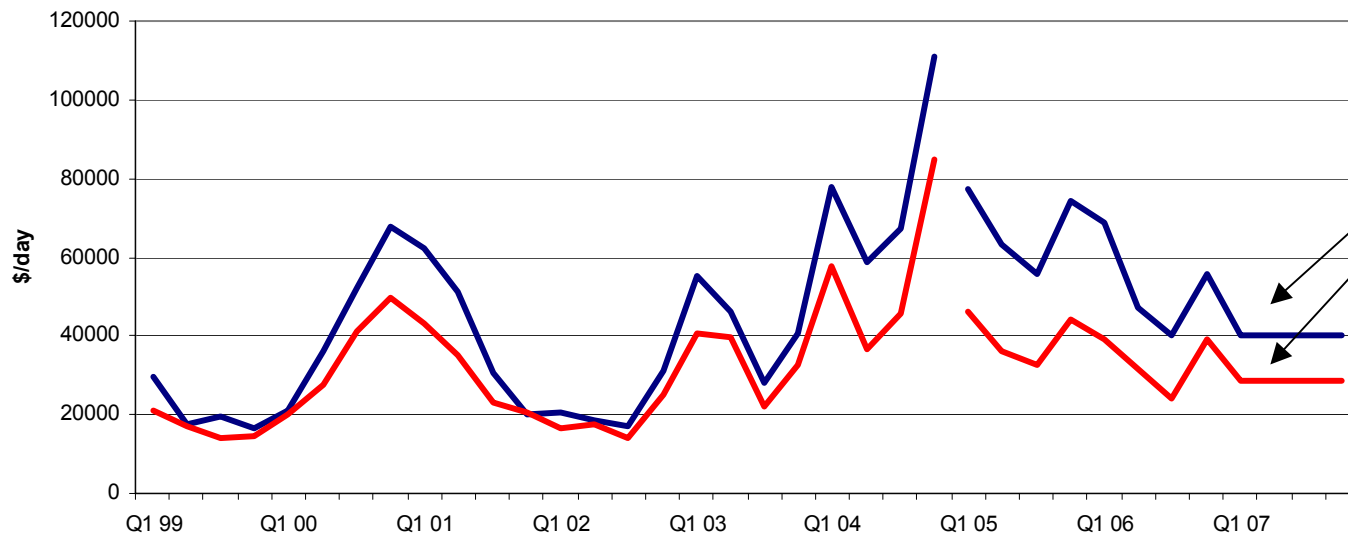
40 600	111 189	VLCC, spot , T/C and B/B vessels
42 788	115 648	VLCC, spot
31 210	95 497	VLCC, T/C and B/B vessels
32 600	84 975	Suezmax
27 900	31 123	Suezmax OBO

2004

2003

77 997	42 300
83 848	44 877
58 460	32 517
57 947	33 900
27 891	31 900

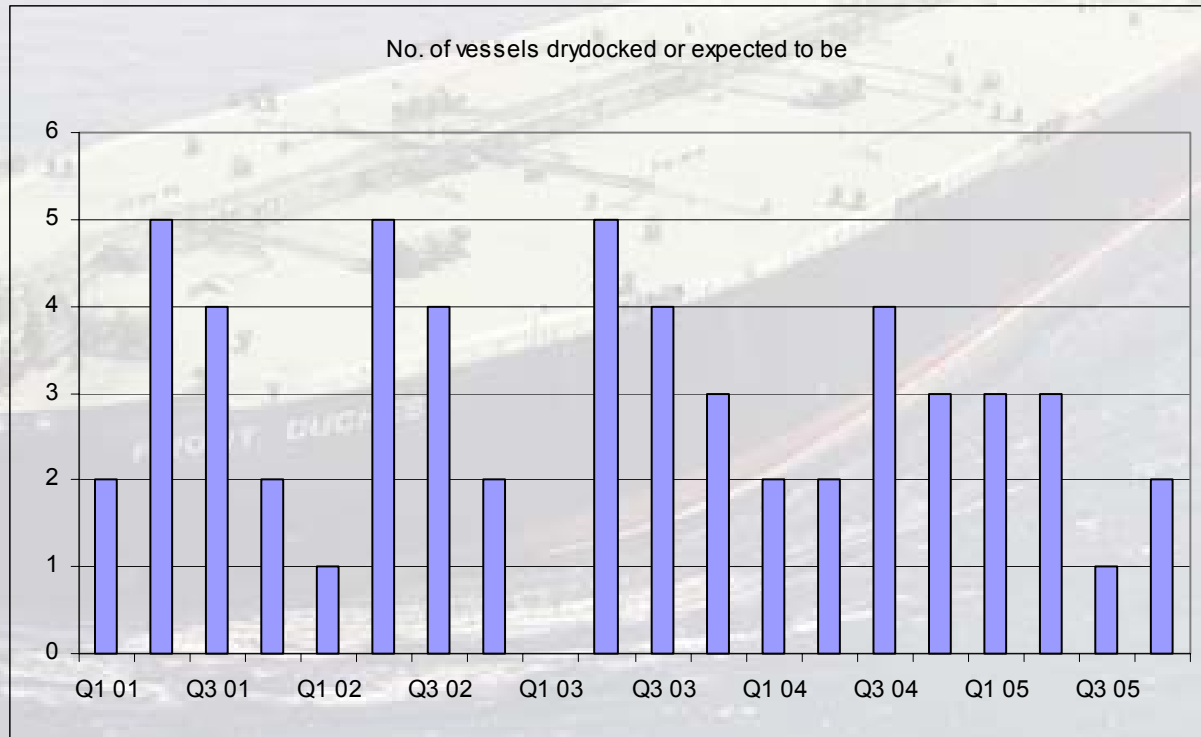
TCE



Imarex forward curve as of 23.02.05 for the period 2005-2007

Ship operating expenses (USD/day)

	2004	2003
Total fleet	5 579	5 816
Off hire (days)	331	303



Total expenses

Q4 2003	Q4 2004	USD million	2004	2003
67,5	103,6	Voyage expenses	359,6	323,4
30,2	37,8	Ship operating expenses	130,4	115,3
21,9	7,9	Charterhire expenses	39,3	80,5
7,6	7,0	Administrative expenses	26,5	17,9

Balance sheet

BALANCE SHEET <i>(in thousands of \$)</i>	2004 Dec 31	2003 Dec 31 <i>(audited)</i>
ASSETS		
<i>Short term</i>		
Cash and cash equivalents	105,702	124,189
Restricted cash	592,607	891,887
Other current assets	456,595	181,850
<i>Long term</i>		
Newbuildings and vessel purchase options	24,231	8,370
Vessels and equipment, net	2,254,361	2,165,240
Vessels under capital lease, net	718,842	765,126
Investment in finance lease	107,664	120,894
Investment in associated companies	22,955	173,329
Deferred charges and other long-term assets	55,803	32,651
Total assets	4,338,760	4,463,536
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>Short term</i>		
Short term interest bearing debt	151,614	191,131
Current portion of obligations under capital lease	21,498	20,138
Other current liabilities	166,320	100,827
<i>Long term</i>		
Long term interest bearing debt	1,990,131	2,091,286
Obligations under capital lease	732,153	753,823
Other long term liabilities	30,346	50,914
Minority interest	328,730	-
Stockholders' equity	917,968	1,255,417
Total liabilities and stockholders' equity	4,338,760	4,463,536

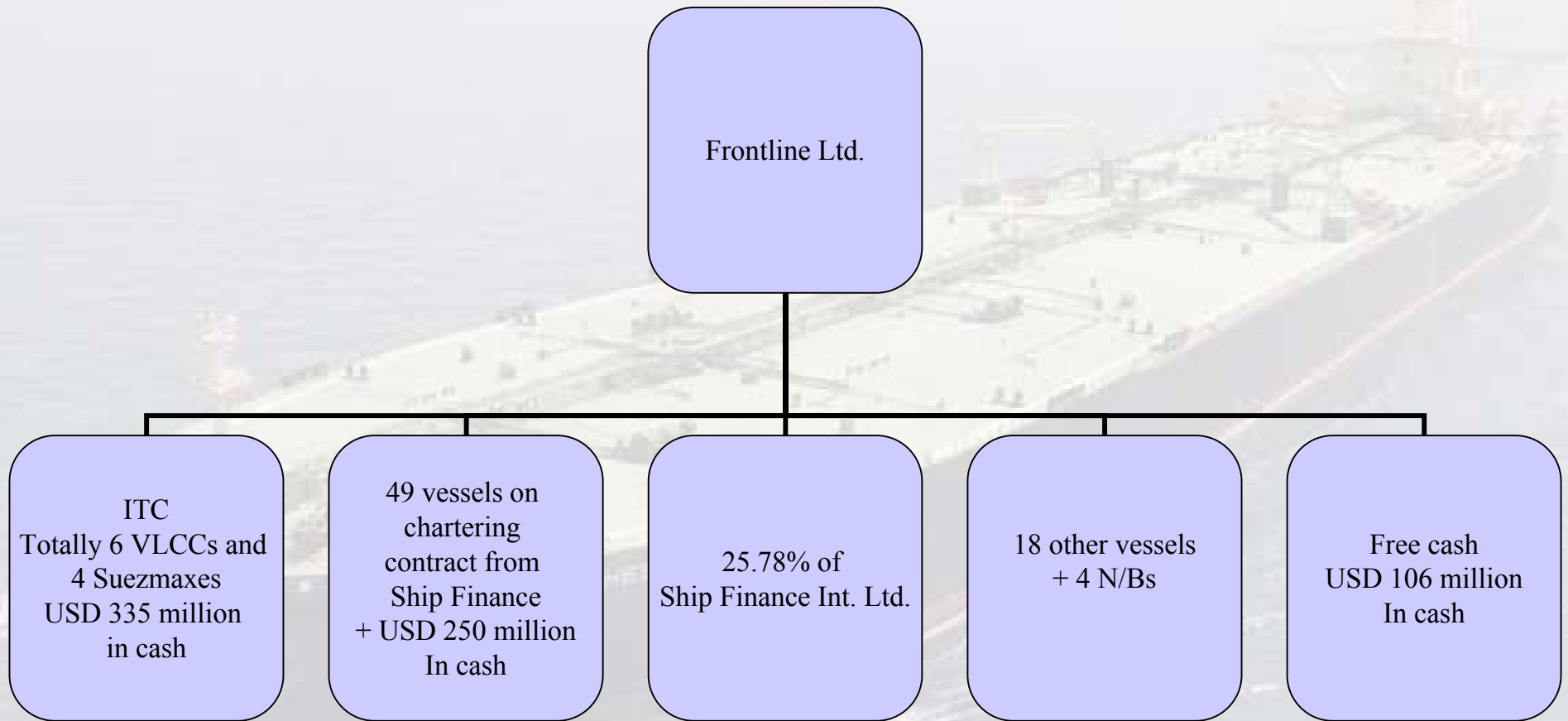
JPY exposure and interest exposure of total debt and capital leases as per 31.12.2004 (in thousands of USD)

Yen denominated debt/capital leases	154 969
Floating debt	413 201
Total debt/capital leases	2 895 396
Yen exchange rate 31.12.04	103.1

After spin-off of SFL:

VLCC	28 042
Suezmax	21 370
Suezmax OBO	21 046

What is Frontline now?



Short term

- The scene is set up to 2008.
- Yard Capacity
- Scrapping

Long term

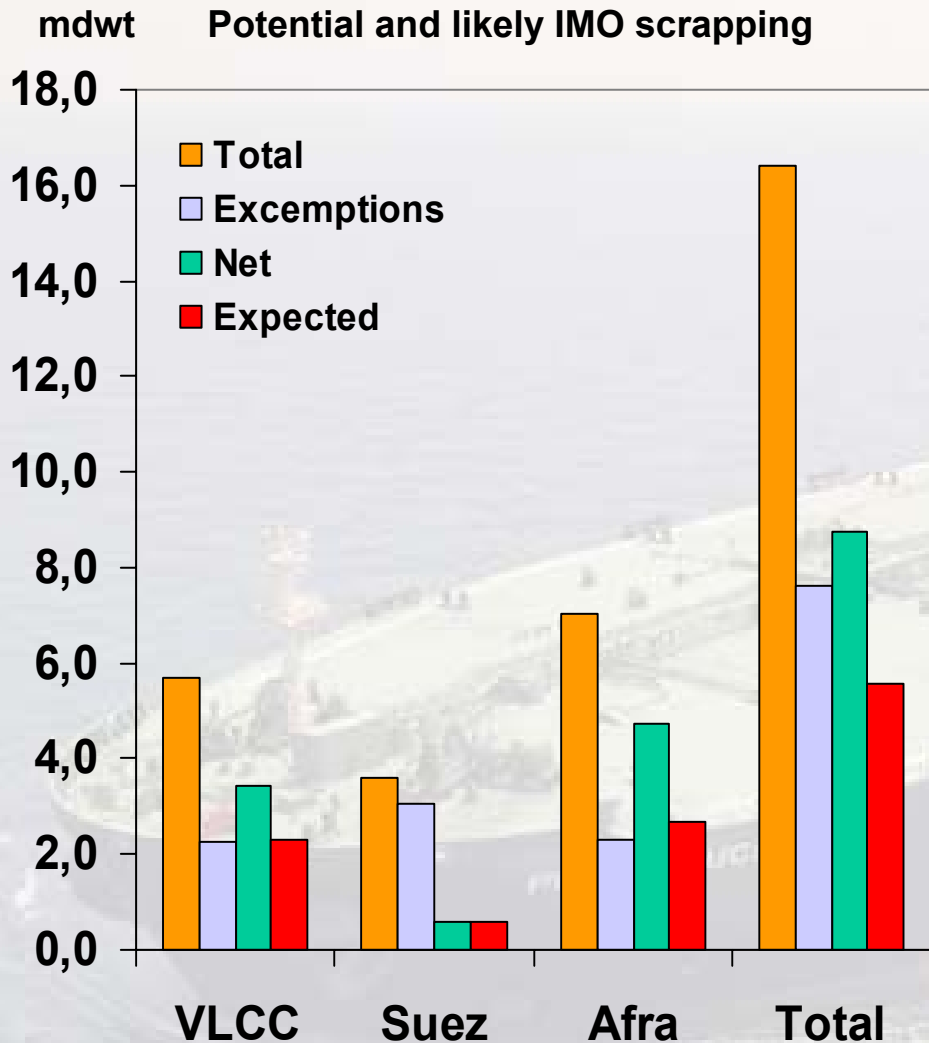
- Phase-out of 48 Smax and 155 Vlcc by 2010 due to IMO rules

Phase-out

	Ex.	2005	2006	2007	2008
VLCC	438	3	1	2	1
SMAX	300	2	3	2	5

Orderbook

	Rest 2005	2006	2007	2008	2009+
VLCC	26	19	33	8	2
SMAX	22	25	24	-	-



Source: Bassøe

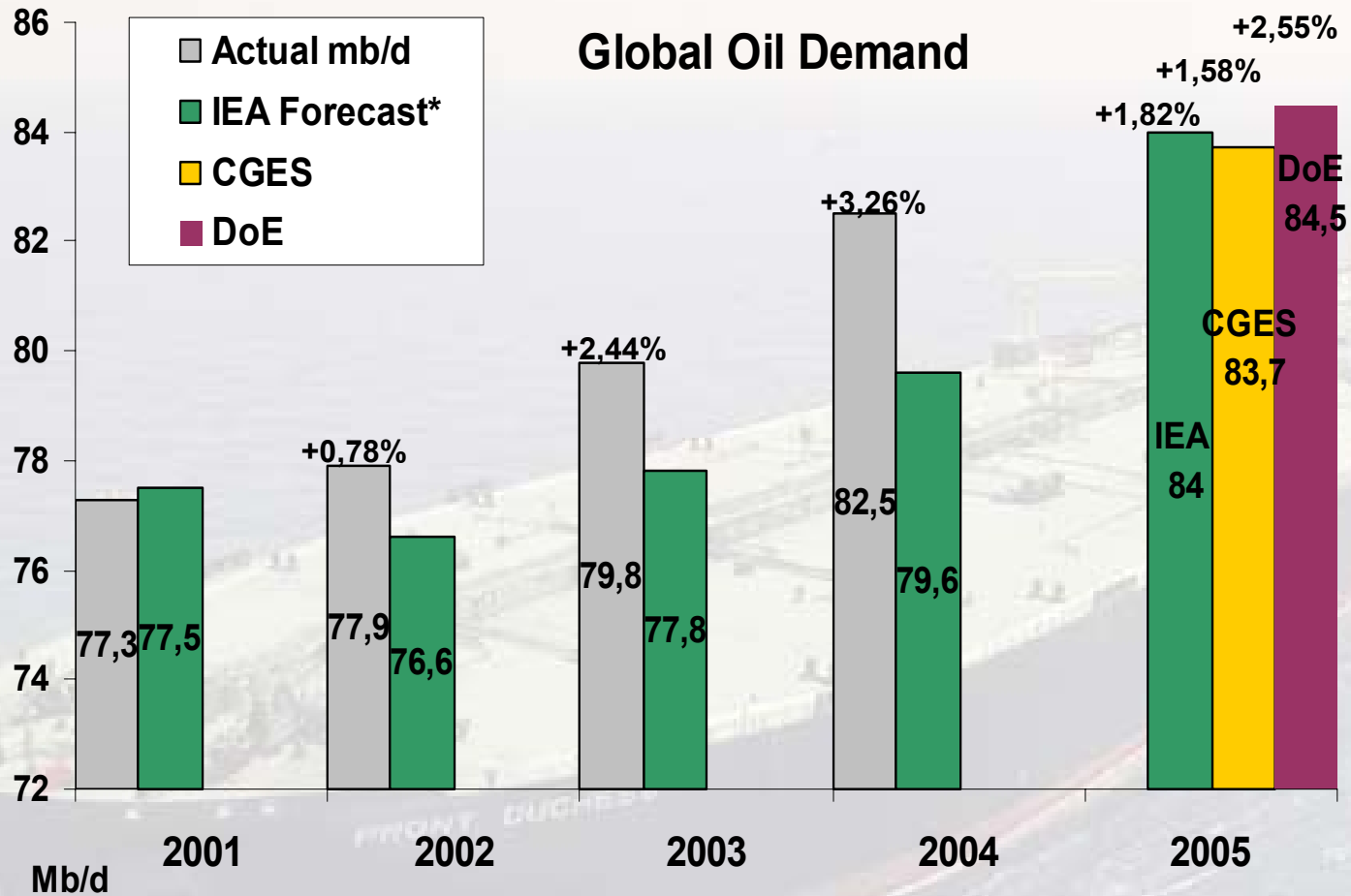
Highlights

- Under IMO rules, vessels without SBT are to be scrapped in 2005, most of them by April '05
- 16 mdwt, or 7.0%, are potential candidates
- The real number is 9 mdwt, due to:
 - Long-term storage,
 - Conversion
 - US flag
- The actual number scrapped depends on:
 - Owner compliance
 - Vessel productivity.
- Bassøe assumes 5.5 mdwt will be scrapped in 2005, i.e 2.3% of world tanker fleet

Market outlook - Demand

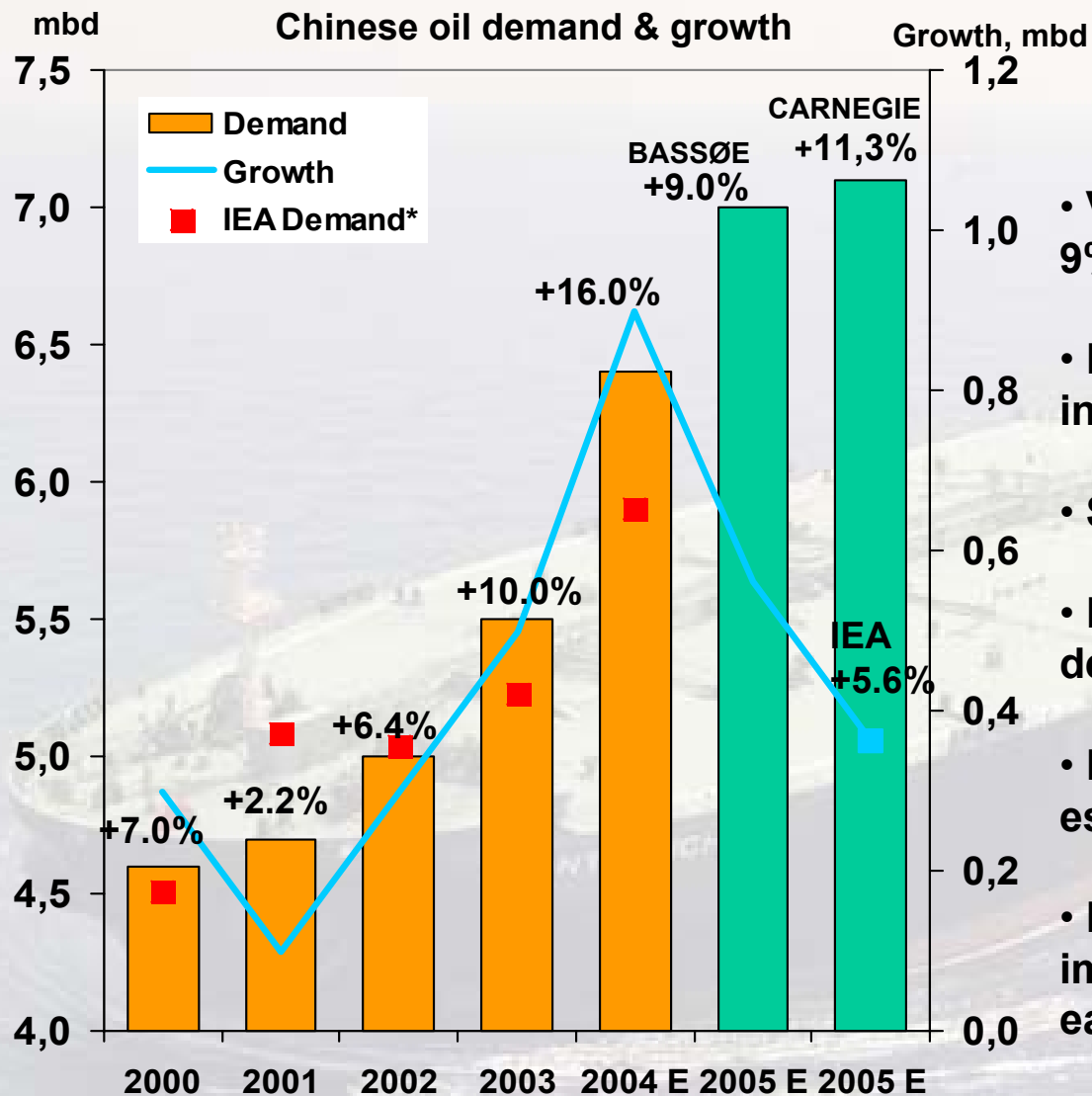
- IEA expects continued growth in demand in 2005 (+1,5mb/d)
- No OPEC cuts ahead, as per January meeting
- Increased ton miles due to great demand for sweet crudes combined with declining production in North Sea and Alaska, and slow build-up in Gulf of Mexico
- Higher oil prices have not shown significant impact on GDP growth or consumption

Market Outlook - Demand



*IEA forecasts published December the preceding year

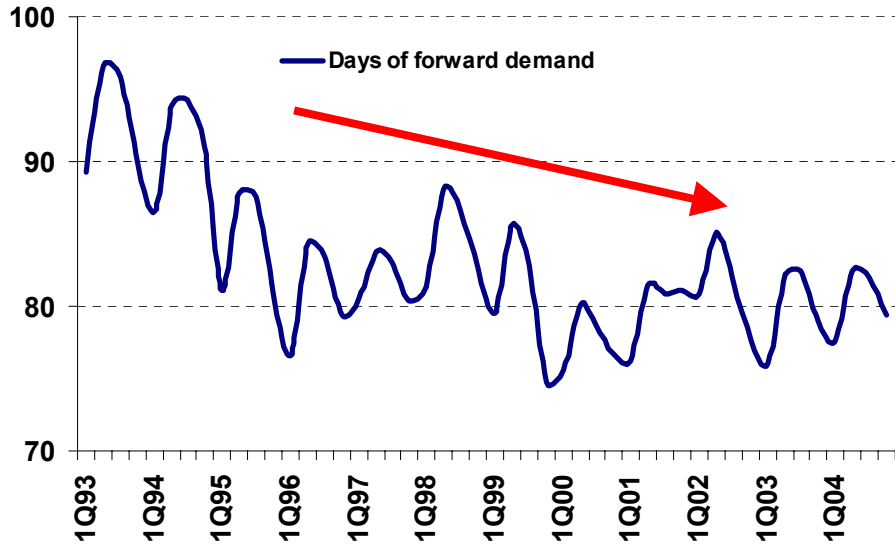
China: Expectations too low?



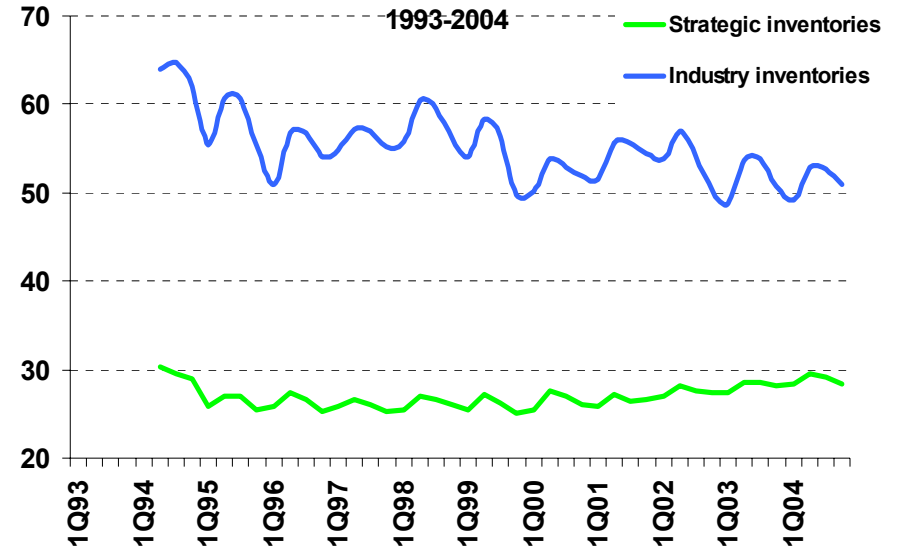
- Very strong economic growth (GDP +8-9%)
- Industrialization megatrends, energy intensive investment & spending
- Soaring energy demand
- Lower USD and oil price stimulate demand
- IEA known for its conservative estimates
- Every incremental 1 mpd in Chinese import would require nearly 20 VLCCs each year

*IEA forecasts published December the preceding year

**OECD Total Oil Inventories
1993-2004**



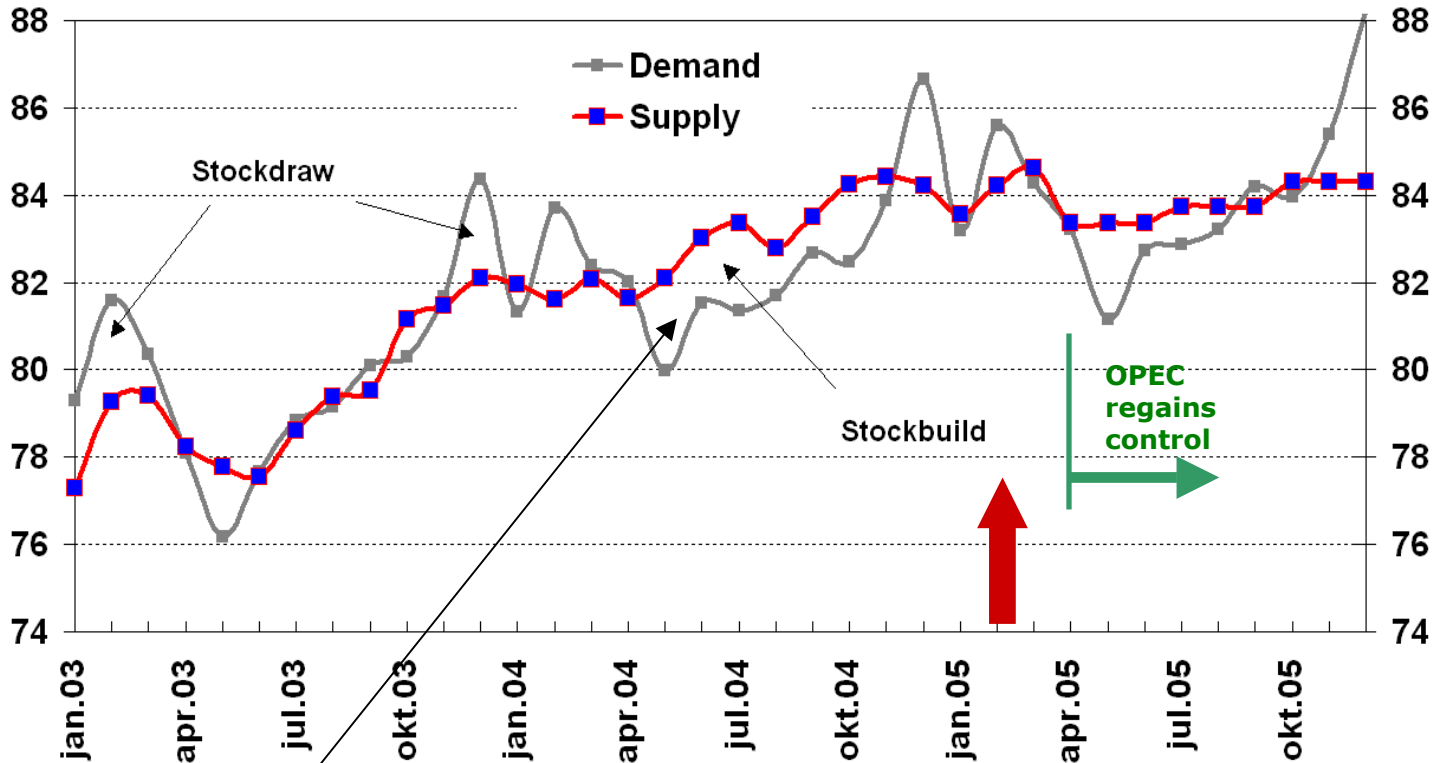
**OECD Oil inventories
Days of forward demand
1993-2004**



- **Lower oil inventories vs actual demand**
- **95 days of forward demand in 1993 => 80 days in 2004**
- **Strategic inventories have increased**
- **Commercial inventories on sharp decline**

Global Oil Supply and Demand 2003-2005 (mill.bbls/d)

OPEC10 production -1 mbopd April'05 to 26 (OPEC11 at 28 mbopd)



Source: IEA as per Feb 2005 / DNB NOR

- Based on IEA data, Feb '05 and OPEC cutback of 1 mbopd from April '05

Inventory build 367 mbls, but OECD only 52 mbls

Tanker market recap

mbd Seaborne crude oil trade



Change in key variables

2004P

2005E

Oil exports:

Middle East 16.7 mbd

17.5 mbd

Other regions: 19.6 mbd

20.4 mbd

Ton-miles: +10.4% (est.)

+5.5%

Tanker fleet: 235.3 mdwt

245.8 mdwt

Newbuild: 18.1 mdwt

20.5 mdwt

Deletions: 7.3 mdwt

5.5 mdwt

Net growth: +4.2%

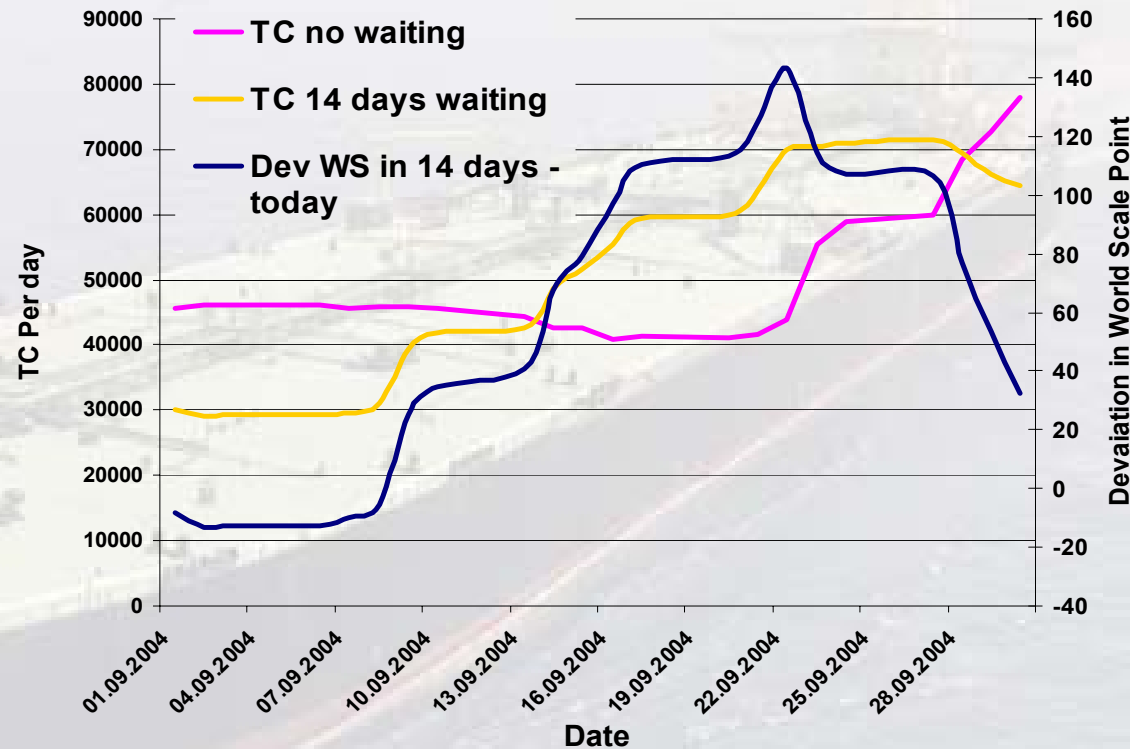
+6.4%

Can waiting time contribute?

Given a round voyage US Gulf – West Africa – US Gulf;

- Scenario 1: Owners follow the present market and fixes vessel at WS 144 with no waiting time.
 - **TC per day: 42.589***
- Scenario 2: Owners decide to wait for 14 days, the market goes up, and vessel is fixed at WS 223.
 - **TC per day: 50.663 all waiting days included.**

TC Earnings in a growing market



Source: Clarkson, Frontline estimates

*Basis 34,36 days excl. waiting, 130.000 MT cargo, bunker \$200 per ton, flat rate 10,36

CONCLUSION:

PSYCHOLOGY RULES!

**FUNDAMENTALS ARE
STRONG**



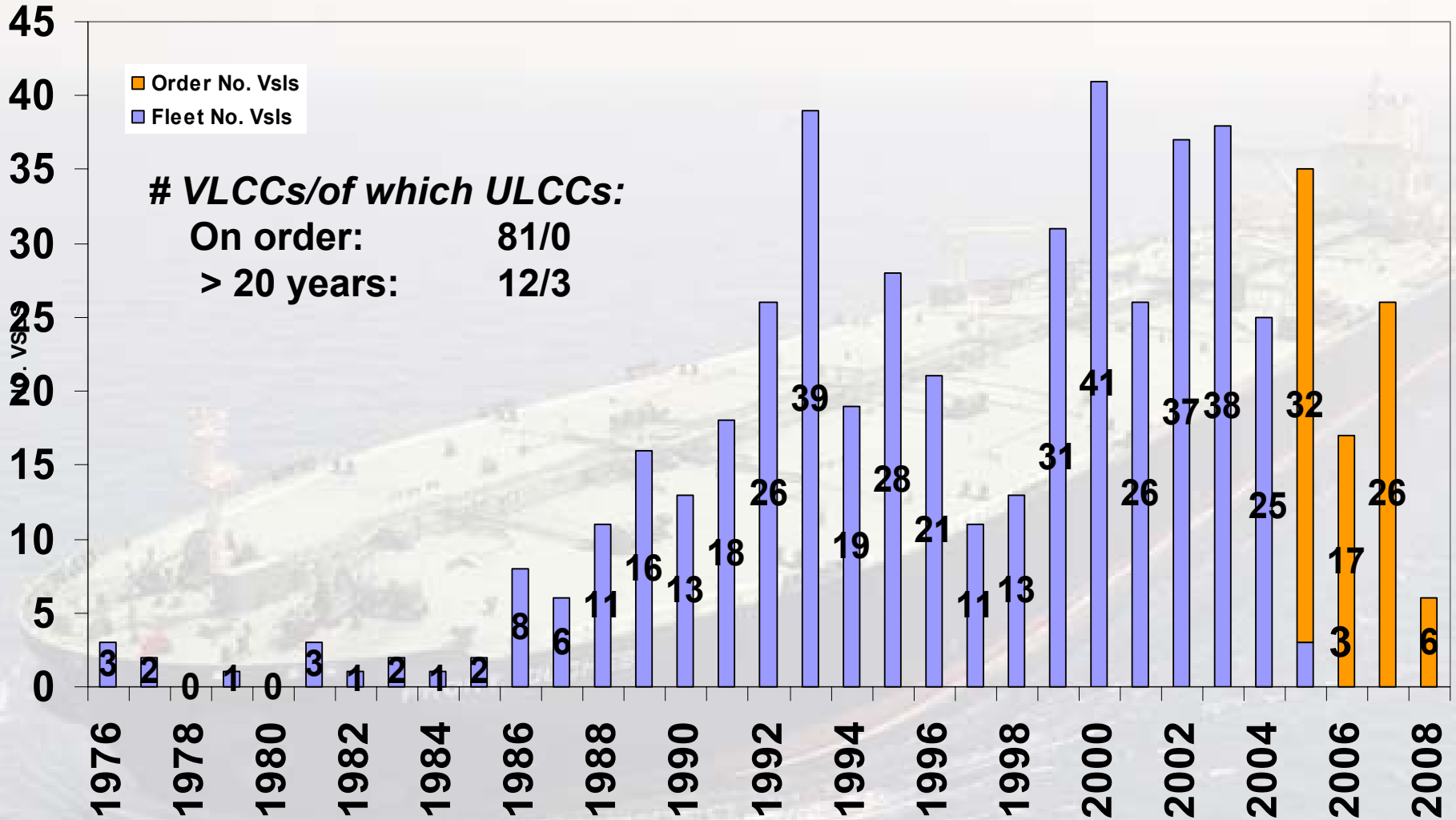
IT'S UP TO THE OWNERS

Appendixes

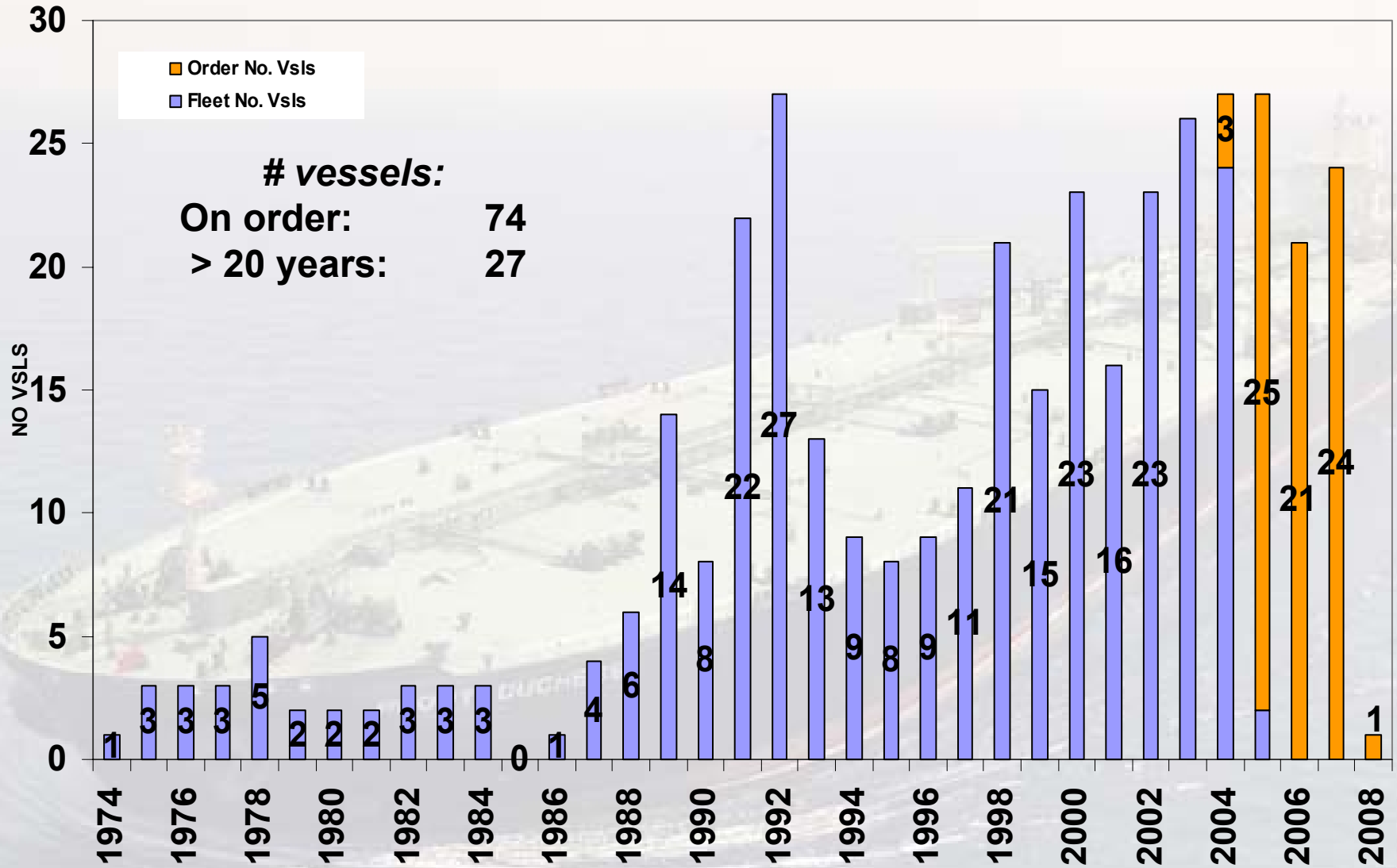
Balance sheet ITC

BALANCE SHEET <i>(in thousands of \$)</i>	2004	2003
	Dec 31	Dec 31
ASSETS		
<i>Short term</i>		
Cash and cash equivalents	8 824	9 727
Restricted cash	325 877	323 807
Other current assets	16 101	18 494
<i>Long term</i>		
Vessels and equipment, net	134 609	141 017
Vessels under capital lease, net	292 359	305 431
Investment in finance leases	107 663	120 894
Deferred charges and other long-term assets	6 560	7 512
Total assets	891 993	926 881
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>Short term</i>		
Short term interest bearing debt	37 082	37 805
Other current liabilities	34 476	35 431
<i>Long term</i>		
Long term interest bearing debt	529 833	566 915
Obligations under capital leases	294 935	295 560
Stockholders' equity	-4 334	-8 830
Total liabilities and stockholders' equity	891 993	926 881

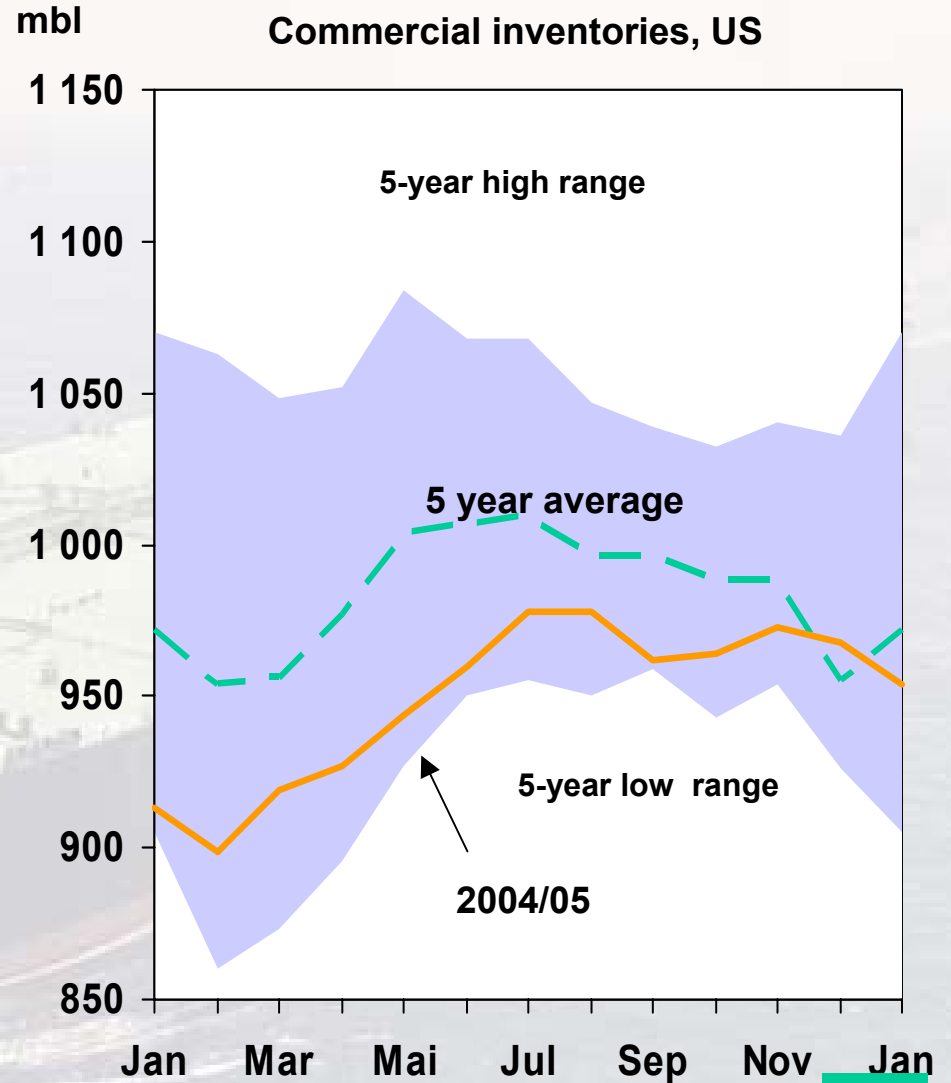
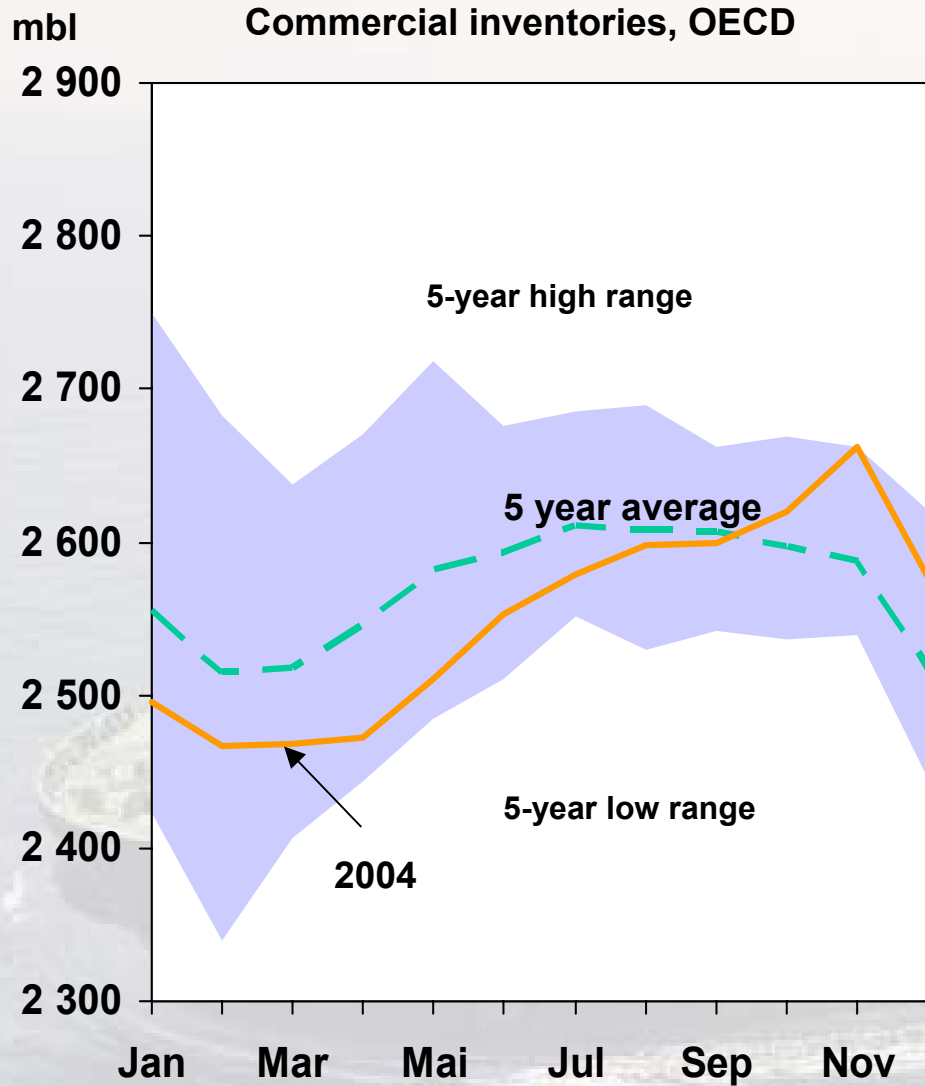
VL/ULCC fleet - age profile



Suezmax fleet – age profile

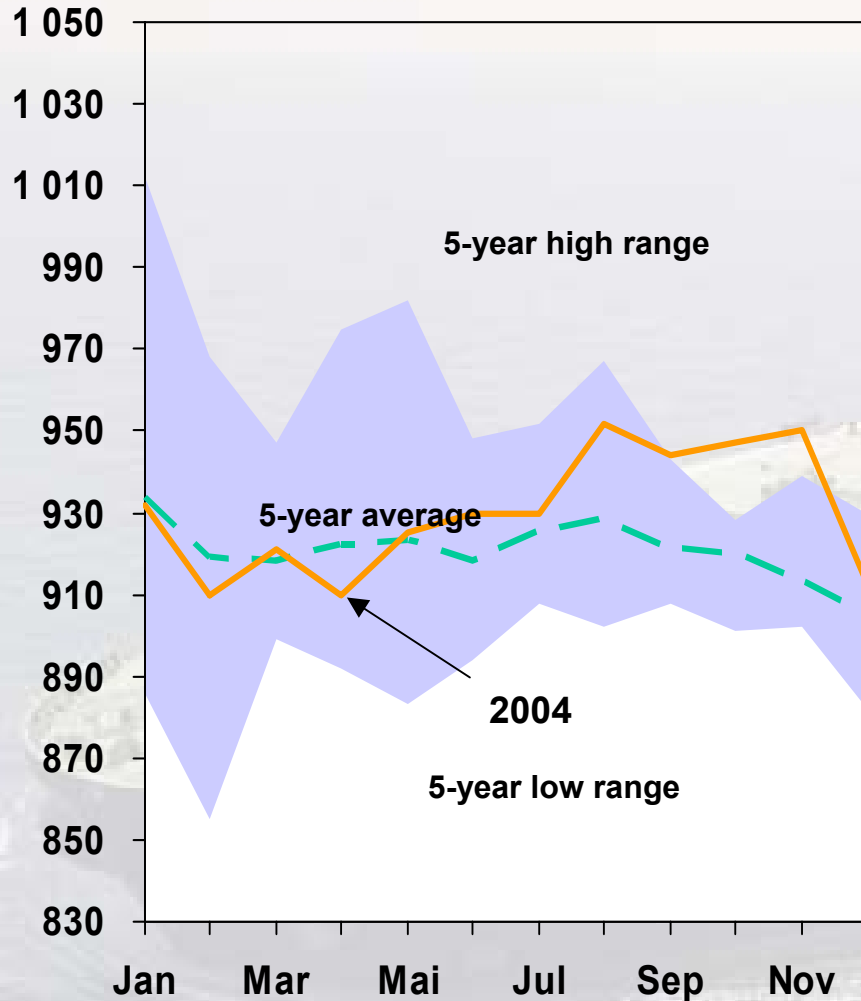


Oil inventories – OECD & US

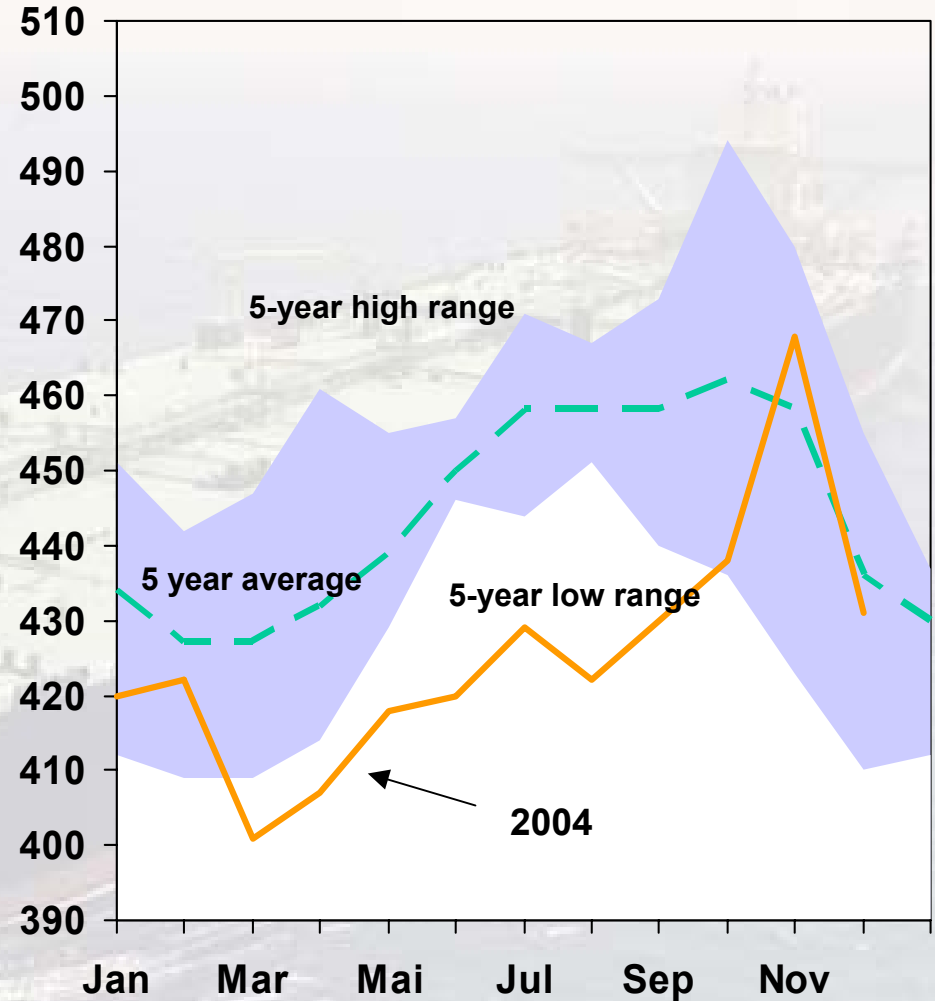


Oil inventories – Europe and Asia

Commercial inventories, OECD Europe



Commercial inventories, OECD Asia



OPEC-10: Production vs. quotas

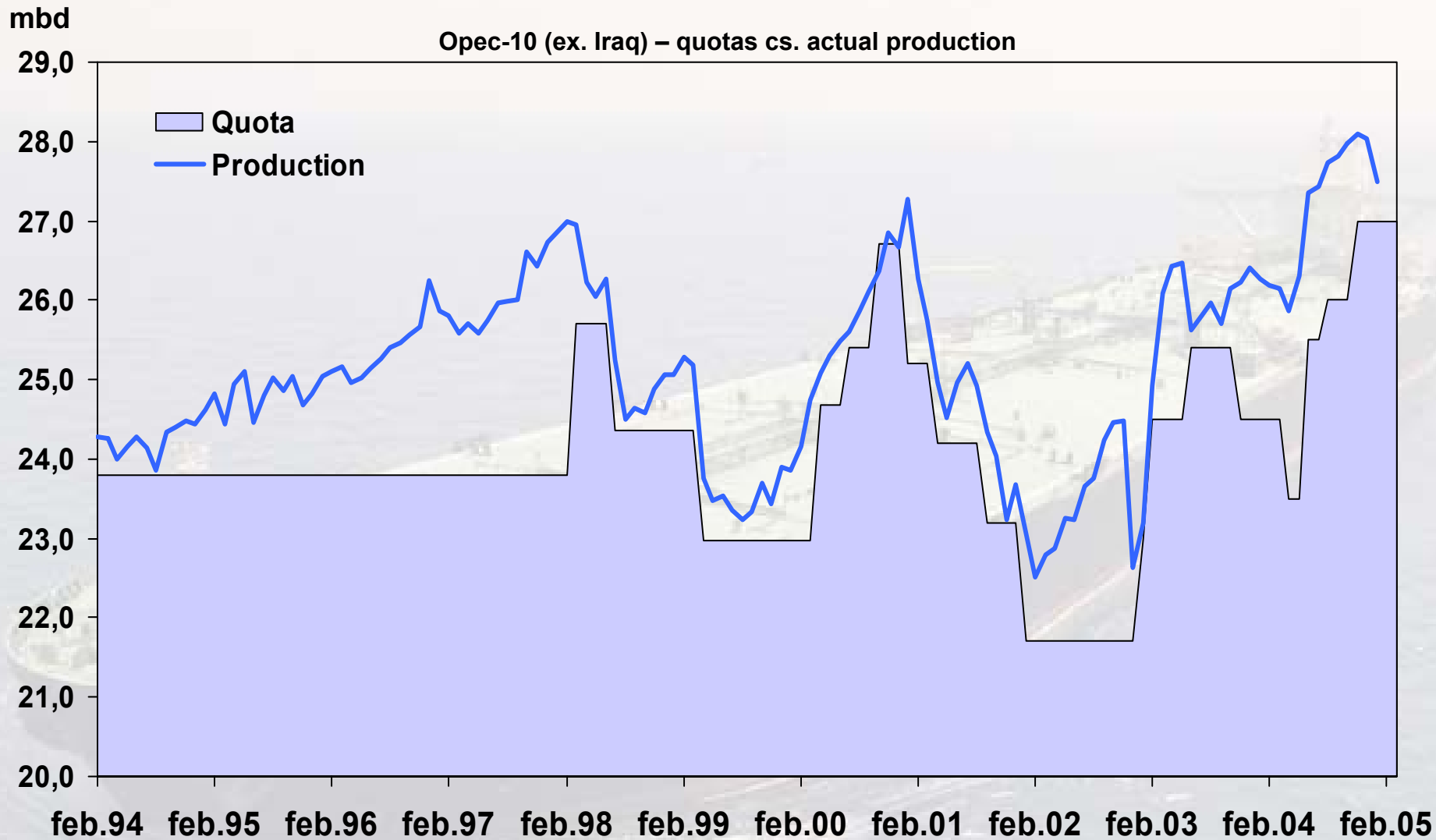


Table 1
WORLD OIL SUPPLY AND DEMAND
(million barrels per day)

	2001	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004	1Q05	2Q05	3Q05	4Q05	2005
OECD DEMAND																	
North America	24.0	24.1	24.5	24.2	24.8	24.9	24.6	25.0	24.9	25.2	25.8	25.2	25.3	25.0	25.5	25.8	25.4
Europe	15.3	15.3	15.5	15.2	15.5	15.8	15.5	15.8	15.4	15.7	16.1	15.7	15.8	15.5	15.8	16.1	15.8
Pacific	8.7	8.6	9.8	8.2	8.0	9.2	8.8	9.4	8.0	8.3	8.9	8.6	9.4	7.9	8.1	9.0	8.6
Total OECD	48.0	48.1	49.8	47.6	48.3	49.8	48.9	50.2	48.2	49.2	50.8	49.5	50.5	48.4	49.4	50.9	49.8
NON-OECD DEMAND																	
FSU	3.7	3.5	3.8	3.2	3.4	3.9	3.6	3.5	3.7	3.7	3.9	3.7	3.9	3.6	3.8	4.0	3.8
Europe	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
China	4.7	5.0	5.2	5.2	5.8	5.9	5.5	6.2	6.5	6.2	6.5	6.4	6.6	6.8	6.8	7.0	6.8
Other Asia	7.6	7.9	8.0	7.9	8.0	8.5	8.1	8.5	8.6	8.4	8.8	8.6	8.7	8.8	8.6	9.1	8.8
Latin America	4.9	4.8	4.5	4.7	4.8	4.9	4.7	4.7	4.9	5.0	5.0	4.9	4.8	5.0	5.1	5.1	5.0
Middle East	5.2	5.4	5.5	5.3	5.7	5.7	5.6	5.8	5.8	6.0	5.9	5.9	6.1	6.1	6.3	6.2	6.2
Africa	2.6	2.7	2.8	2.8	2.7	2.8	2.7	2.8	2.8	2.7	2.9	2.8	2.9	2.9	2.8	2.9	2.9
Total Non-OECD	29.3	29.9	30.6	29.7	31.1	32.3	30.9	32.3	32.9	32.7	33.8	32.9	33.8	33.9	34.0	35.0	34.2
Total Demand¹	77.3	77.9	80.4	77.3	79.4	82.1	79.8	82.4	81.1	81.9	84.4	82.5	84.3	82.4	83.4	85.9	84.0

OECD SUPPLY

North America	14.4	14.5	14.6	14.4	14.6	14.7	14.6	14.8	14.7	14.4	14.4	14.6	14.6	14.6	14.7	14.8	14.7
Europe	6.7	6.6	6.7	6.2	6.0	6.4	6.3	6.4	6.2	5.7	6.0	6.1	6.0	5.8	5.7	5.9	5.9
Pacific	0.8	0.8	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5
Total OECD	21.8	21.8	22.0	21.3	21.3	21.8	21.6	21.8	21.5	20.7	21.0	21.2	21.1	21.0	21.0	21.3	21.1

NON-OECD SUPPLY

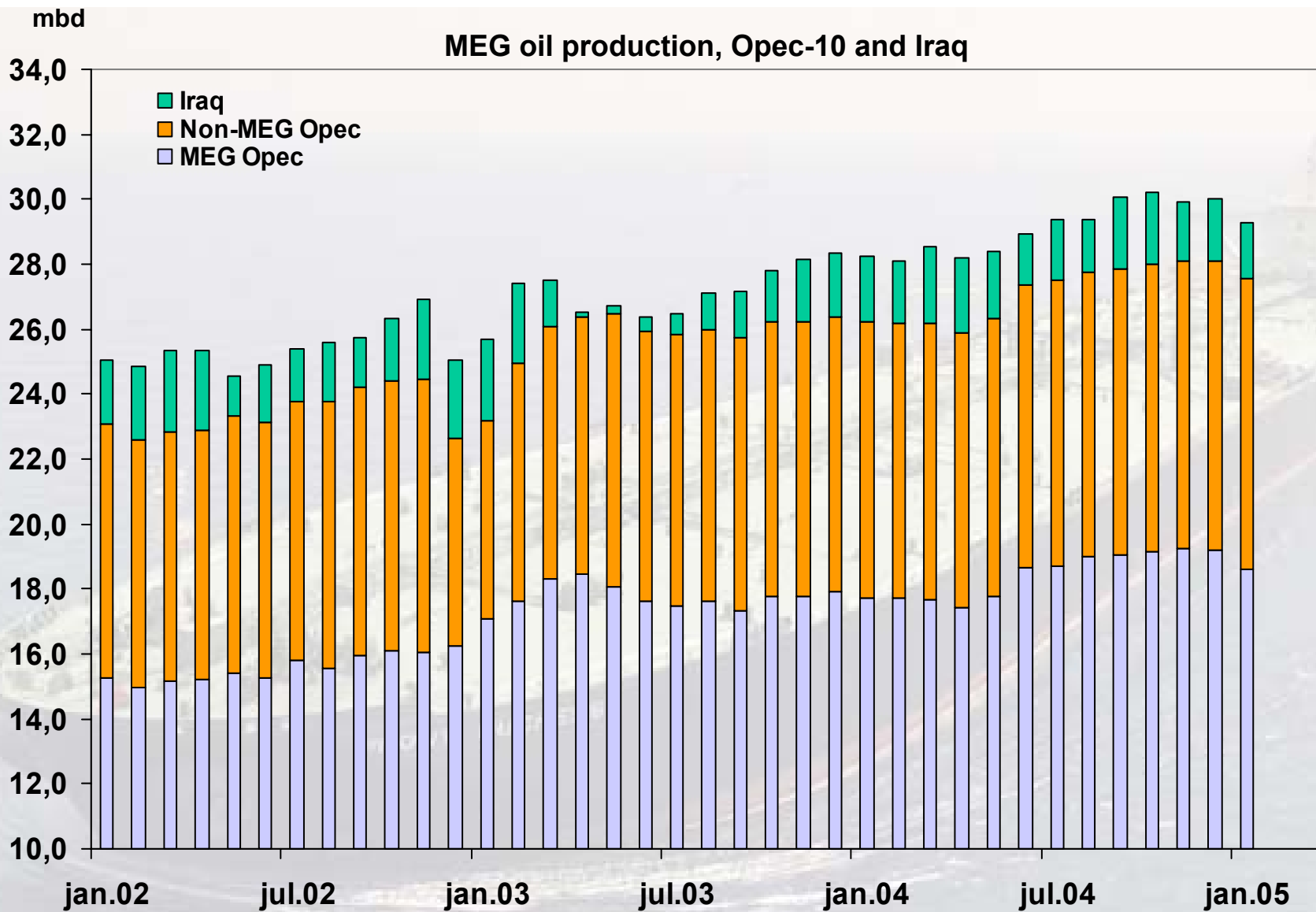
FSU	8.6	9.4	9.9	10.1	10.5	10.7	10.3	10.8	11.1	11.4	11.5	11.2	11.4	11.6	11.8	12.1	11.7
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.6	3.5	3.5	3.5	3.5
Other Asia	2.4	2.5	2.6	2.6	2.6	2.7	2.6	2.7	2.7	2.7	2.8	2.7	2.8	2.7	2.7	2.7	2.7
Latin America	3.8	4.0	4.0	3.9	4.0	4.1	4.0	4.0	4.0	4.1	4.1	4.0	4.2	4.3	4.3	4.3	4.3
Middle East	2.1	2.1	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.8	1.9	1.8	1.8	1.8	1.8	1.8
Africa	2.8	3.0	2.9	3.0	3.1	3.3	3.1	3.3	3.4	3.5	3.6	3.4	3.6	3.7	3.8	3.8	3.7
Total Non-OECD	23.2	24.5	25.1	25.3	25.7	26.3	25.6	26.4	26.7	27.2	27.5	26.9	27.6	27.8	28.1	28.3	27.9
Processing Gains ²	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.9	1.8	1.9	1.9	1.8	1.9	1.9
Total Non-OPEC	46.8	48.1	48.9	48.3	48.8	49.9	49.0	50.0	50.0	49.7	50.3	50.0	50.5	50.6	50.9	51.5	50.9

OPEC

Crude ³	27.0	25.1	26.7	26.1	26.6	27.6	26.8	27.9	28.1	29.2	29.6	28.7					
NGLs	3.4	3.7	3.5	3.9	4.0	4.2	3.9	4.3	4.3	4.3	4.4	4.3	4.7	4.7	4.8	4.9	4.8
Total OPEC	30.4	28.8	30.2	30.0	30.6	31.8	30.7	32.2	32.3	33.5	34.0	33.0					
Total Supply⁴	77.2	76.9	79.1	78.3	79.4	81.7	79.6	82.2	82.3	83.2	84.3	83.0					

Source: IEA Report 10 Feb., 2005

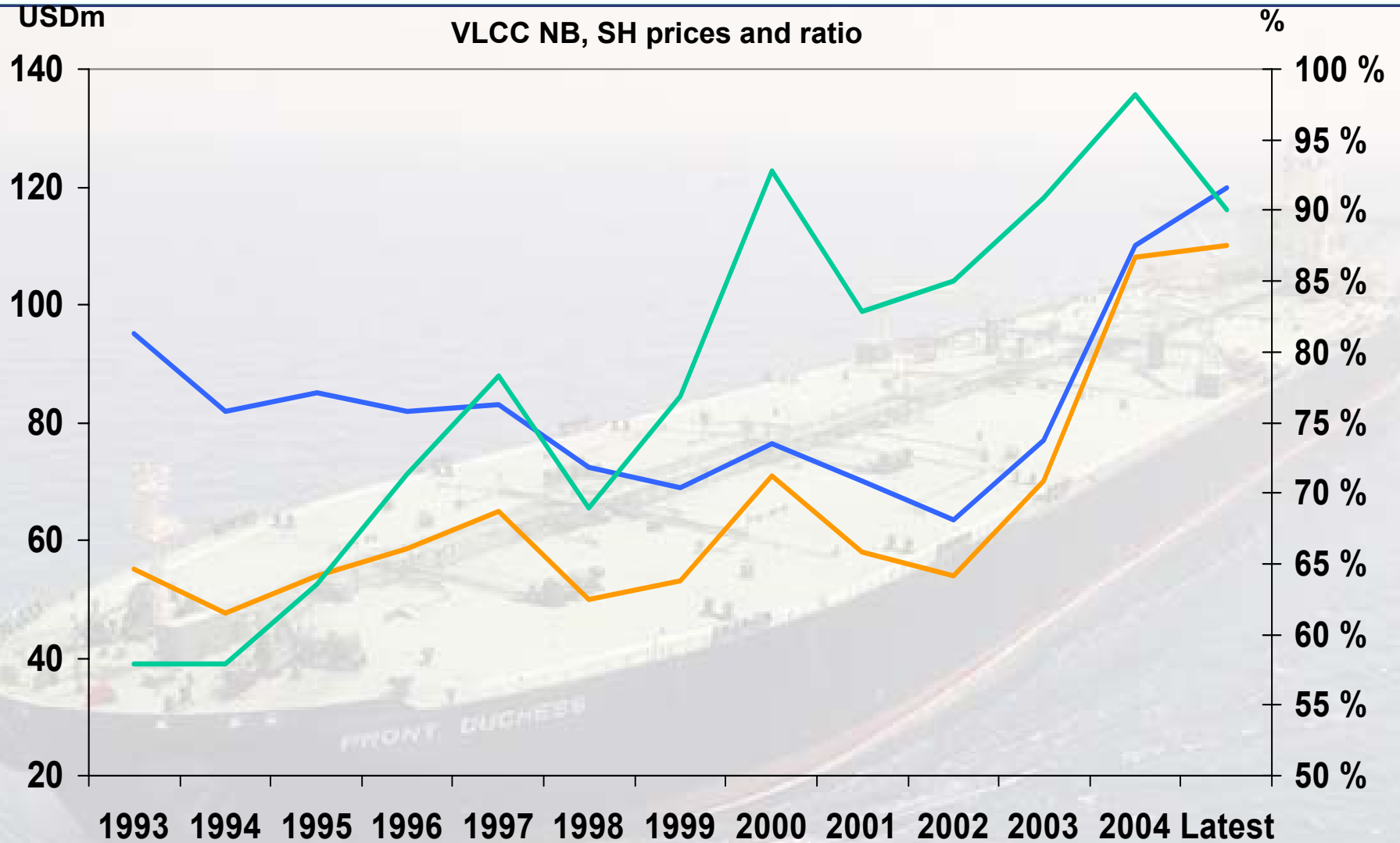
MEG Opec vs. Non-MEG Opec and Iraq



MEG-Opec; Saudi Arabia, Iran, Kuwait, UAE, Qatar, Neutral Zone

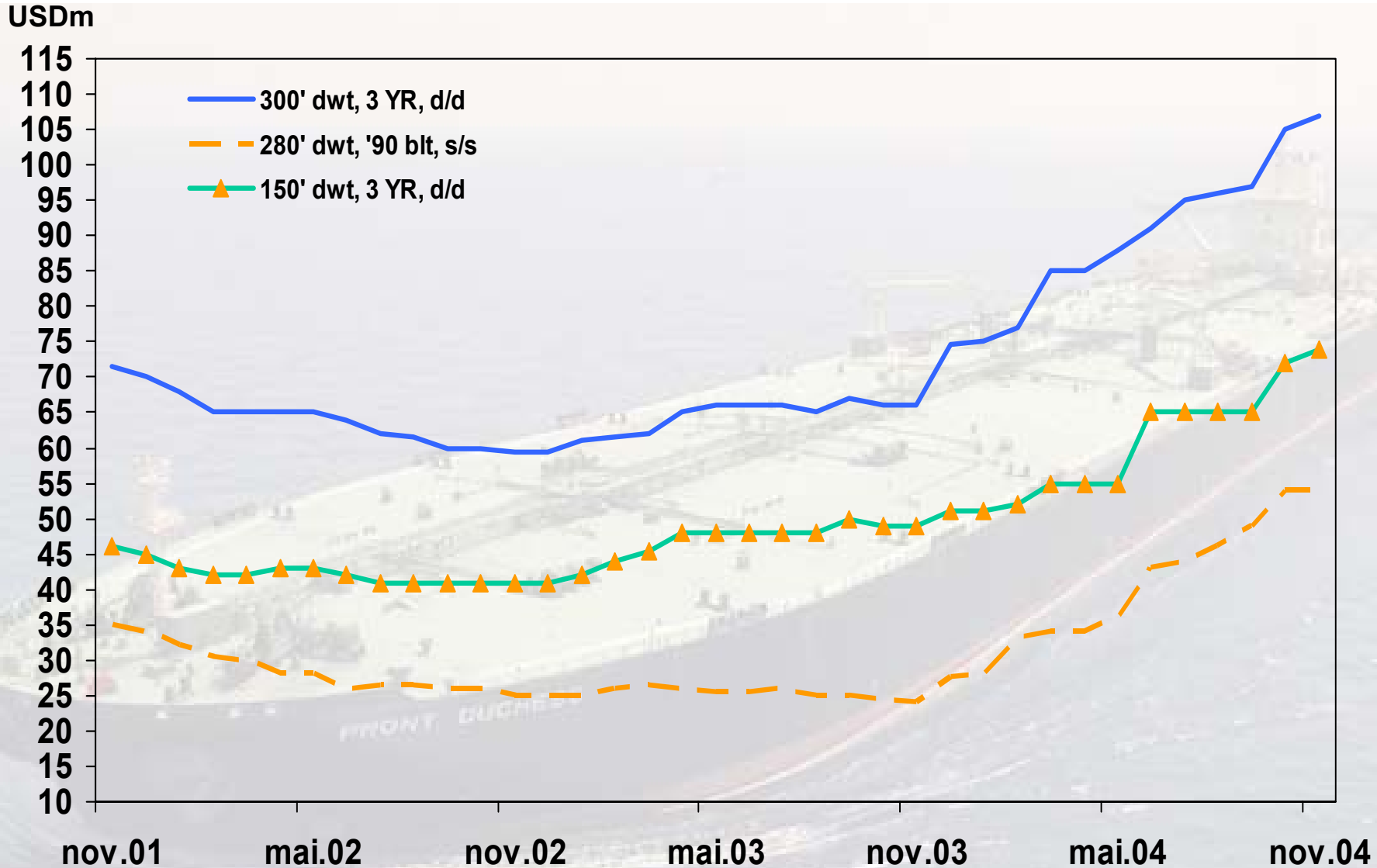
Source: IEA

Trends in tanker values



— Newbuilding (I.s.) — 5 year old (I.s.) — SH/NB ratio (r.s.)

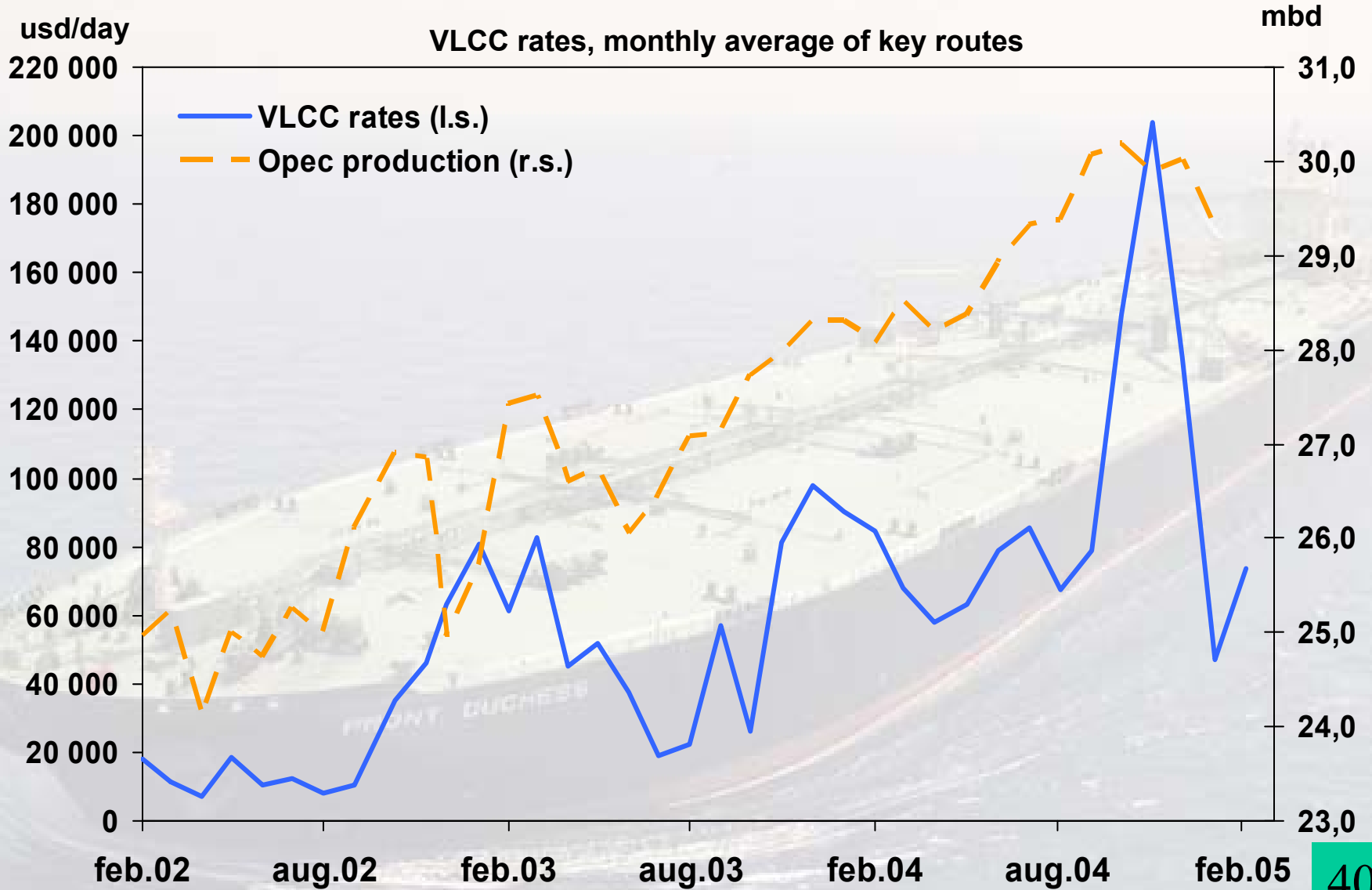
Tanker price trends



Source: Bassøe, monthly report

Values based on Buyers' assumed highest cash price dependent on spec. and condition

Opec production vs. VLCC rates



40

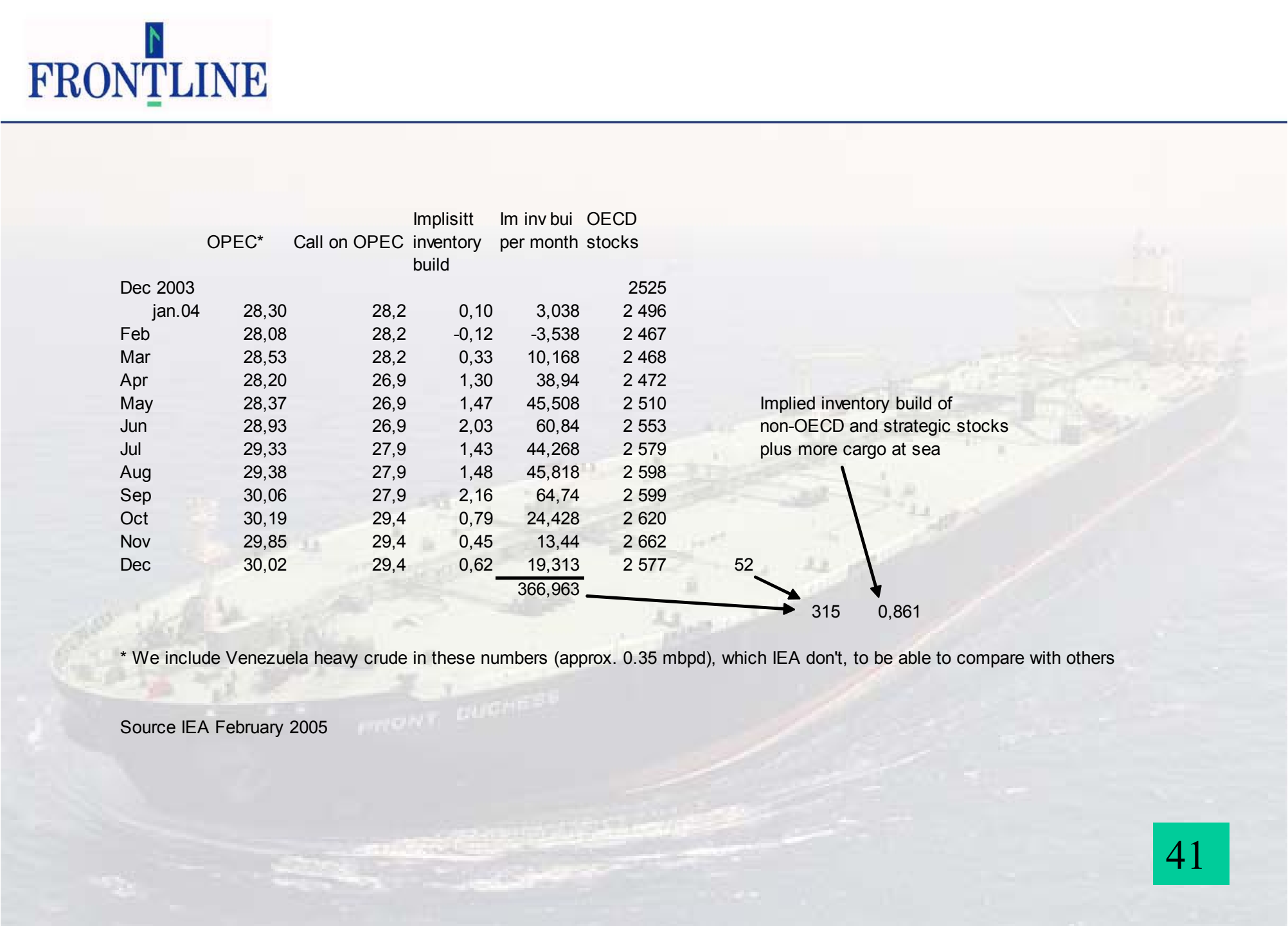
	OPEC*	Call on OPEC	Implisitt inventory build	Im inv bui per month	OECD stocks	
Dec 2003					2525	
Jan.04	28,30	28,2	0,10	3,038	2 496	
Feb	28,08	28,2	-0,12	-3,538	2 467	
Mar	28,53	28,2	0,33	10,168	2 468	
Apr	28,20	26,9	1,30	38,94	2 472	
May	28,37	26,9	1,47	45,508	2 510	
Jun	28,93	26,9	2,03	60,84	2 553	
Jul	29,33	27,9	1,43	44,268	2 579	
Aug	29,38	27,9	1,48	45,818	2 598	
Sep	30,06	27,9	2,16	64,74	2 599	
Oct	30,19	29,4	0,79	24,428	2 620	
Nov	29,85	29,4	0,45	13,44	2 662	
Dec	30,02	29,4	0,62	19,313	2 577	
				<u>366,963</u>		

Implied inventory build of non-OECD and strategic stocks plus more cargo at sea

52

315

0,861



* We include Venezuela heavy crude in these numbers (approx. 0.35 mbpd), which IEA don't, to be able to compare with others

Source IEA February 2005