



May 27, 2014

# Forward looking statements

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MATTERS DISCUSSED IN THIS DOCUMENT MAY CONSTITUTE FORWARD-LOOKING STATEMENTS. THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 PROVIDES SAFE HARBOR PROTECTIONS FOR FORWARD-LOOKING STATEMENTS IN ORDER TO ENCOURAGE COMPANIES TO PROVIDE PROSPECTIVE INFORMATION ABOUT THEIR BUSINESS. FORWARD-LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING PLANS, OBJECTIVES, GOALS, STRATEGIES, FUTURE EVENTS OR PERFORMANCE, AND UNDERLYING ASSUMPTIONS AND OTHER STATEMENTS, WHICH ARE OTHER THAN STATEMENTS OF HISTORICAL FACTS.

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THE FORWARD-LOOKING STATEMENTS IN THIS DOCUMENT ARE BASED UPON VARIOUS ASSUMPTIONS, MANY OF WHICH ARE BASED, IN TURN, UPON FURTHER ASSUMPTIONS, INCLUDING WITHOUT LIMITATION, MANAGEMENT'S EXAMINATION OF HISTORICAL OPERATING TRENDS, DATA CONTAINED IN FRONTLINE'S RECORDS AND OTHER DATA AVAILABLE FROM THIRD PARTIES. ALTHOUGH FRONTLINE BELIEVES THAT THESE ASSUMPTIONS WERE REASONABLE WHEN MADE, BECAUSE THESE ASSUMPTIONS ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT AND ARE BEYOND FRONTLINE'S CONTROL, YOU CANNOT BE ASSURED THAT FRONTLINE WILL ACHIEVE OR ACCOMPLISH THESE EXPECTATIONS, BELIEFS OR PROJECTIONS. FRONTLINE UNDERTAKES NO DUTY TO UPDATE ANY FORWARD-LOOKING STATEMENT TO CONFORM THE STATEMENT TO ACTUAL RESULTS OR CHANGES IN EXPECTATIONS.

IMPORTANT FACTORS THAT, IN FRONTLINE'S VIEW, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION: THE STRENGTH OF WORLD ECONOMIES AND CURRENCIES, GENERAL MARKET CONDITIONS, INCLUDING FLUCTUATIONS IN CHARTERHIRE RATES AND VESSEL VALUES, CHANGES IN DEMAND IN THE TANKER MARKET, INCLUDING BUT NOT LIMITED TO CHANGES IN OPEC'S PETROLEUM PRODUCTION LEVELS AND WORLD WIDE OIL CONSUMPTION AND STORAGE, CHANGES IN FRONTLINE'S OPERATING EXPENSES, INCLUDING BUNKER PRICES, DRYDOCKING AND INSURANCE COSTS, THE MARKET FOR FRONTLINE'S VESSELS, AVAILABILITY OF FINANCING AND REFINANCING, ABILITY TO COMPLY WITH COVENANTS IN SUCH FINANCING ARRANGEMENTS, FAILURE OF COUNTERPARTIES TO FULLY PERFORM THEIR CONTRACTS WITH US, 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, VESSEL BREAKDOWNS, INSTANCES OF OFF-HIRE AND OTHER IMPORTANT FACTORS. FOR A MORE COMPLETE DISCUSSION OF THESE AND OTHER RISKS AND UNCERTAINTIES ASSOCIATED WITH FRONTLINE'S BUSINESS, PLEASE REFER TO FRONTLINE'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, INCLUDING, BUT NOT LIMITED TO, ITS ANNUAL REPORT ON FORM 20-F.

THIS PRESENTATION IS NOT AN OFFER TO PURCHASE OR SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE OR SELL, ANY SECURITIES OF FRONTLINE.

# Agenda

- First Quarter 2014 Highlights and Transactions
- Financial Review
- Newbuildings
- Market Update
- Outlook
- Q & A



# Highlights and Transactions

- Swap of the two Suezmax newbuilding contracts at Rongsheng with similar Suezmax tankers at a lower price.
  - The first vessel was delivered on May 19, 2014.
  - The second vessel has estimated delivery in September 2014.
- The Company issued 8,829,063 new ordinary shares in the first quarter and 1,635,589 new ordinary shares in April 2014 under the ATM program.





# Financial Highlights

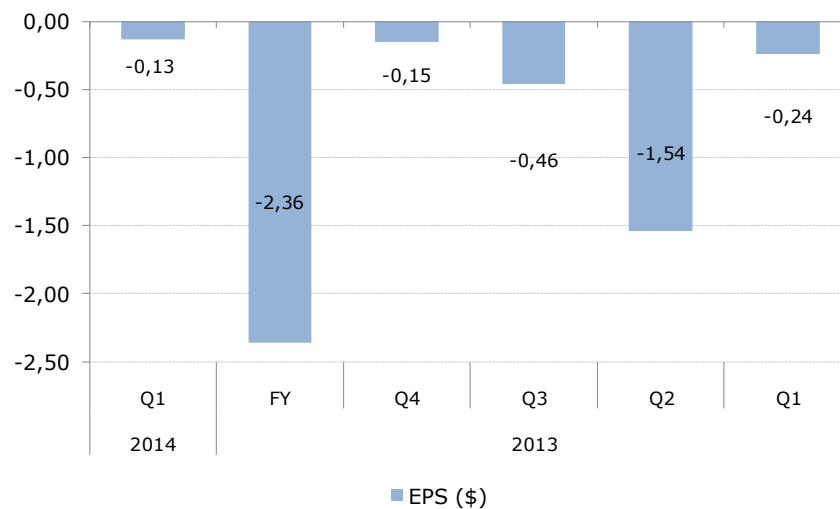
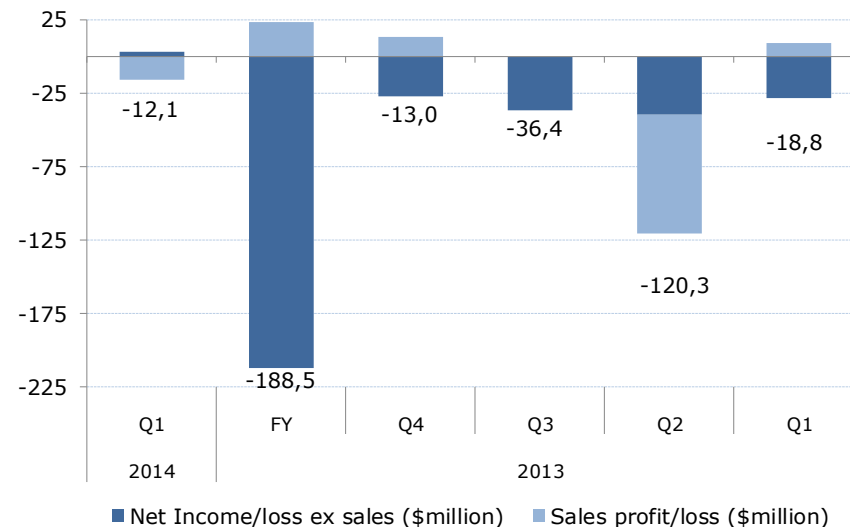
## Q1 - 2014 results

- Net loss : \$12.1m
- Net loss per share : \$0.13
- Loss on sale of MT "Ulysses" : \$15.7m
- Net income ex sales : \$3.6m

No dividend declared in Q1-2014

Share price NYSE May 23, 2014: \$2.86

- Market cap: \$277.4m

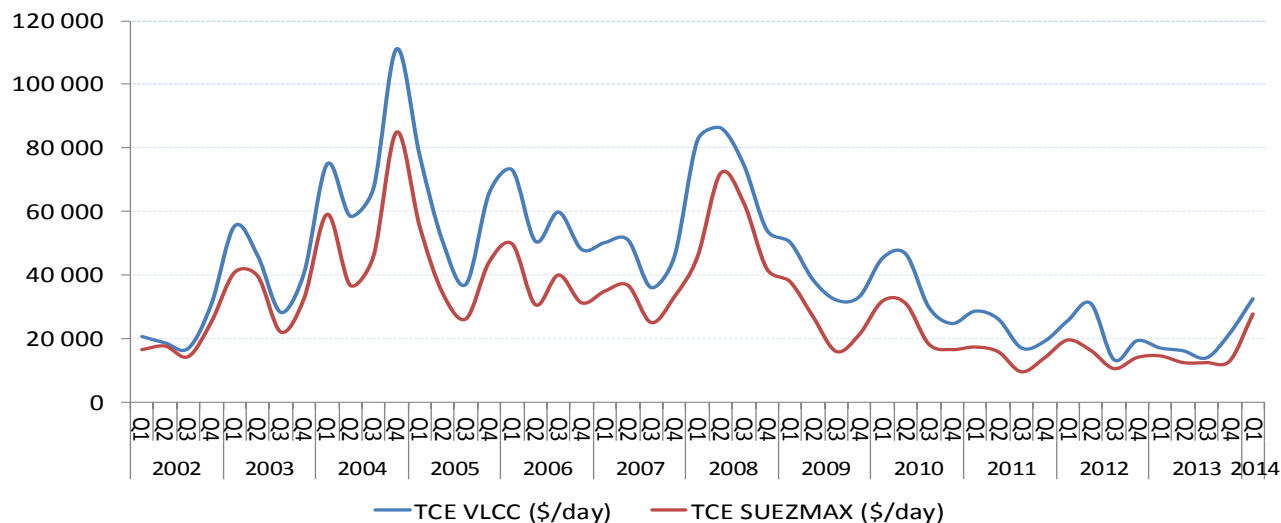


# Income Statement

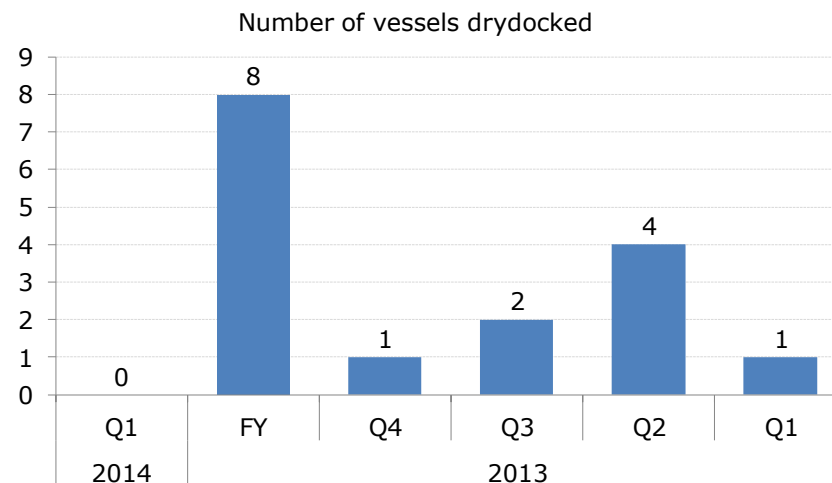
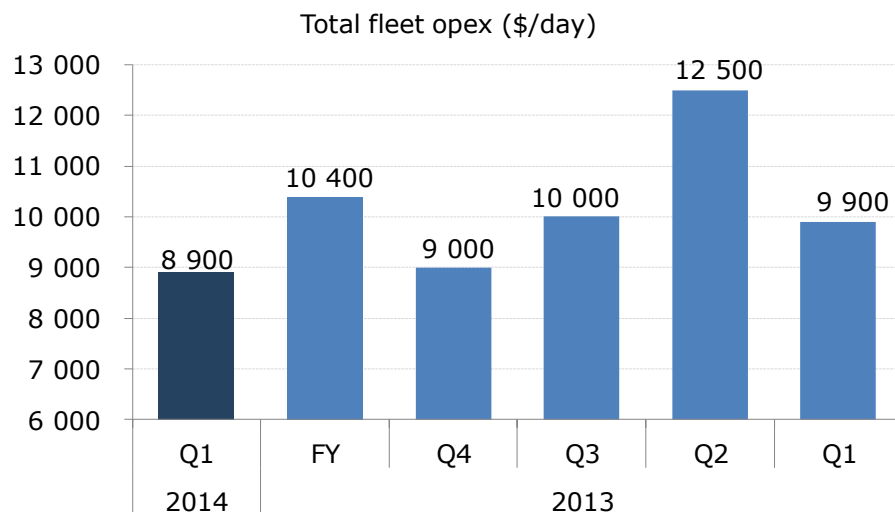
<b>CONDENSED CONSOLIDATED INCOME STATEMENTS</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
(in thousands of \$)	Jan-Mar	Jan-Mar	Jan-Dec
<b>Total operating revenues</b>	<b>169,998</b>	<b>125,903</b>	<b>517,190</b>
(Loss) gain on sale of assets and amortization of deferred gains	(15,727)	9,211	23,558
Voyage expenses and commission	80,701	70,150	299,741
Ship operating expenses	23,052	26,877	109,872
Contingent rental expense (income)	13,023	(302)	(7,761)
Charter hire expenses	-	3,973	4,176
Administrative expenses	9,070	8,431	31,628
Impairment loss on vessels	-	-	103,724
Depreciation	22,846	26,112	99,802
<b>Total operating expenses</b>	<b>148,692</b>	<b>135,241</b>	<b>641,182</b>
<b>Net operating income (loss)</b>	<b>5,579</b>	<b>(127)</b>	<b>(100,434)</b>
Interest income	7	33	83
Interest expense	(21,565)	(22,618)	(90,718)
Share of results from associated companies	562	4,681	13,539
Foreign currency exchange (loss) gain	(31)	(55)	(92)
Mark to market loss on derivatives	-	(585)	(585)
Debt conversion expense	-	-	(12,654)
Other non-operating items	306	282	1,267
<b>Net loss before tax and noncontrolling interest</b>	<b>(15,142)</b>	<b>(18,389)</b>	<b>(189,594)</b>
Taxes	(70)	-97	(284)
<b>Net loss from continuing operations</b>	<b>(15,212)</b>	<b>(18,486)</b>	<b>(189,878)</b>
Net loss from discontinued operations	-	(549)	(1,204)
<b>Net loss</b>	<b>(15,212)</b>	<b>(19,035)</b>	<b>(191,082)</b>
Net loss attributable to noncontrolling interest	3,127	280	2,573
Net loss attributable to Frontline Ltd.	<b>(12,085)</b>	<b>(18,755)</b>	<b>(188,509)</b>
<b>Basic loss per share attributable to Frontline Ltd.</b>	<b>\$(0.13)</b>	<b>\$(0.24)</b>	<b>\$(2.36)</b>

# Income on time charter basis

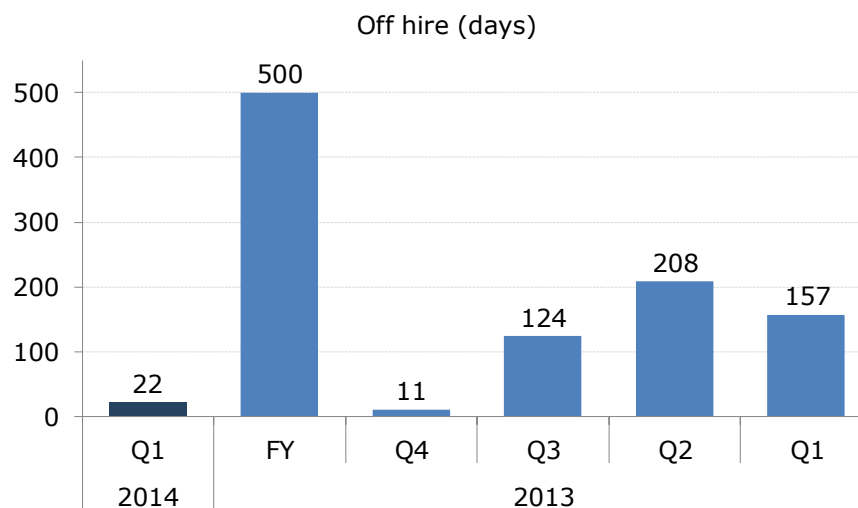
	2014	2013				
\$/day	Q1	FY	Q4	Q3	Q2	Q1
<b>VLCC Spot DH</b>	<b>32 500</b>	<b>15 400</b>	<b>21 600</b>	<b>13 900</b>	<b>11 200</b>	<b>14 600</b>
VLCC w hole fleet	32 700	17 400	22 400	16 100	14 100	17 000
<b>Suezmax Spot DH</b>	<b>27 700</b>	<b>13 400</b>	<b>12 900</b>	<b>12 400</b>	<b>13 800</b>	<b>14 500</b>
<b>OBO</b>	<b>-</b>	<b>13 300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 300</b>



# Ship operating expenses/Off-hire



- One scheduled drydocking in Q2 2014





# Balance Sheet

<b>Balance sheet</b> (in \$ million)	<b>2014</b> <b>Mar 31</b>	<b>2013</b> <b>Mar 31</b>	<b>2013</b> <b>Dec 31</b>
Cash	111	109	54
Restricted cash	75	71	68
Other Current assets	145	126	138
<b>Long term assets:</b>			
Vessels	906	1 147	970
Newbuildings	30	28	30
Other long term assets	107	103	108
<b>Total assets</b>	<b>1 374</b>	<b>1 584</b>	<b>1 368</b>
Current liabilities	174	124	131
Long term liabilities	1 193	1 347	1 255
Noncontrolling interest	6	11	9
Frontline Ltd. stockholders' equity	1	101	-27
<b>Total liabilities and stockholders' equity</b>	<b>1 374</b>	<b>1 584</b>	<b>1 368</b>

# Cash Cost Breakeven

## Estimated Cash cost breakeven rates

for the remainder of 2014 (\$/day)

VLCC	\$25,200
Suezmax	\$17,800

### Comments to B/E rates:

- Included in cash B/E rates are: BB hire, opex , interest and admin. expenses
- B/E rates exclude capex. and ITCL vessels

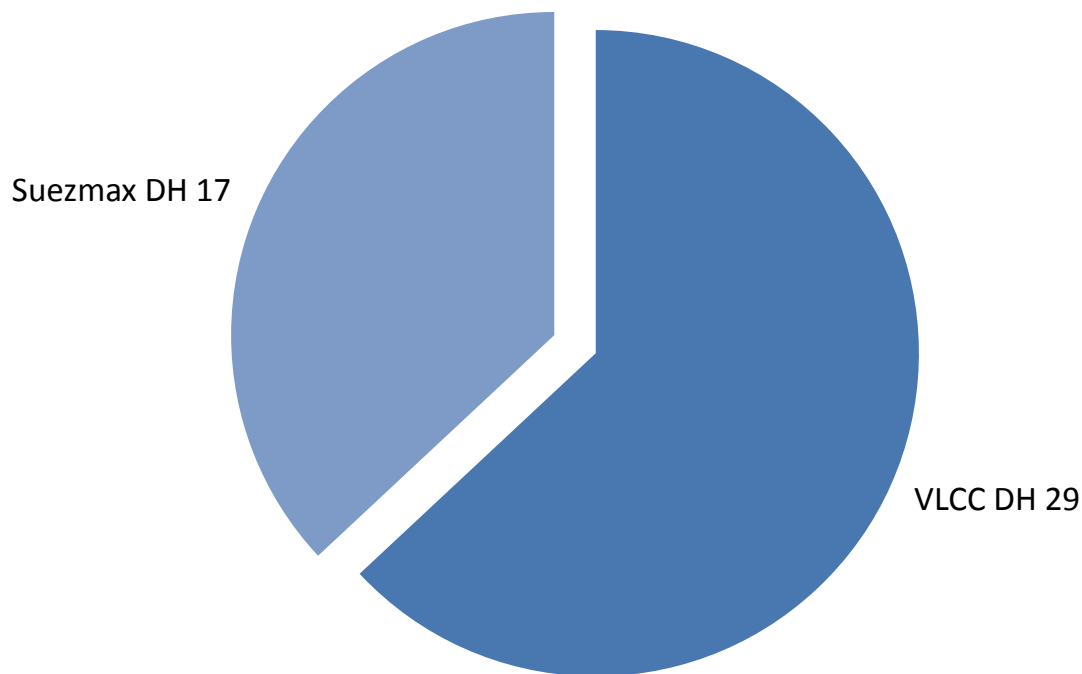
# Newbuilding Overview

- Total newbuilding program as of March 31, 2014:
  - Two Suezmax tankers
  - Remaining installments to be paid approx. \$87.9m
- Revised newbuilding program agreed in April 2014:
  - Agreement with Rongsheng to swap two Suezmax newbuilding contracts with two similar Suezmax tankers at a lower contract price.
  - The first vessel was delivered on May 19, 2014.
  - The second vessel is expected to be delivered in September 2014
  - Remaining commitment under the new agreement is approximately \$41.5m



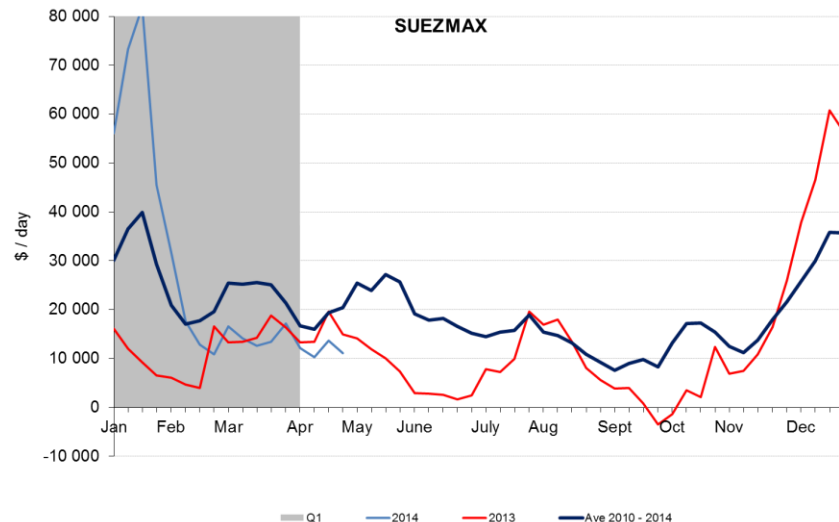
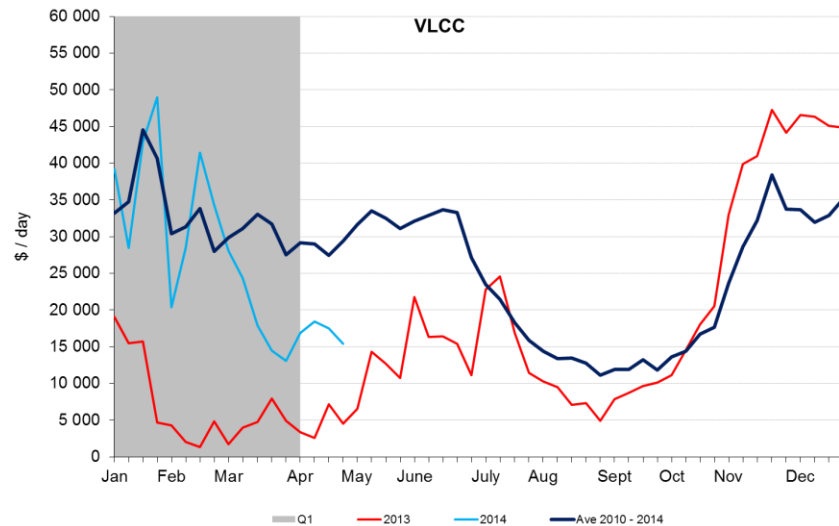
# Frontline Fleet

Incl. vessels on commercial management & ITCL, excl. newbuildings



Total: 46

# Earnings & Market Factors



## Q1 – Average Market earnings / Marex

- VLCC (TD3) : \$ 27,500/day (Q4-13: \$34,000/day)
- Suezmax (TD5) : \$27,500/day (Q4-13: 24,000/day)

## The Market:

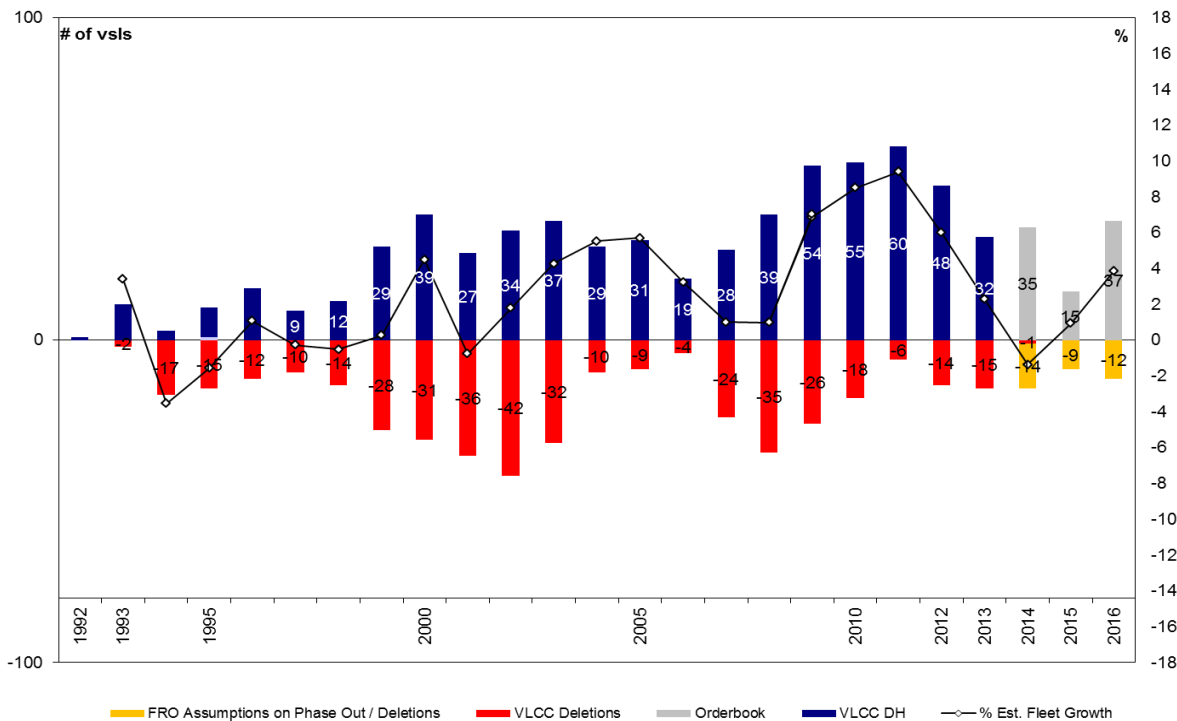
- According to IEA global oil demand decreased by 1.1 mb/d in Q1 compared to Q4.
- Total VLCC and Suezmax fleet remained largely unchanged during the quarter
- Five VLCC newbuilding and Three Suezmax were delivered during the quarter
- One VLCC and no Suezmaxes were removed during the quarter
- Higher volatility and tighter supply/demand ratio giving more healthy earnings at the beginning of the year
- Both Europe, Caribbean, West Africa and Arabian gulf were active during the start of the year but has since slowed down
- NOW Suezmax and VLCC max rates at OPEX levels

# VLCC Fleet

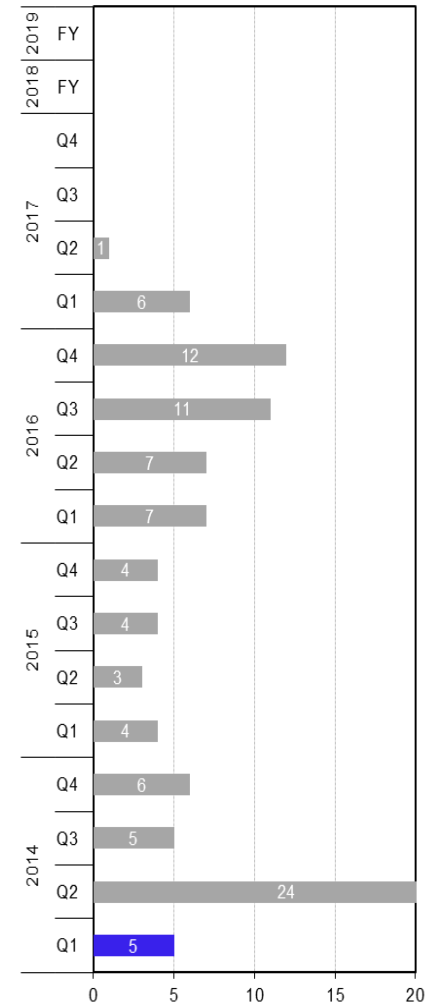
## Fleet

<b>Current Fleet</b>	<b>627</b>	<b>Orderbook</b>	<b>94</b>
<b>DH Fleet</b>	<b>626</b>	<b>Delivered 2013</b>	<b>32</b>
<b>SH (DS, DB, SS) Fleet</b>	<b>1</b>	<b>Estimated deliveries 2014</b>	<b>21</b>

## Current fleet & Orderbook



## Delivery Schedule



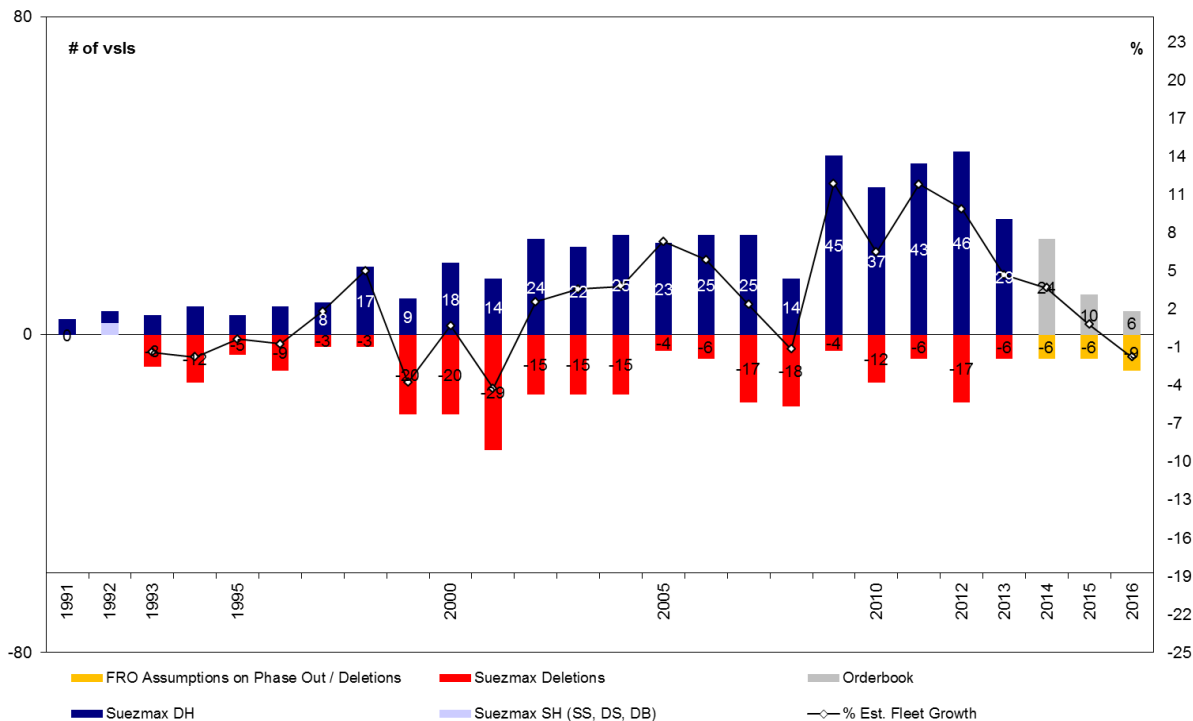


# Suezmax Fleet

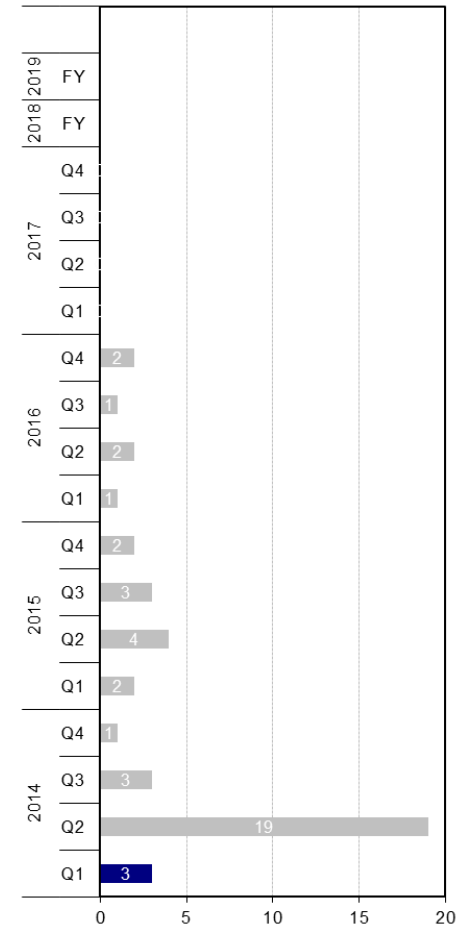
## Fleet

Current Fleet	449	Orderbook	40
DH Fleet	446	Delivered 2013	3
SH (DS, DB, SS)	3	Estimated deliveries 2014	12

## Current fleet & Orderbook

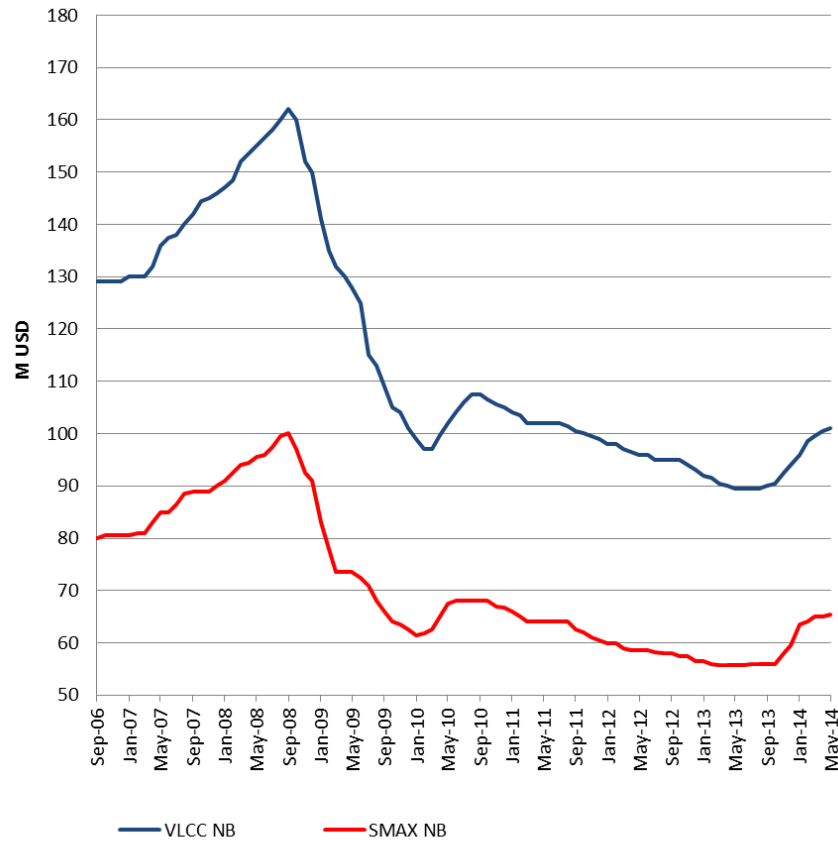


## Delivery Schedule



# Values and Rates

## NEWBUILDING



## TC MARKET



# Outlook

## General

- Higher volatility signaling a more balanced supply/demand scenario than recent years
- Increased VLCC Newbuilding activity
- Limited increase in Suezmax newbuilding for now
- More shipyard-space opening up for 2016
- Newbuilding prices likely to decline

## Frontline

- Fleet at core levels
  - Six scheduled drydockings for remaining of 2014
- Proactively rearranging Newbuilding program
  - One Suezmax Newbuilding delivered
- Looking into opportunities to restructure the balance sheet and improve the Company's financial position



Questions?

