




**Presentation of
Q1 2005 results,
May 31, 2005**

Agenda

- 
- A large red oil tanker ship is shown from an aerial perspective, moving through the ocean. The ship is leaving a white wake behind it. The text of the agenda is overlaid on the left side of the image.
- **Main events Q1 2005 and Q2 2005**
 - **Corporate financial status**
 - **Market update – outlook**
 - **Other**

Main events Q1 2005 / Q2 2005

- A dividend of USD 3.50 per share for Q4 2004 was paid out in March 2005,
- Partial spin-offs of 25% and 10% in SFL to existing FL shareholders in January 2005 and March 2005, respectively,
- 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 was exercised in similar manner in March 2005,
- BP COA cancelled in January 2005,
- Sale of Front Fighter in January 2005,
- Purchase and sale of General Maritime shares in Q1 2005 / Q2 2005,
- Agreed sale of Cos Hero, to be delivered in Q3 2005,

Main events Q1 2005 / Q2 2005

- Frontline has chartered out a further three single hull VLCCs in Q1 2005/ Q2 2005, for a period that will cover the remaining life of the vessels until IMO's single hull ban comes into effect in 2010. A total of five single hull VLCCs are chartered out on this basis.
- Frontline to take on a further two VLCCs from Ship Finance in Q2 2005.
- In January 2005, Ship Finance exercised its option to acquire the VLCC Oscilla from an unrelated third party and the vessel was delivered in April and renamed Front Scilla,
- Ship Finance sells three Suezmax tankers, Front Lillo, Front Emperor and Front Spirit, for a total consideration of USD 92.0 million. The vessels will be delivered to the buyers within the next few weeks. At the same time the time charter arrangements between Ship Finance and Frontline will be cancelled.
- Concurrently, Frontline will sell three similar vessels to Ship Finance for an aggregate price of USD 92.0 million. These vessels are the Suezmax tankers, Front Traveller, Front Transporter and Front Target. Frontline will charter back these vessels on similar terms to the contracts that are being cancelled on the three vessels being sold by Ship Finance.

Accounting issues

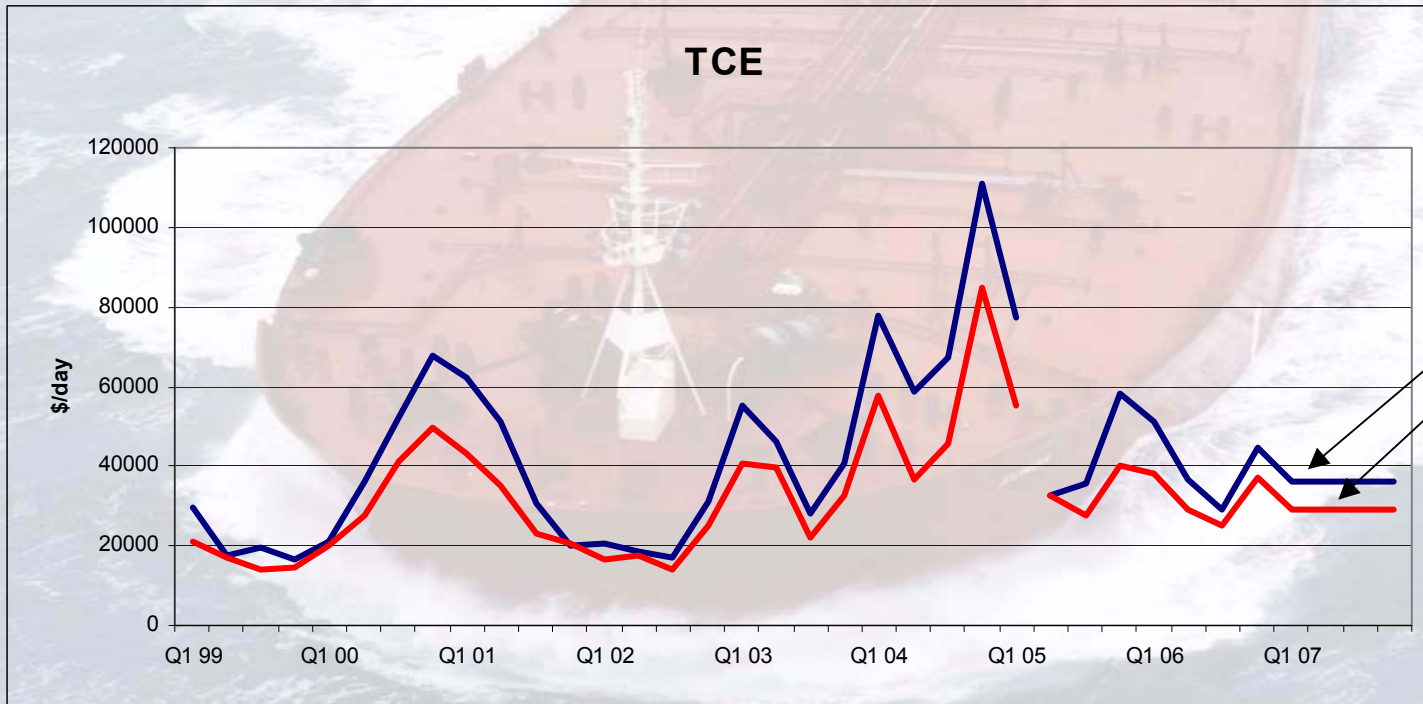
- Consolidation of Ship Finance into Frontline
- Gain on sale of GOGL shares
- 3 VLCCs from German KGs – refinancing
- Sale of 3 Suezmaxes

Profit & Loss

INCOME STATEMENT <i>(in thousands of \$)</i>	2005 Jan-Mar	2004 Jan-Mar <i>(restated)</i>	2004 Jan-Dec
Total operating revenues	460,624	444,488	1,856,428
Gain from sale of assets	28,528	244	19,574
Voyage expenses	84,464	81,665	361,609
Ship operating expenses	40,743	30,163	130,395
Charter hire expenses	1,118	11,756	39,302
Administrative expenses	5,155	7,254	26,516
Depreciation	48,405	44,545	181,274
Total operating expenses	179,885	175,383	739,096
Operating income	309,267	269,349	1,136,906
Interest income	8,690	7,962	31,595
Interest expense	(61,082)	(53,635)	(205,641)
Share of results from associated companies	1,930	2,863	10,553
Other financial items	20,401	(12,639)	3,566
Foreign currency exchange gain (loss)	6,998	(3,396)	(5,378)
Income before discontinued operations, taxes and minority interest	286,204	210,504	971,601
Minority interest	(18,399)	-	(64,995)
Taxes	-	-	(178)
Discontinued operations	11,864	3,929	116,954
Net income	279,669	214,433	1,023,382
Earnings per Share (\$)			
EPS from continuing operations	\$3.58	\$2.86	\$12.22
EPS	\$3.74	\$2.91	\$13.79

Income on time charter basis

	Q1 2005	Q1 2004	2004
VLCC, spot , T/C and B/B vessels	77 500	74 900	78 000
VLCC, spot	85 083	83 515	83 848
VLCC, T/C and B/B vessels	57 732	35 936	58 460
Suezmax	55 200	59 100	57 900
Suezmax OBO	35 800	26 100	27 900

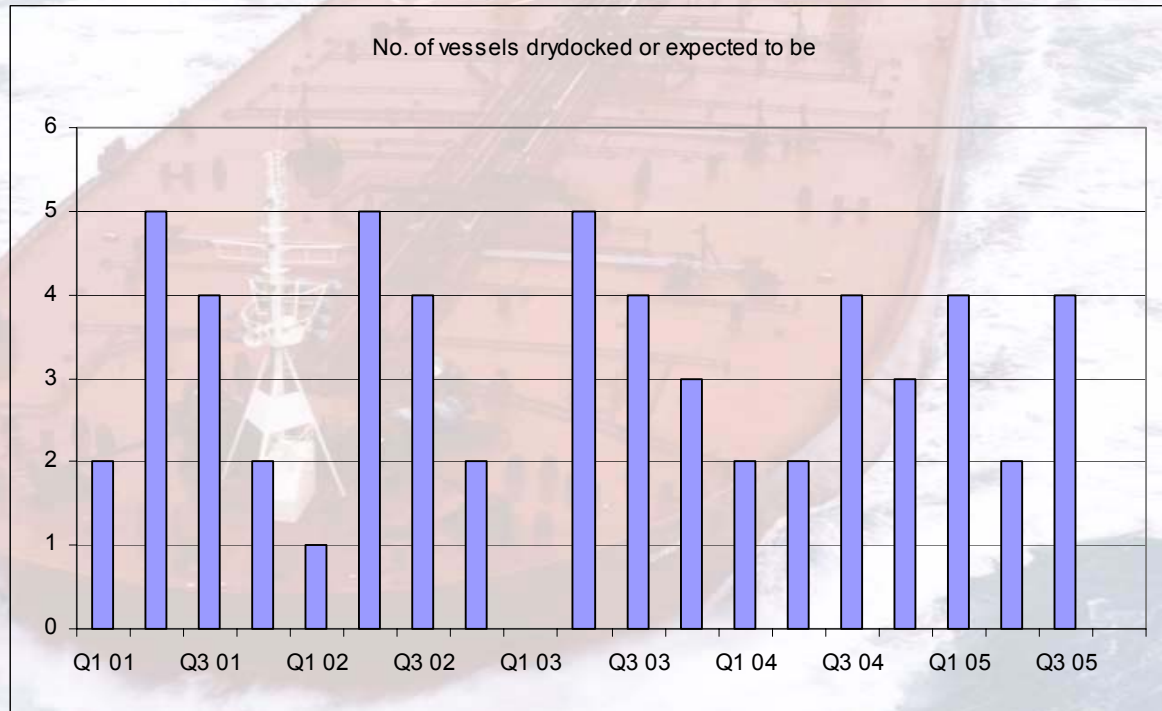


Imarex forward curve as of 27.05.05 for the period 2005-2007

Ship operating expenses (USD/day)

Q1 2005 2004

Total fleet	7 673	5 579
Off hire (days)	117	331



Total expenses



USD million	Q1 2005	Q1 2004	2004
Voyage expenses	84,5	81,7	361,6
Ship operating expenses	40,7	30,2	130,4
Charterhire expenses	1,1	11,8	39,3
Administrative expenses	5,2	7,3	26,5

Balance sheet

BALANCE SHEET <i>(in thousands of \$)</i>	2005 Mar 31	2004 Mar 31	2004 Dec 31
ASSETS			
<i>Short term</i>			
Cash and cash equivalents	193,979	285,325	105,702
Restricted cash	589,578	571,858	592,607
Other current assets	357,321	229,070	456,595
<i>Long term</i>			
Newbuildings and vessel purchase options	24,231	8,370	24,231
Vessels and equipment, net	2,397,147	2,316,654	2,254,361
Vessels under capital lease, net	707,346	753,580	718,842
Investment in finance leases	107,727	120,958	107,664
Investment in associated companies	22,414	12,888	22,955
Deferred charges and other long-term assets	53,894	42,829	55,803
Total assets	4,453,637	4,341,532	4,338,760
LIABILITIES AND STOCKHOLDERS' EQUITY			
<i>Short term</i>			
Short term interest bearing debt	167,903	138,763	151,614
Current portion of obligations under capital leases	22,906	20,446	21,498
Other current liabilities	147,437	107,431	166,320
<i>Long term</i>			
Long term interest bearing debt	2,112,439	2,115,341	1,990,131
Obligations under capital leases	725,720	748,718	732,153
Other long term liabilities	24,770	65,643	30,346
Minority interest	545,381	-	328,730
Stockholders' equity	707,081	1,145,190	917,968
Total liabilities and stockholders' equity	4,453,637	4,341,532	4,338,760

JPY exposure and interest exposure of total debt and capital leases as per 31.05.2005 (in thousands of USD)

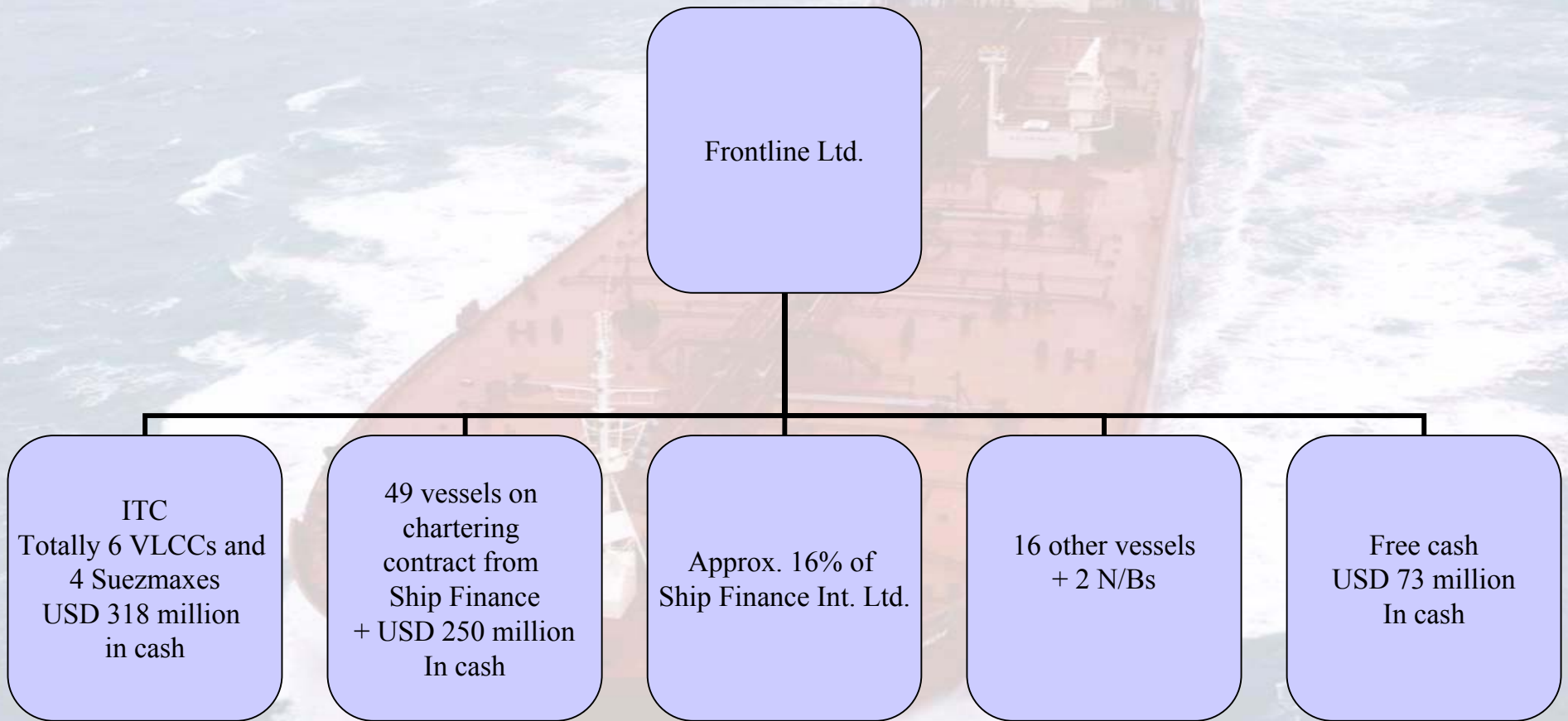
Yen denominated debt/capital leases	146 932
Floating debt	561 128
Total debt/capital leases	3 028 967
Yen exchange rate 31.03.05	107.55

Cash breakeven rates (USD / day)



<u>After spin-off of SFL:</u>	<u>All vessels</u>	<u>Spot vessels</u>
VLCC	27 565	24 335
Suezmax	20 850	12 544
Suezmax OBO	20 497	

What is Frontline now?



Short term

- Yard capacity limits newbuilding
- Limited scrapping

Phase-out

	Ex.	2005	2006	2007	2008	2009	2010
VLCC	454	3	1	2	1	3	155
SMAX	311	2	3	2	5	1	48

Long term

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

Orderbook

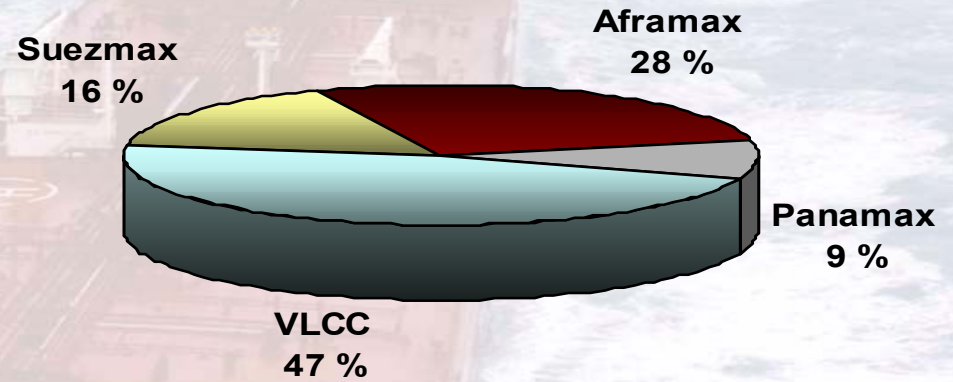
	Rest 2005	2006	2007	2008	2009
VLCC	18	19	27	13	5
SMAX	15	26	24	3	-

- Expected continued growth in world demand in 2005 (IEA: +1,8 mb/d)
- OPEC to raise production quotas with 0,5 mb/d as per March meeting - another increase in June?
- Increased ton miles due to great demand for sweet crudes combined with declining production in North Sea and Alaska and halted Russian growth (and what will Chavez do?)
- Higher oil prices still have not shown significant impact on GDP growth or consumption
- Global driving and air condition season ahead

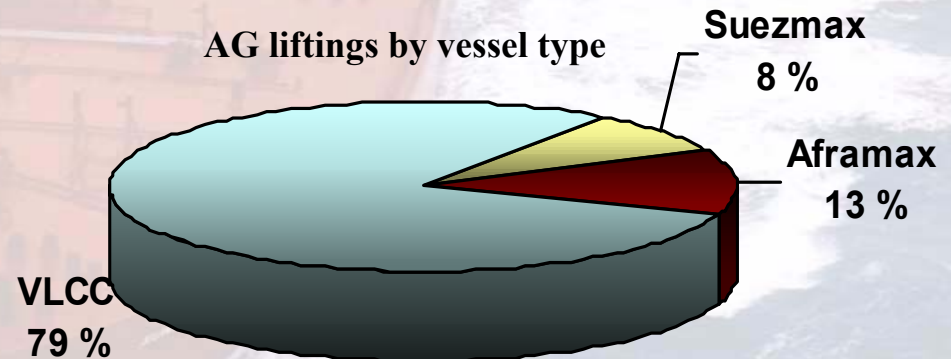
The extra barrels from OPEC

- Two thirds of seaborne crude transportation lifted on VLCCs and Suezmaxes
- Share close to 90% in AG
- Increased production will first of all benefit VLCCs

Crude Oil Seaborne trade by vessel type



AG liftings by vessel type



World inventories

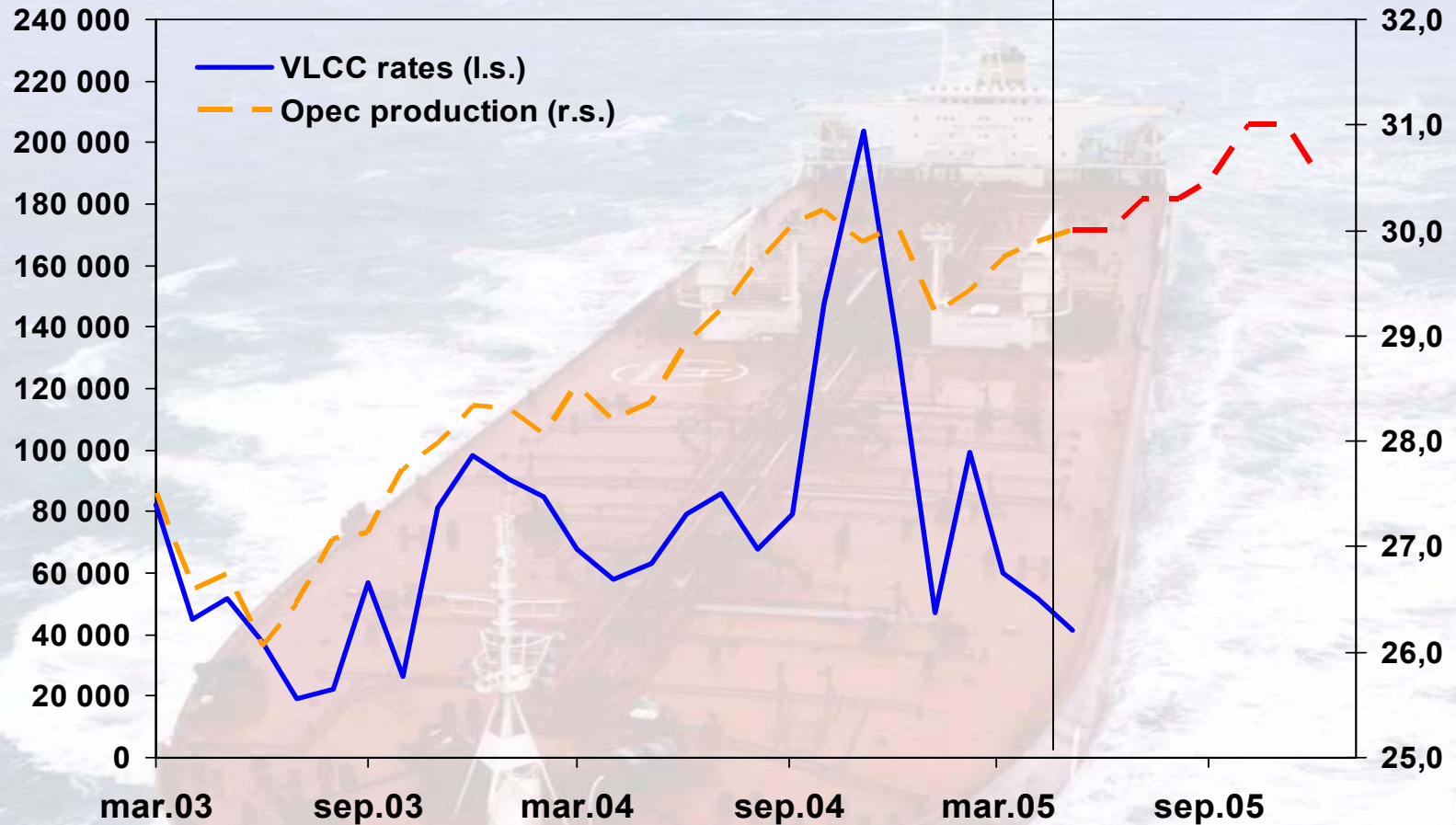
Even IEA now estimates world inventory build last 27 months to only 137 mbbls!!!!

$$= 0.0 \times 365 + 0.5 \times 365 + (-0.5) \times 90$$

IEA	2003	Annual change	04Q1	04Q2	04Q3	04Q4	2004	Annual change	05Q1	05Q2	05Q3	05Q4	2005	Annual change
Demand	79.7	1.76	82.4	81.5	81.8	84.4	82.5	2.79	84.3	83.0	83.8	86.1	84.3	1.78
OECD demand	48.9	0.80	50.2	48.2	49.2	50.7	49.6	0.70	50.7	48.6	49.6	51.0	50.0	0.40
non-OECD demand	30.9	0.96	32.2	33.3	32.7	33.7	33.0	2.09	33.6	34.5	34.2	35.1	34.3	1.38
Non-OPEC supply	49.0	0.93	50.1	50.1	49.8	50.3	50.1	1.03	50.3	50.7	51.1	52.0	51.0	0.96
non-OPEC excluding FSU	38.7	0.02	39.3	39.0	38.4	38.8	38.9	0.16	38.9	39.1	39.3	40.0	39.3	0.43
FSU	10.3	0.91	10.8	11.1	11.4	11.5	11.2	0.87	11.4	11.6	11.8	12.0	11.7	0.53
OPEC NGLs/condensates	3.9		4.3	4.3	4.3	4.4	4.3		4.7	4.7	4.8	4.9	4.8	
Call on OPEC crude and stocks	26.8	0.60	28.1	27.1	27.7	29.7	28.2	1.40	29.3	27.7	27.8	29.2	28.5	0.30
OPEC crude	26.8	1.67	27.9	28.1	29.1	29.5	28.7	1.89	28.8	-	-	-	-	
Stockbuild	0.0		-0.1	1.0	1.4	-0.2	0.5		-0.5					

OECD has built 220 mbbls, leaving rest of the world with 83mbbls LESS, at a time when they have increased demand with 3 mbbls pd!!!

Opec and tankers: Seasonal low?

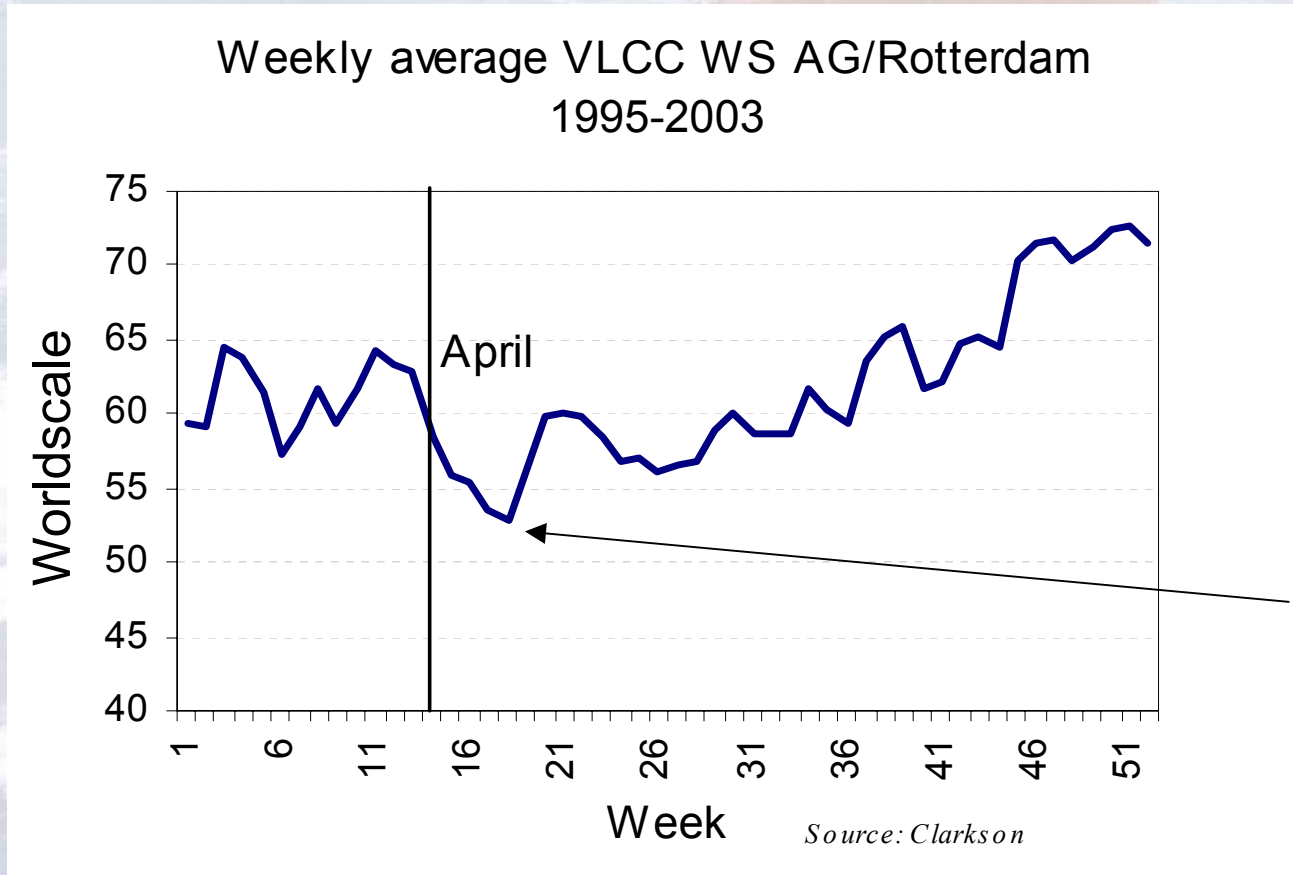


- Refinery maintenance in combination with increased number of vessels and draw on inventories in Q1.

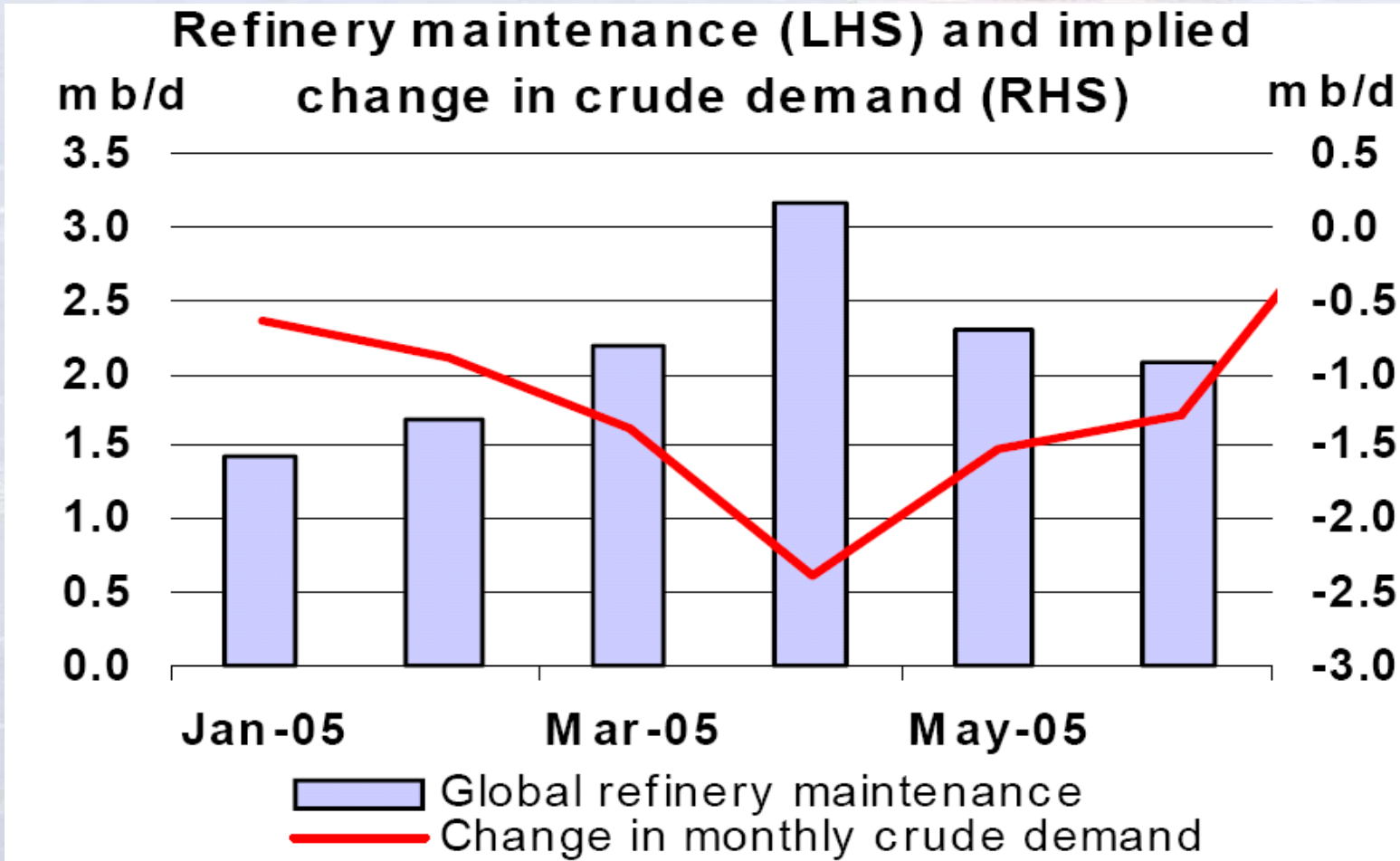
Source: IEA/Bassøe

Seasonality in VLCC Spot rates

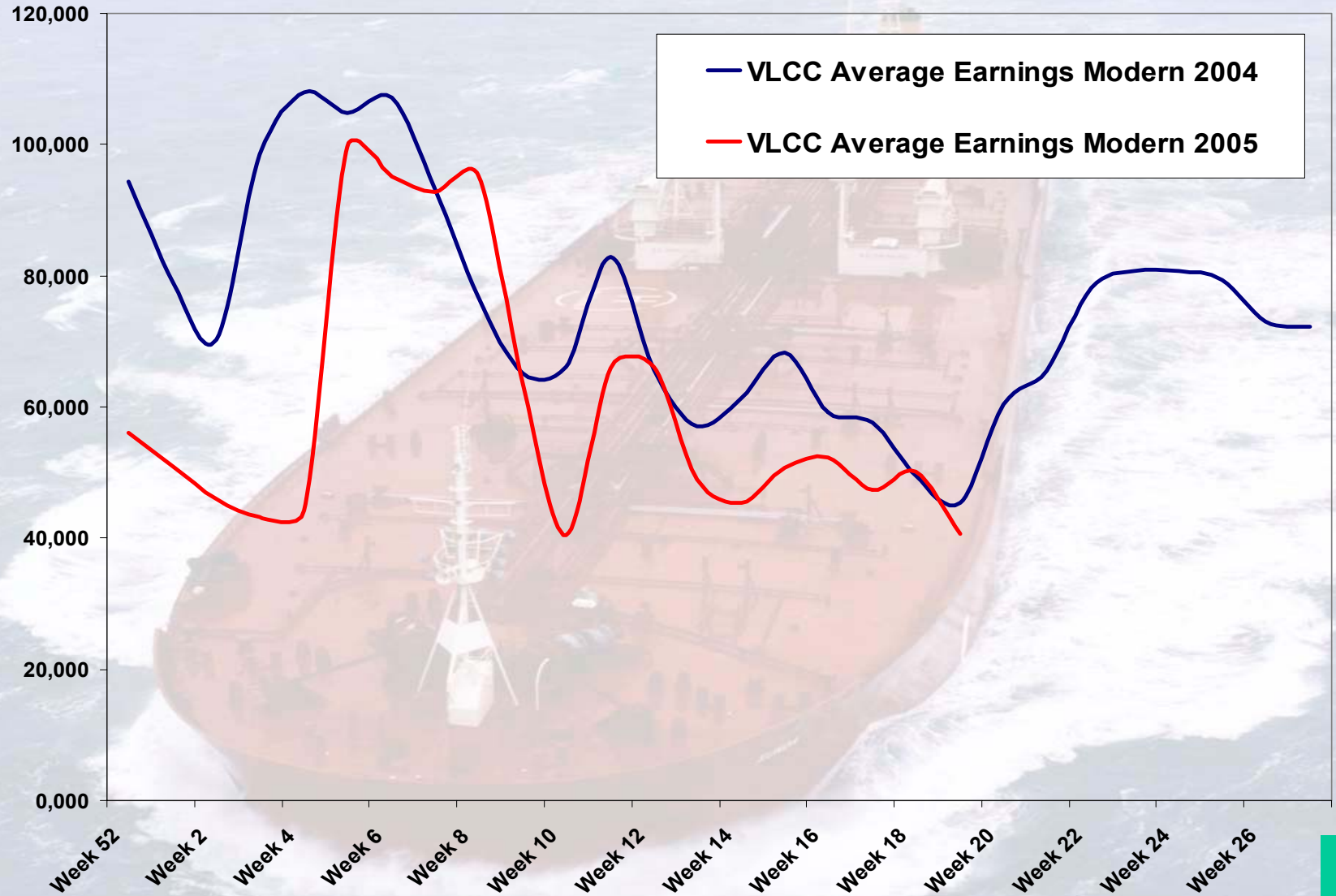
1995-2003 average (9 years)



Refinery runs and demand



Same procedure as last year...?



To summarise...

- Somewhat increased inventories
- Refinery maintenance reduces demand
- Continued strong growth in oil demand
- Seasonal peaks ahead – driving and a/c season, heating.



HIGH VOLATILITY AT HIGH LEVELS



Appendixes

Dividend history

Cash \$ per share

Q2 2005	3,10	
Q1 2005	3,50	6,60
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

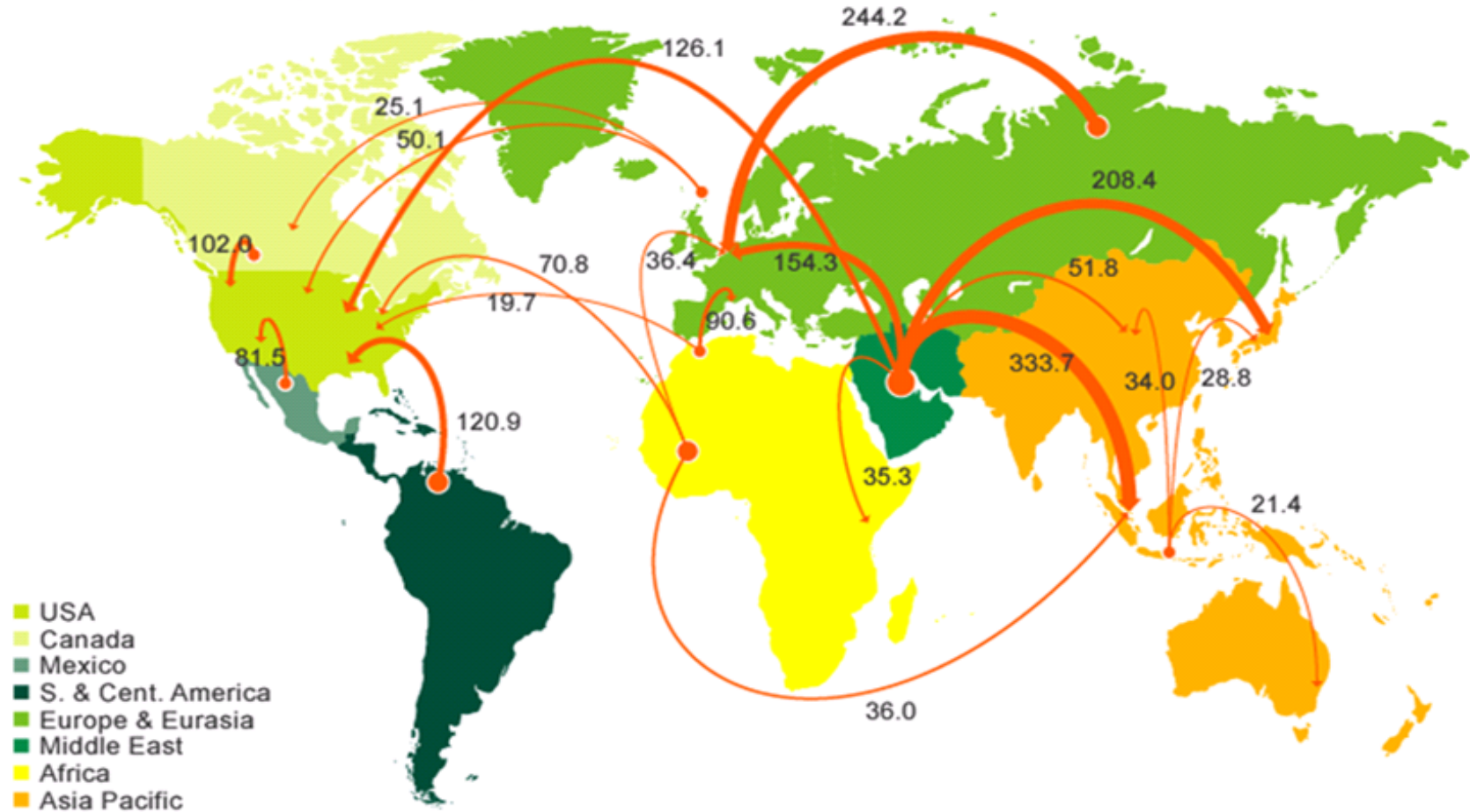
Spinoff	Company	\$ per share
Q1 2005	Ship Finance	7,89
Q4 2004	Golden Ocean	1,80
Q4 2004	Ship Finance	3,40
Q3 2004	Ship Finance	1,75
Q2 2004	Ship Finance	3,69
	Value at distribution	18,5
	Value per today	17,5

Balance sheet ITC

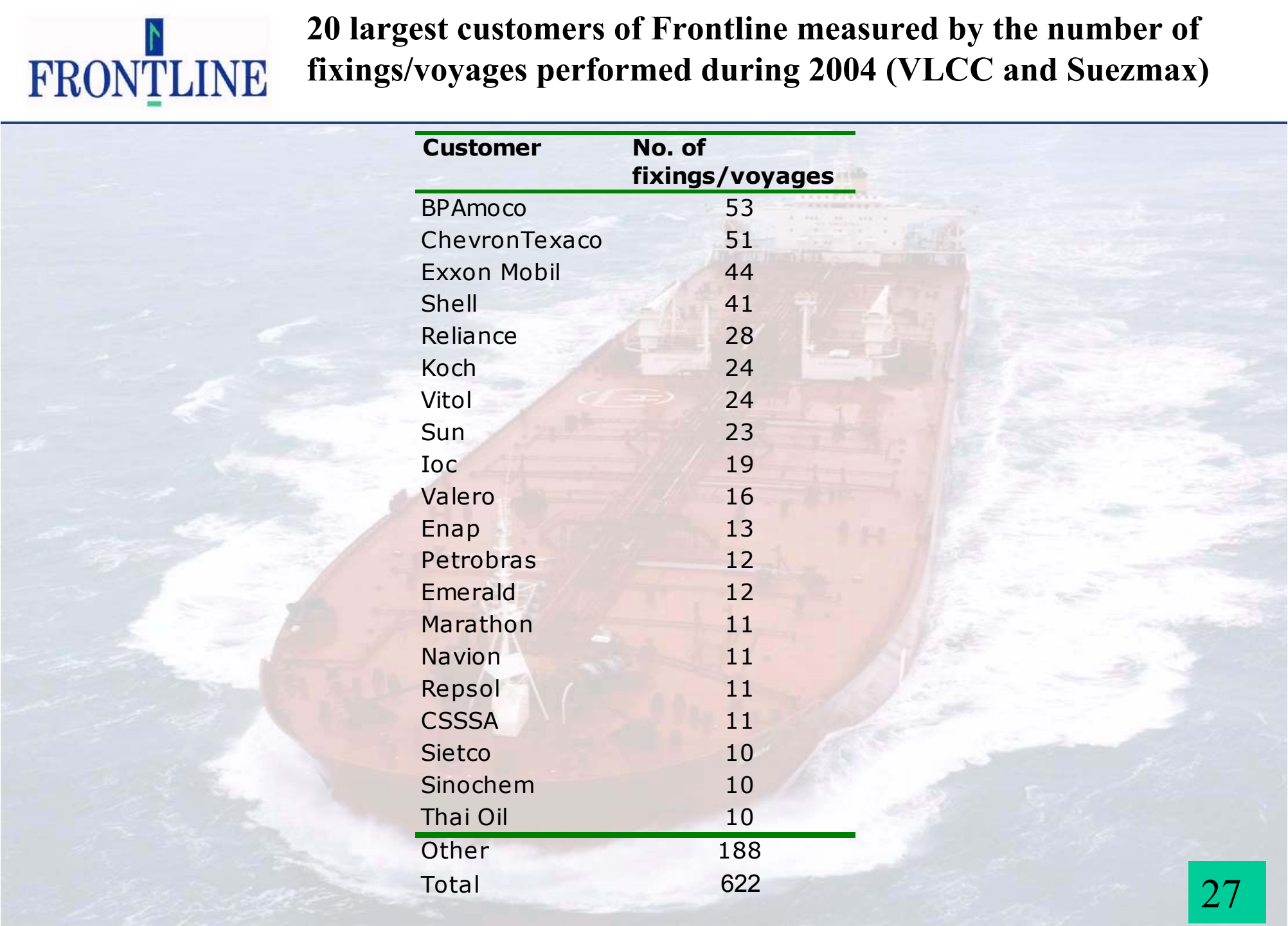
BALANCE SHEET <i>(in thousands of \$)</i>	2005 March 31	2004 March 31
ASSETS		
<i>Short term</i>		
Cash and cash equivalents	8 743	9 608
Restricted cash	309 623	306 995
Other current assets	16 088	21 434
<i>Long term</i>		
Vessels and equipment, net	150 304	139 415
Vessels under capital lease, net	289 091	302 163
Investment in finance leases	92 987	120 958
Deferred charges and other long-term assets	6 327	7 269
Total assets	873 163	907 842
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>Short term</i>		
Short term interest bearing debt	35 782	38 305
Other current liabilities	22 952	24 038
<i>Long term</i>		
Long term interest bearing debt	522 333	558 115
Obligations under capital leases	295 216	295 506
Stockholders' equity	-3 121	-8 122
Total liabilities and stockholders' equity	873 162	907 842

Major oil trade movements

Trade flows worldwide (million tonnes)



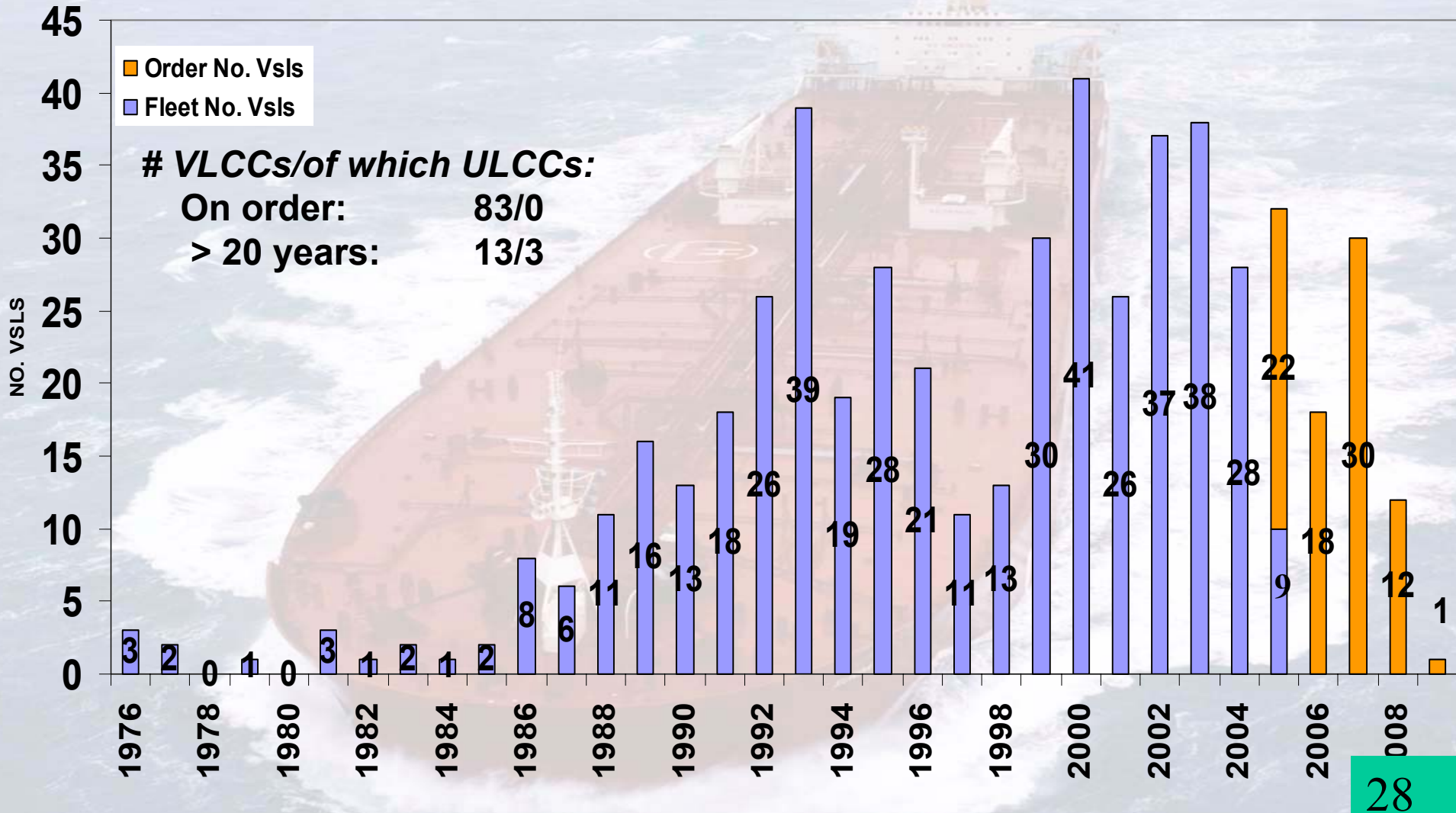
20 largest customers of Frontline measured by the number of fixings/voyages performed during 2004 (VLCC and Suezmax)



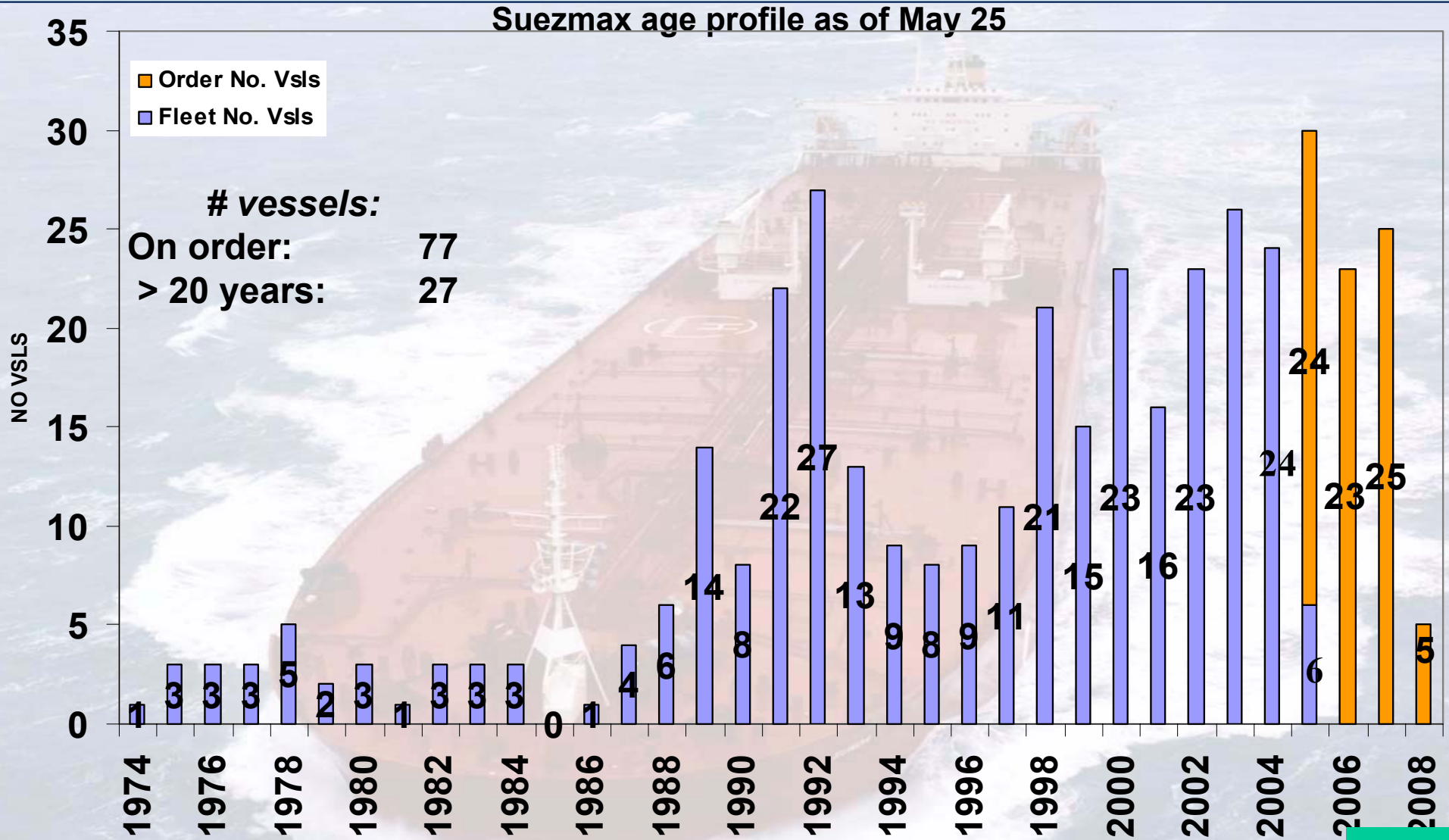
Customer	No. of fixings/voyages
BPAmoco	53
ChevronTexaco	51
Exxon Mobil	44
Shell	41
Reliance	28
Koch	24
Vitol	24
Sun	23
Ioc	19
Valero	16
Enap	13
Petrobras	12
Emerald	12
Marathon	11
Navion	11
Repsol	11
CSSSA	11
Sietco	10
Sinochem	10
Thai Oil	10
Other	188
Total	622

VL/ULCC fleet - age profile

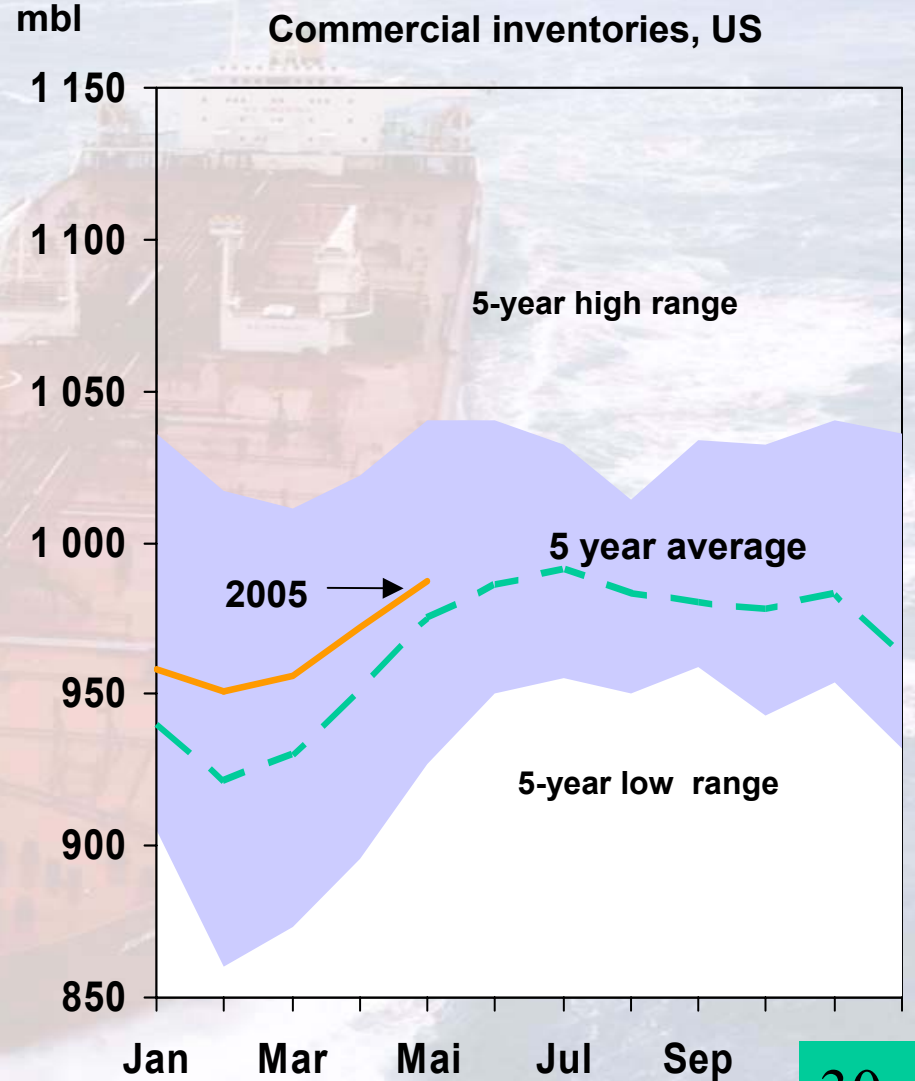
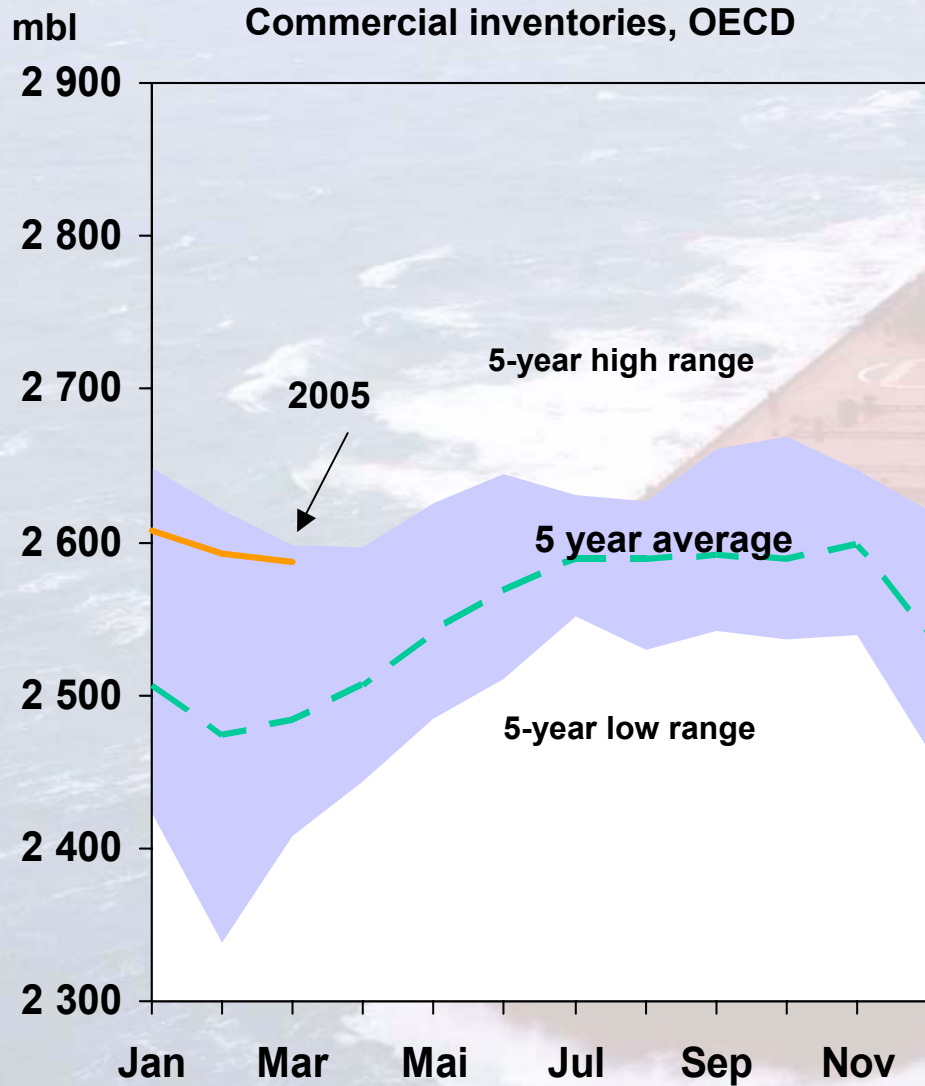
VL/ULCC age profile as of May 25



Suezmax fleet – age profile

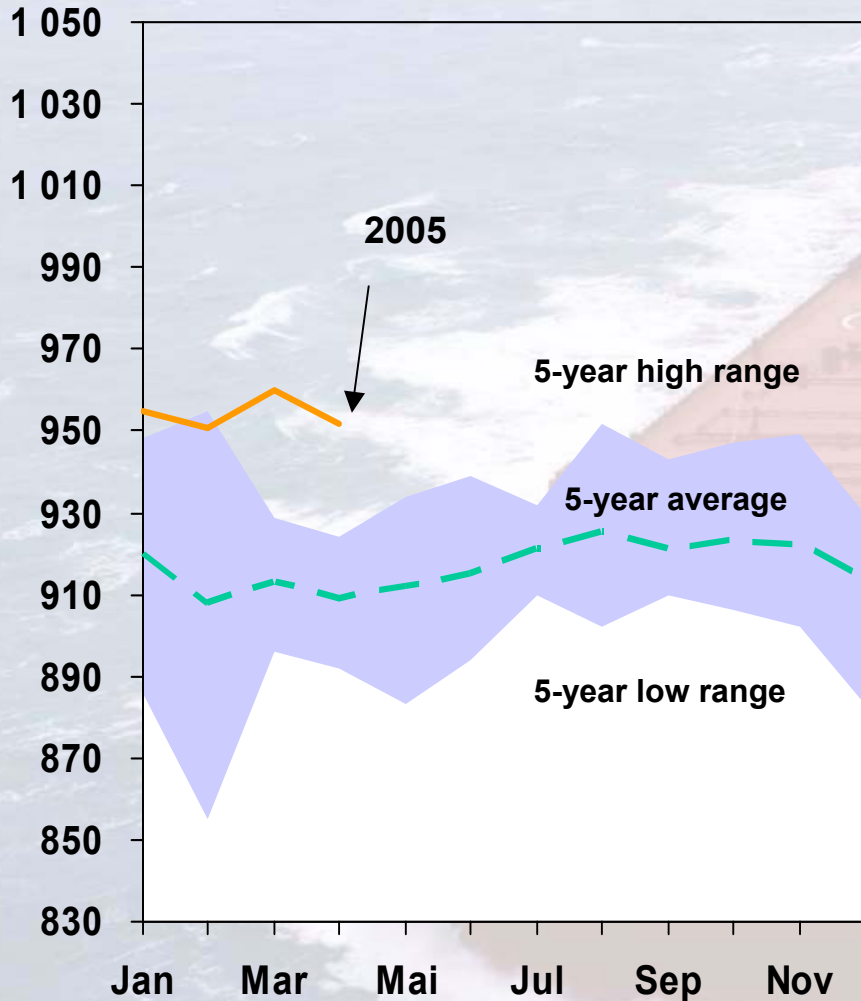


Oil inventories – OECD & US

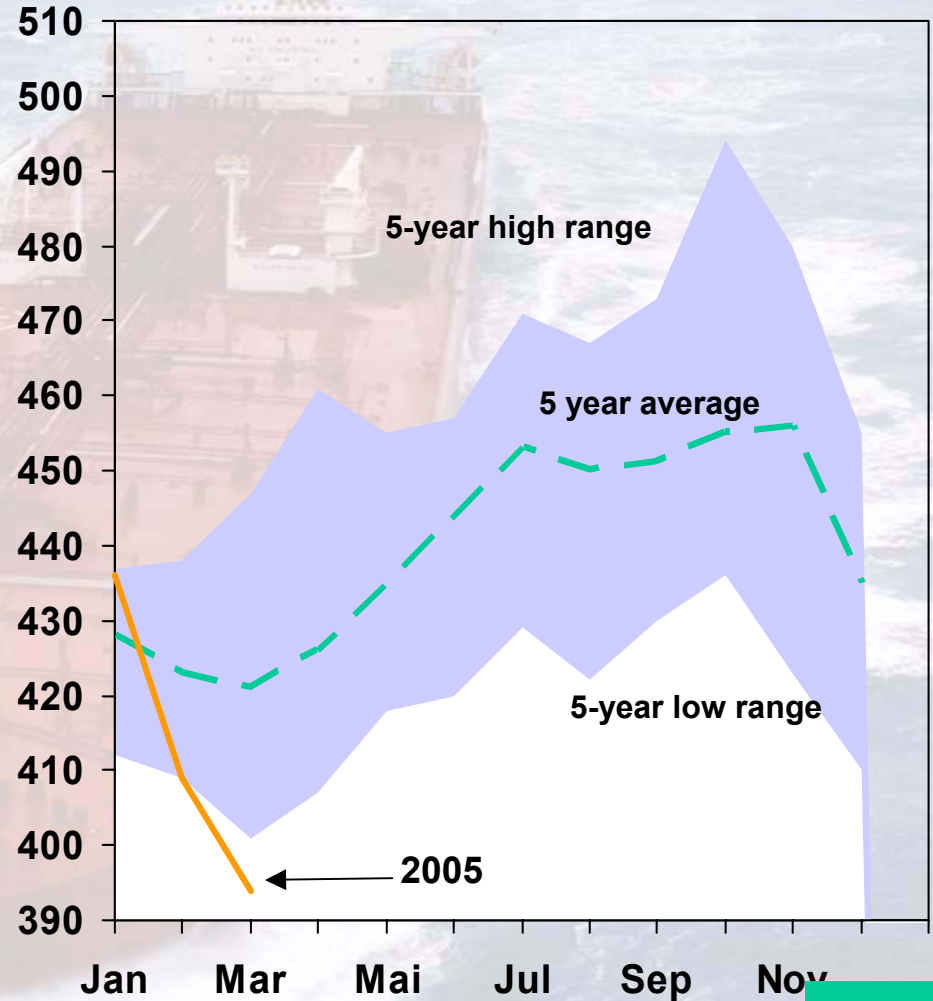


Oil inventories – Europe and Asia

Commercial inventories, OECD Europe



Commercial inventories, OECD Asia



OPEC-10: Production vs. quotas

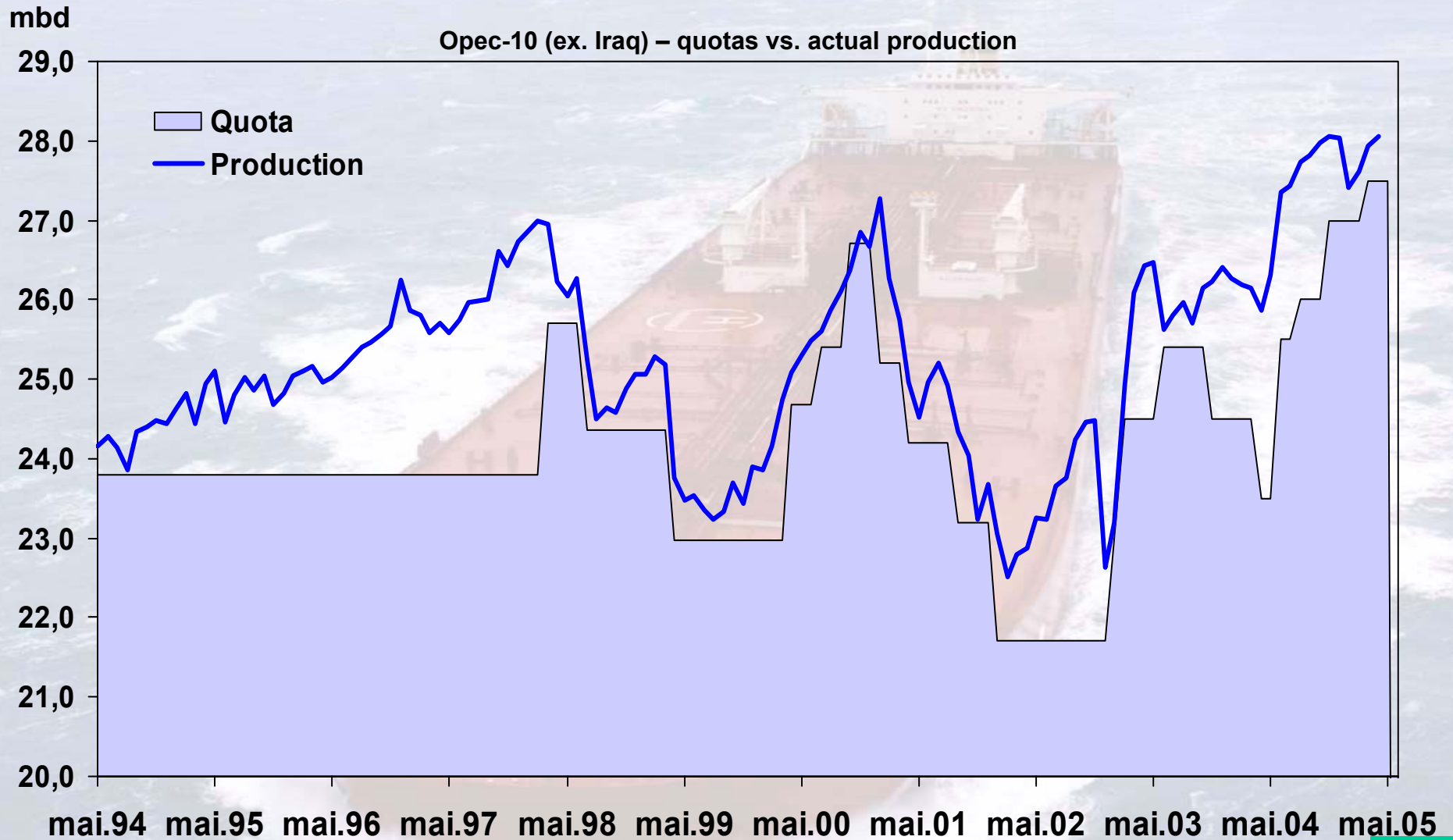


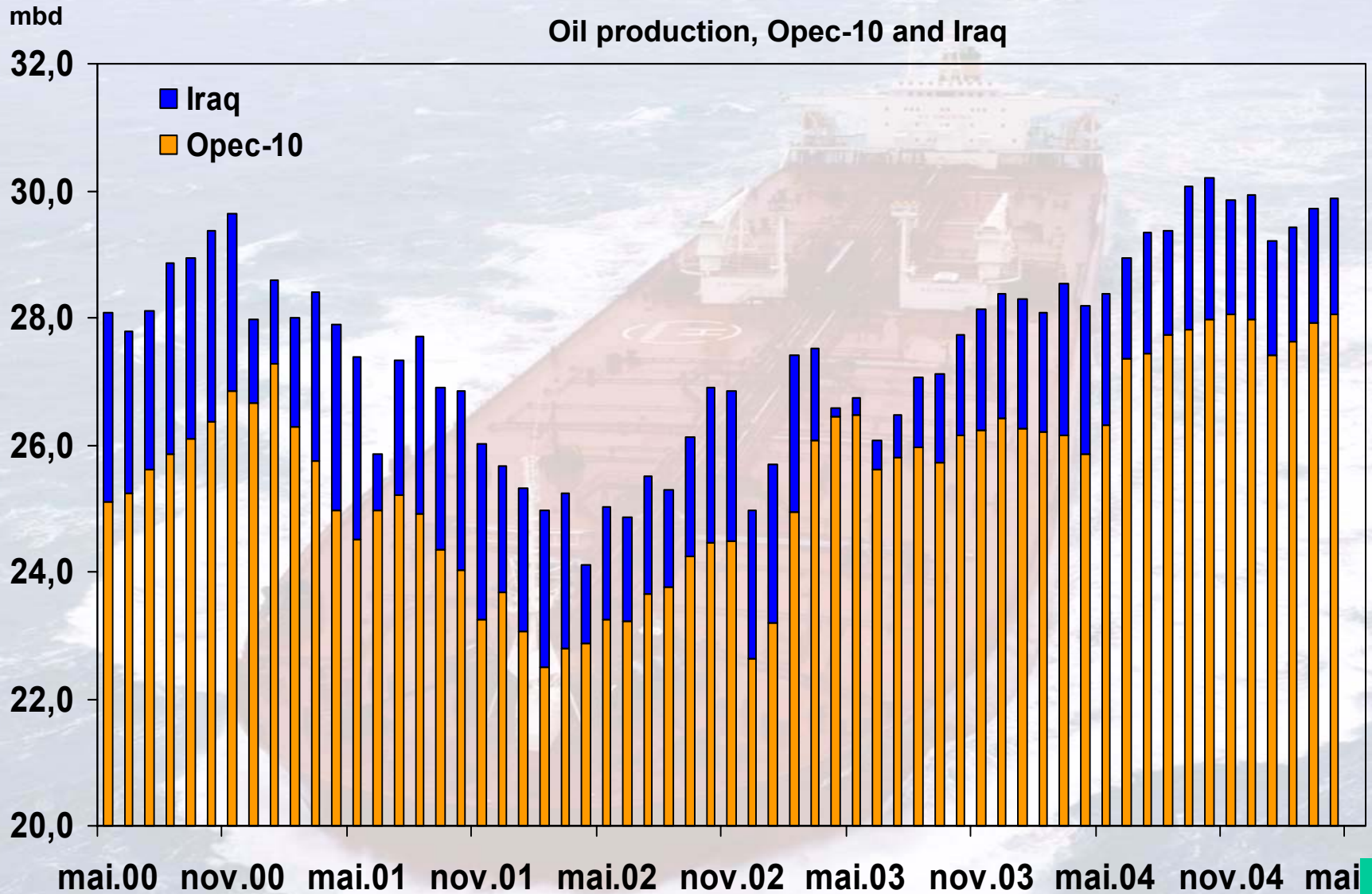
Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

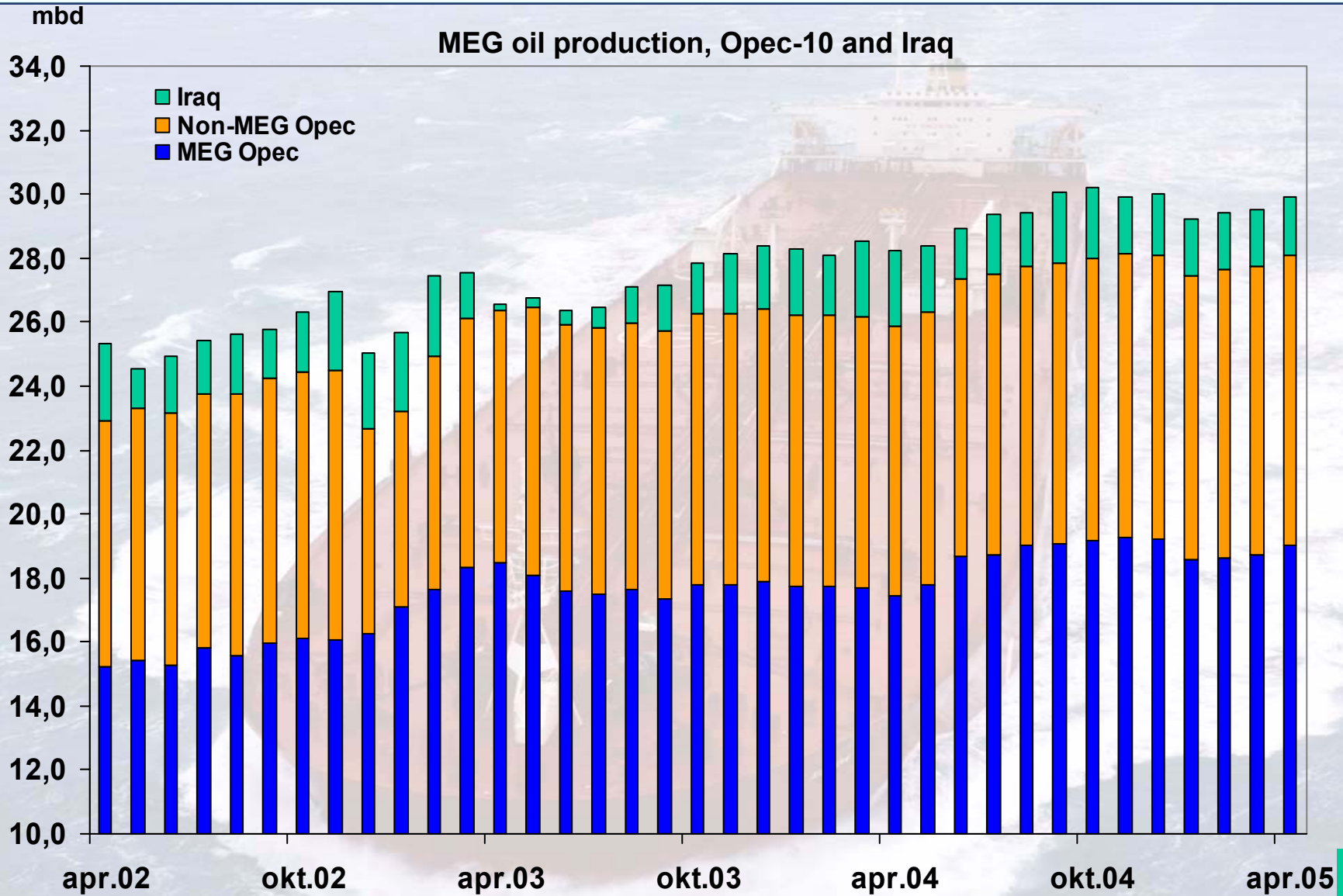
	2001	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004	1Q05	2Q05	3Q05	4Q05	2005
OECD DEMAND																	
North America	24.0	24.1	24.5	24.2	24.8	24.9	24.6	25.0	24.9	25.2	25.6	25.2	25.5	25.1	25.7	25.9	25.6
Europe	15.3	15.3	15.5	15.2	15.5	15.8	15.5	15.8	15.3	15.7	16.2	15.7	15.6	15.4	15.8	16.1	15.7
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	9.6	8.0	8.2	9.0	8.7
Total OECD	48.0	48.1	49.8	47.6	48.3	49.8	48.9	50.2	48.2	49.2	50.7	49.6	50.7	48.6	49.6	51.0	50.0
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	3.7	3.7	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	0.8	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	6.5	6.9	6.9	7.1	6.9
Other Asia	7.7	7.9	7.9	7.8	8.0	8.5	8.1	8.4	8.5	8.3	8.8	8.5	8.8	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	5.6	5.5	5.7	5.6	5.6	5.8	6.2	6.0	5.9	6.0	6.1	6.5	6.3	6.2	6.3
Africa	2.6	2.7	2.7	2.7	2.6	2.7	2.7	2.8	2.8	2.7	2.8	2.8	2.9	2.9	2.8	2.9	2.9
Total Non-OECD	29.4	29.9	30.5	29.8	31.0	32.2	30.9	32.2	33.3	32.7	33.7	33.0	33.6	34.5	34.2	35.1	34.3
Total Demand¹	77.4	78.0	80.3	77.4	79.3	82.0	79.7	82.4	81.4	81.8	84.4	82.5	84.2	83.0	83.8	86.1	84.3

OECD SUPPLY																	
North America	14.4	14.5	14.6	14.5	14.6	14.7	14.6	14.8	14.7	14.4	14.4	14.6	14.4	14.5	14.6	14.8	14.6
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	5.9	5.9	5.8	6.0	5.9
Pacific	0.8	0.8	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6
Total OECD	21.8	21.9	22.1	21.3	21.3	21.8	21.6	21.8	21.5	20.7	21.0	21.3	20.9	21.0	21.0	21.4	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	12.0	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	3.6	3.6	3.6	3.6
Other Asia	2.4	2.5	2.6	2.6	2.6	2.7	2.6	2.7	2.7	2.7	2.8	2.8	2.7	2.7	2.8	2.8	2.8
Latin America	3.8	3.9	4.0	3.9	4.1	4.1	4.0	4.0	4.1	4.1	4.1	4.1	4.2	4.3	4.4	4.4	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	3.9	3.8
Total Non-OECD	23.2	24.5	25.1	25.3	25.7	26.3	25.6	26.4	26.8	27.3	27.4	27.0	27.5	27.8	28.3	28.7	28.1
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	49.0	48.4	48.8	49.9	49.0	50.1	50.1	49.8	50.3	50.1	50.3	50.6	51.1	52.0	51.0
OPEC																	
Crude ³	27.0	25.1	26.7	26.1	26.6	27.6	26.8	27.9	28.1	29.1	29.5	28.7	28.8				
NGLs	3.4	3.7	3.5	3.9	4.0	4.1	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	33.4	33.9	33.0	33.5				
Total Supply⁴	77.2	76.9	79.2	78.4	79.4	81.7	79.7	82.3	82.4	83.2	84.2	83.0	83.8				

Opec production

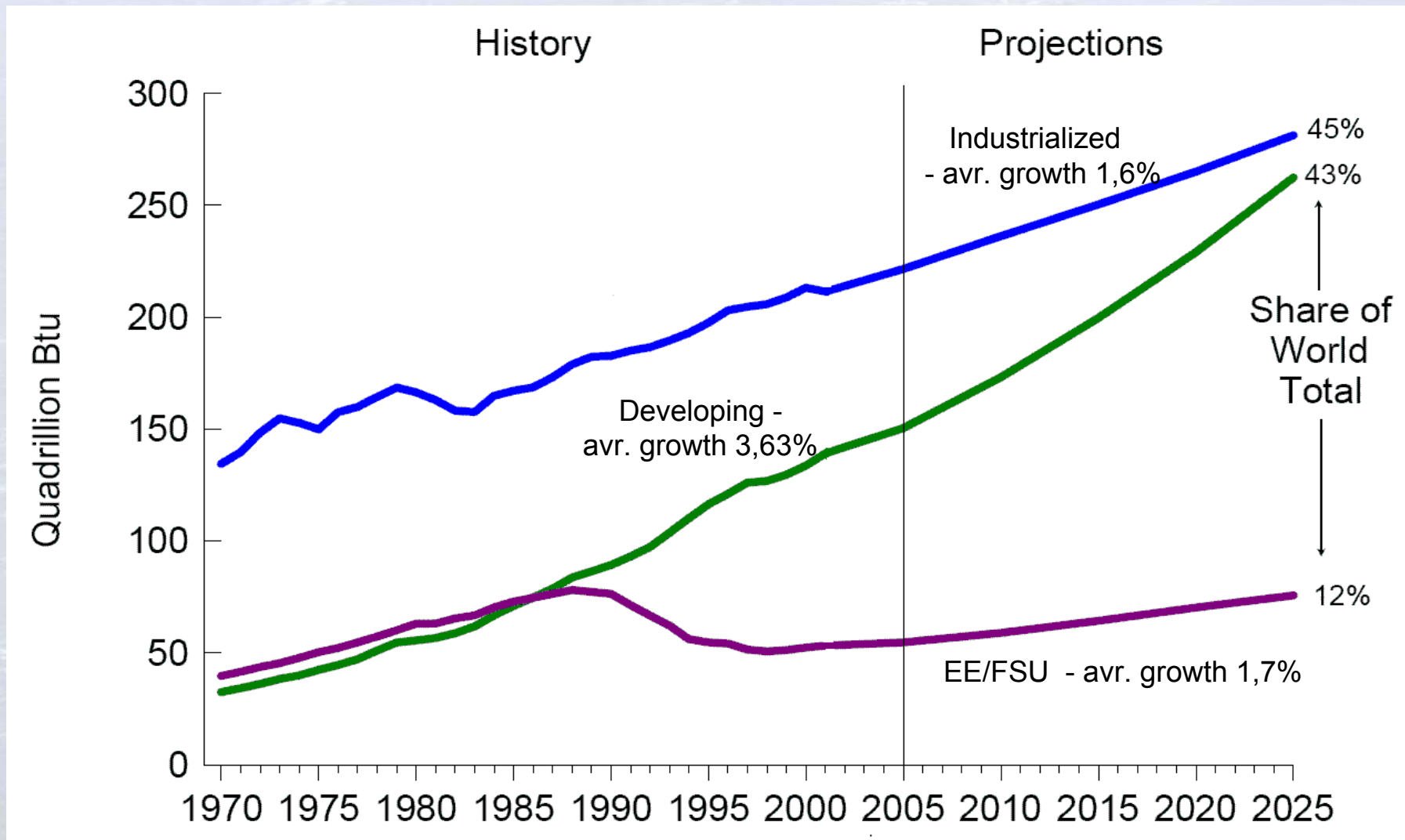


MEG Opec vs. Non-MEG Opec and Iraq



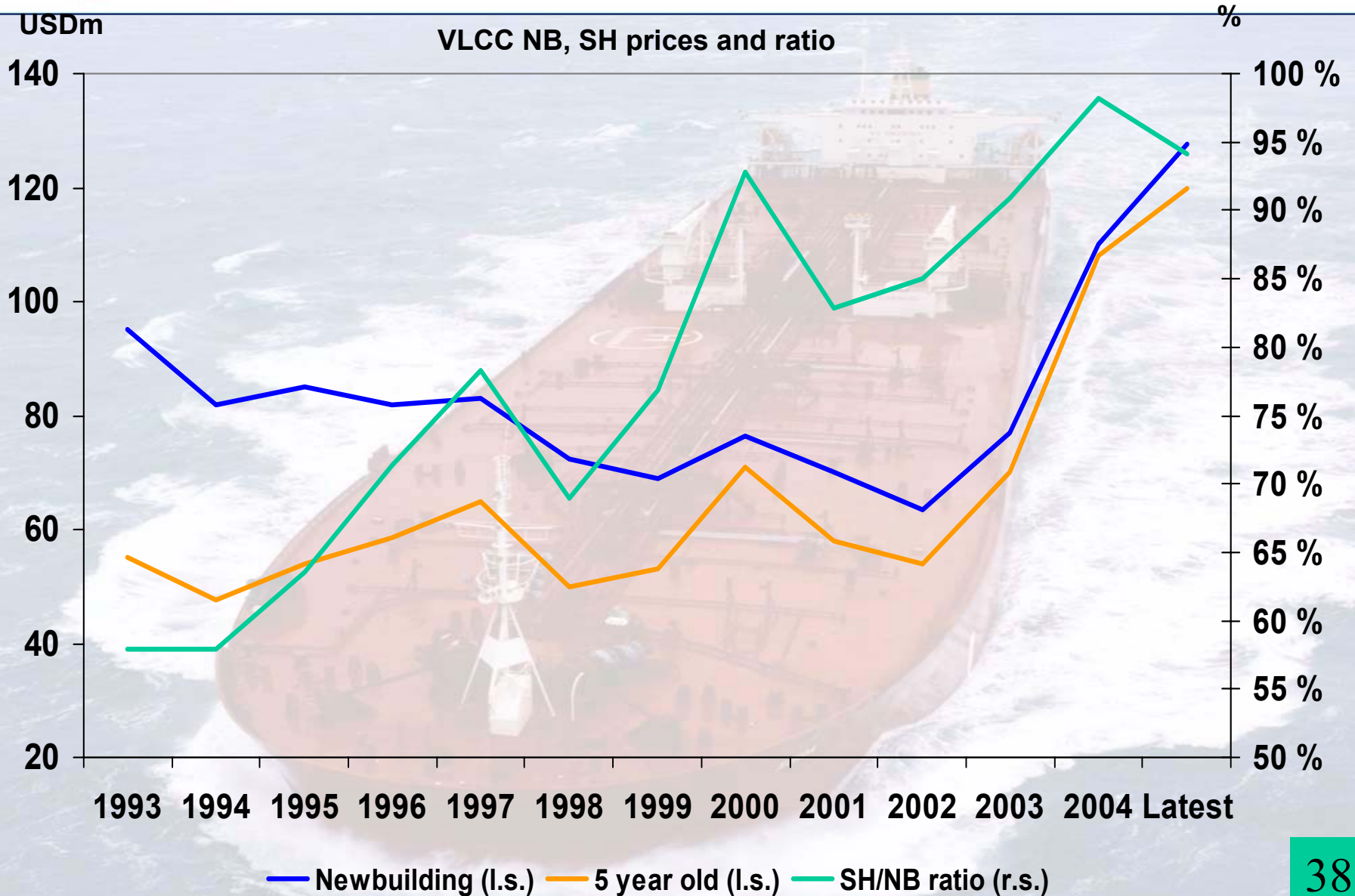
MEG-Opec; Saudi Arabia, Iran, Kuwait, UAE, Qatar, Neutral Zone

World Marketed Energy Consumption By Region, 1970-2025



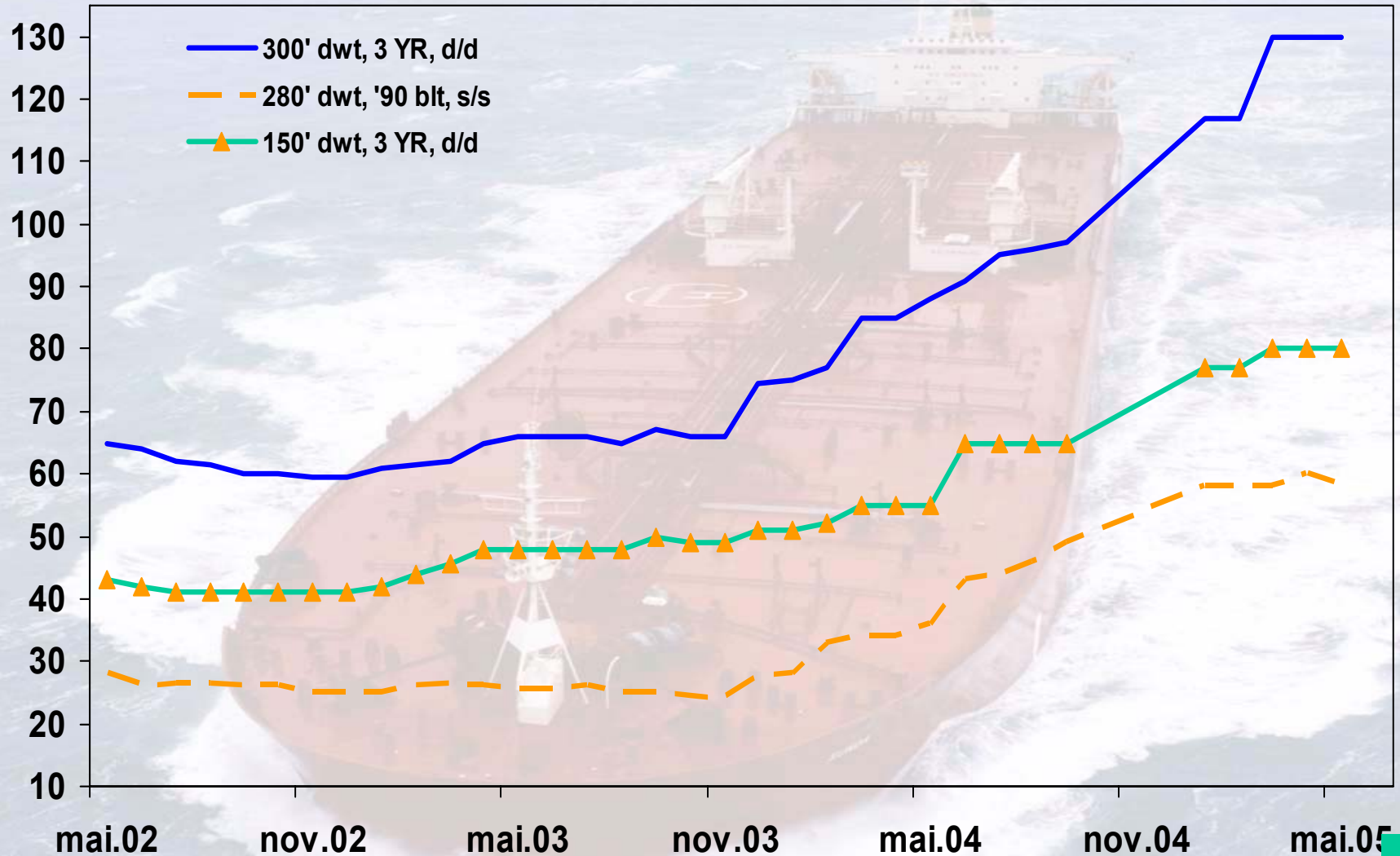
•Oil's share of total consumption expected to remain unchanged at 39% throughout forecast period

Trends in tanker values



Tanker price trends

USDm



Source: Bassøe, monthly report

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

Opec production vs. VLCC rates

