



August 28, 2014

Forward looking statements

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.

FRONTLINE DESIRES TO TAKE ADVANTAGE OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND IS INCLUDING THIS CAUTIONARY STATEMENT IN CONNECTION WITH THIS SAFE HARBOR LEGISLATION. THE WORDS "BELIEVE," "ANTICIPATE," "INTENDS," "ESTIMATE," "FORECAST," "PROJECT," "PLAN," "POTENTIAL," "WILL," "MAY," "SHOULD," "EXPECT" "PENDING" AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS.

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

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



Highlights and Transactions

- The Suezmax Front Ull built at Rongsheng was delivered on May 19, 2014.
 - The second vessel has estimated delivery in Q4 2014.
- The Company issued 2,865,511 new ordinary shares in the second quarter and 1,140,226 new ordinary shares in July 2014 under the ATM program.
- Termination of long term charter parties with SFL for three VLCCs built in 1999
- The Company entered into a \$60m term loan facility to part finance the two Suezmax newbuildings.



Financial Highlights

Q2 - 2014 results

- Net loss : \$78.2m, equivalent to loss per share of \$0.81
- Impairment loss of \$56.2m
- Net loss (ex impairment loss): \$22.1m, equivalent to loss per share of \$0.23

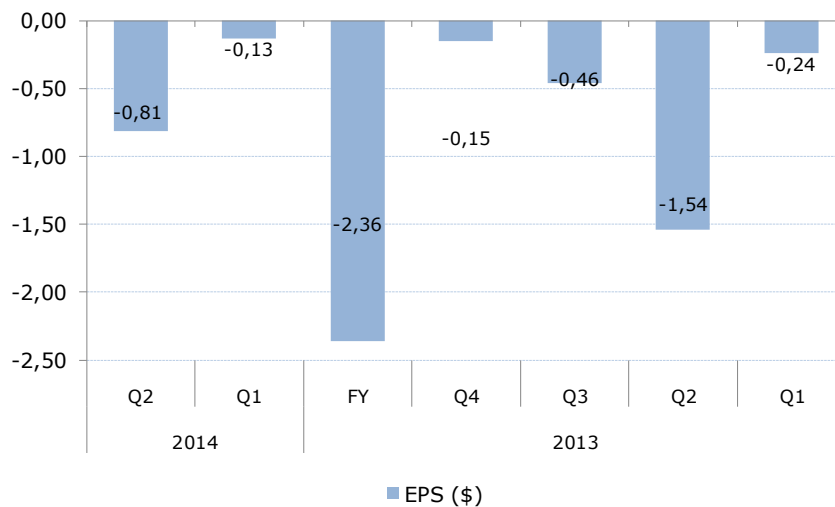
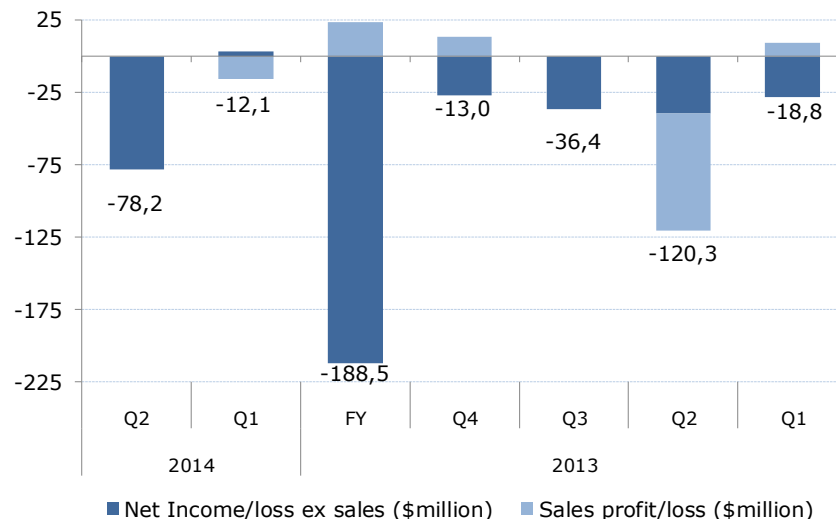
1H - 2014 results

- Net loss : \$90.3m, equivalent to loss per share of \$0.95
- Net loss (ex loss on sale of vessels and impairment loss): \$18.4m, equivalent to loss per share of \$0.19

No dividend declared in Q2-2014

Share price NYSE August 27, 2014: \$2.58

– Market cap: \$256.3m

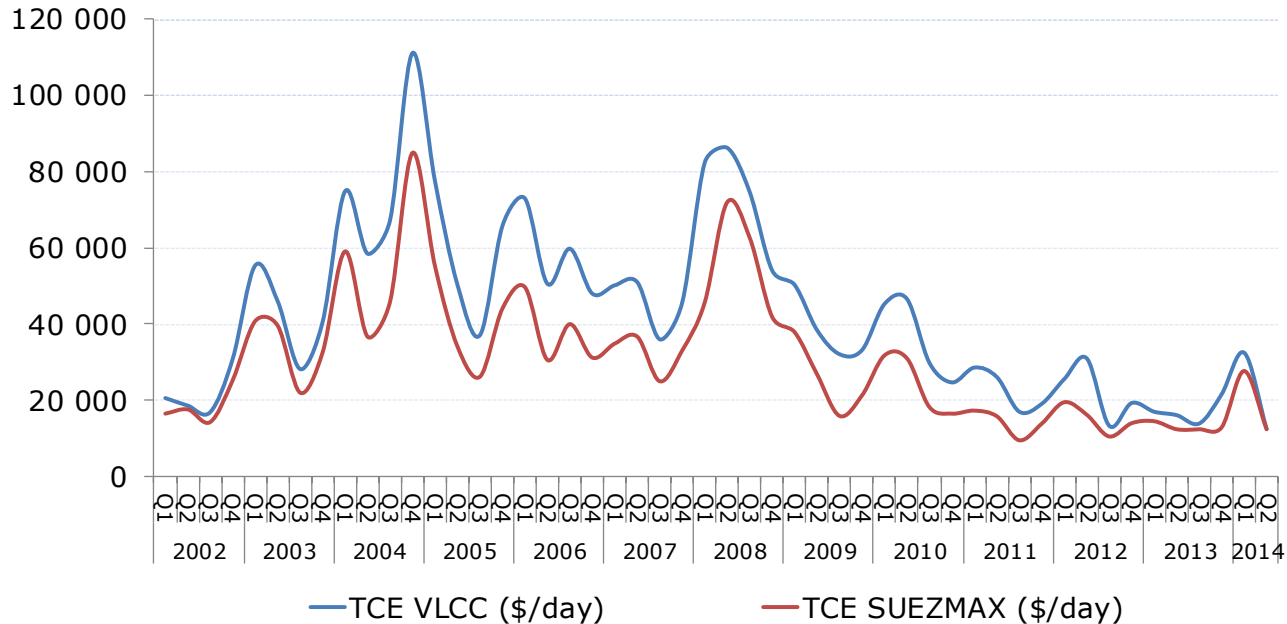


Income Statement

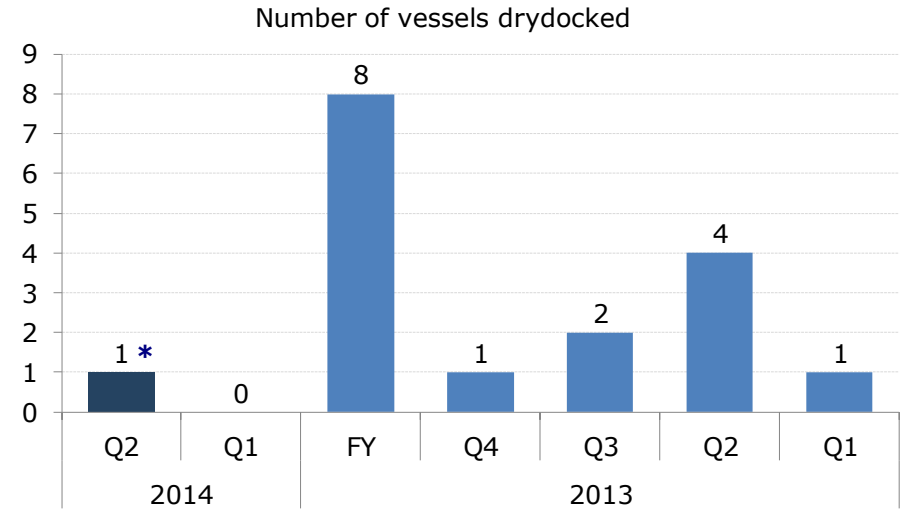
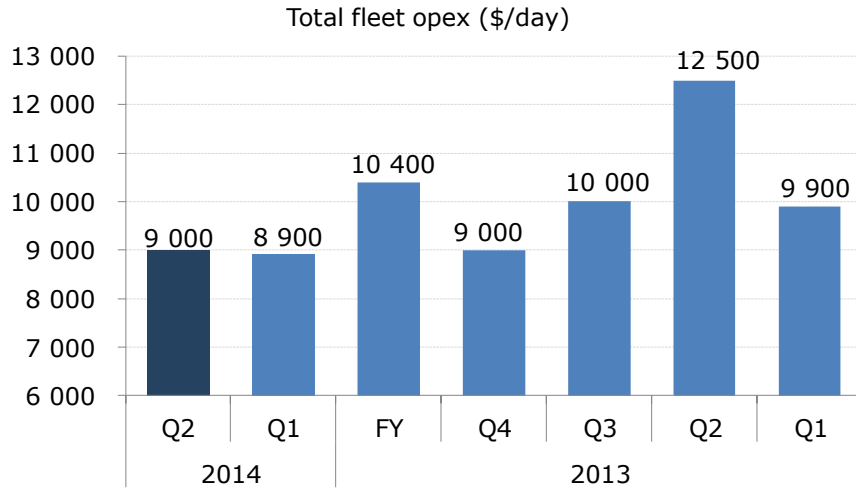
2013	2014	CONDENSED CONSOLIDATED INCOME STATEMENTS	2014	2013	2013
Apr-Jun	Apr-Jun	(in thousands of \$)	Jan-Jun	Jan-Jun	Jan-Dec
121,222	118,972	Total operating revenues	288,970	247,125	517,190
521	-	(Loss) gain on sale of assets and amortization of deferred gains	(15,727)	9,732	23,558
74,236	72,108	Voyage expenses and commission	152,809	144,386	299,741
32,787	23,112	Ship operating expenses	46,164	59,664	109,872
(304)	118	Contingent rental expense (income)	13,141	(606)	(7,761)
203	-	Charter hire expenses	-	4,176	4,176
7,325	10,324	Administrative expenses	19,394	15,756	31,628
81,324	56,178	Impairment loss on vessels	56,178	81,324	103,724
26,227	22,680	Depreciation	45,526	52,339	99,802
221,798	184,520	Total operating expenses	333,212	357,039	641,182
(100,055)	(65,548)	Net operating loss	(59,969)	(100,182)	(100,434)
36	11	Interest income	18	69	83
(22,908)	(21,216)	Interest expense	(42,781)	(45,526)	(90,718)
2,298	7,405	Share of results from associated companies	7,967	6,979	13,539
(55)	119	Foreign currency exchange gain (loss)	88	(110)	(92)
-	-	Mark to market loss on derivatives	-	(585)	(585)
-	-	Gain on redemption of debt	-	-	(12,654)
324	381	Other non-operating items	687	606	1,267
(120,360)	(78,848)	Net loss before tax and noncontrolling interest	(93,990)	(138,749)	(189,594)
(94)	(98)	Taxes	(168)	(191)	(284)
(120,454)	(78,946)	Net loss from continuing operations	(94,158)	(138,940)	(189,878)
(481)	-	Net loss from discontinued operations	-	(1,030)	(1,204)
(120,935)	(78,946)	Net loss	(94,158)	(139,970)	(191,082)
658	716	Net loss attributable to noncontrolling interest	3,843	938	2,573
(120,277)	(78,230)	Net loss attributable to Frontline Ltd.	(90,315)	(139,032)	(188,509)
\$(1.54)	\$(0.81)	Basic loss per share attributable to Frontline Ltd.	\$(0.95)	\$(1.79)	\$(2.36)

Income on time charter basis

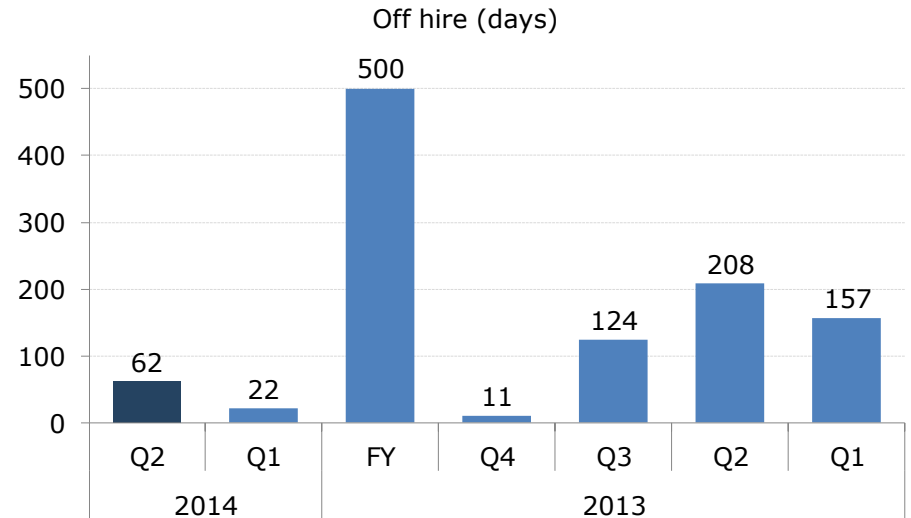
		2014		2013				
\$/day	YTD	Q2	Q1	FY	Q4	Q3	Q2	Q1
VLCC Spot DH	22 600	12 500	32 500	15 400	21 600	13 900	11 200	14 600
VLCC whole fleet	23 400	13 900	32 700	17 400	22 400	16 100	14 100	17 000
Suezmax Spot DH	19 800	12 400	27 700	13 400	12 900	12 400	13 800	14 500



Ship operating expenses/Off-hire



- Two scheduled drydockings in Q3 2014
- *Q2 drydock not scheduled



Balance Sheet

Balance sheet (in \$ million)	2014 Jun 30	2014 Mar 31	2013 Dec 31
Cash	62	111	54
Restricted cash	37	75	68
Other Current assets	141	145	138
Long term assets:			
Vessels	884	906	970
Newbuildings	15	30	30
Other long term assets	113	107	108
Total assets	1 252	1 374	1 368
Current liabilities	323	174	131
Long term liabilities	990	1 193	1 255
Noncontrolling interest	5	6	9
Frontline Ltd. stockholders' equity	-67	1	-27
Total liabilities and stockholders' equity	1 252	1 374	1 368

Cash Cost Breakeven

Estimated Cash cost breakeven rates

for the remainder of 2014 (\$/day)

VLCC	\$24,000
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

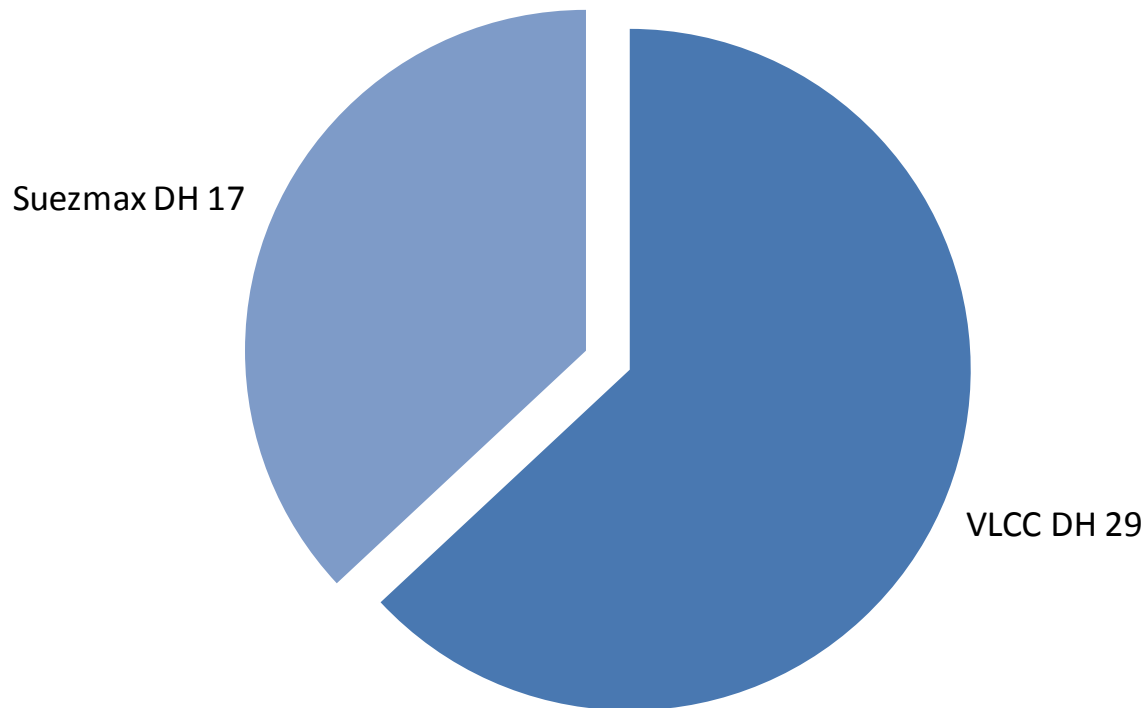
Newbuilding Overview

- Total newbuilding program as of June 30, 2014:
 - One Suezmax tanker expected delivered Q4 2014
 - Remaining installments to be paid approx. \$41.5m



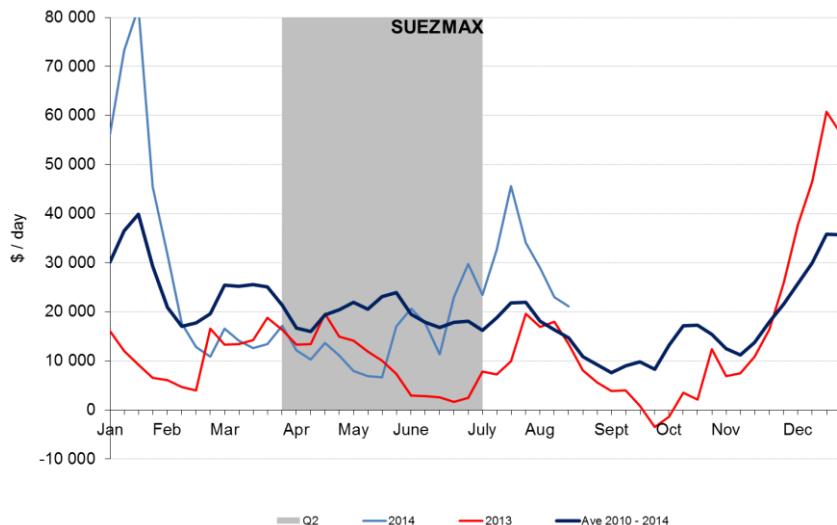
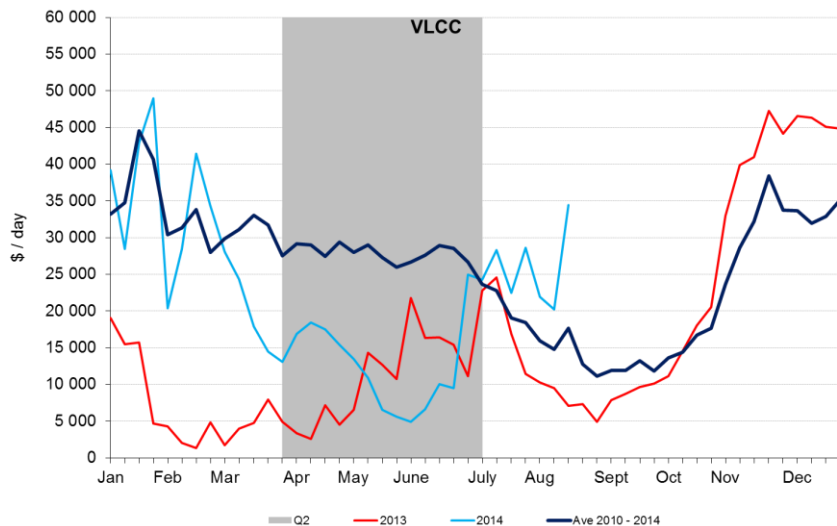
Frontline Fleet

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



Total: 46

Earnings & Market Factors



Q2 – Average Market earnings / Marex

- VLCC (TD3) : \$12,000/day (Q1-14: \$27,500/day)
- Suezmax (TD5) : \$15,500/day (Q1-14: \$27,500/day)

The Market:

- According to IEA global oil demand increased by 0.2 mb/d in Q2 compared to Q1.
- Total VLCC and Suezmax fleet remained largely unchanged during the quarter
- Five VLCC newbuilding and one Suezmax were delivered during the quarter
- Three VLCC and two Suezmaxes were removed during the quarter
- Low refinery utilization in Q2 led to reduced VLCC activity
- Positive rate development in Q3

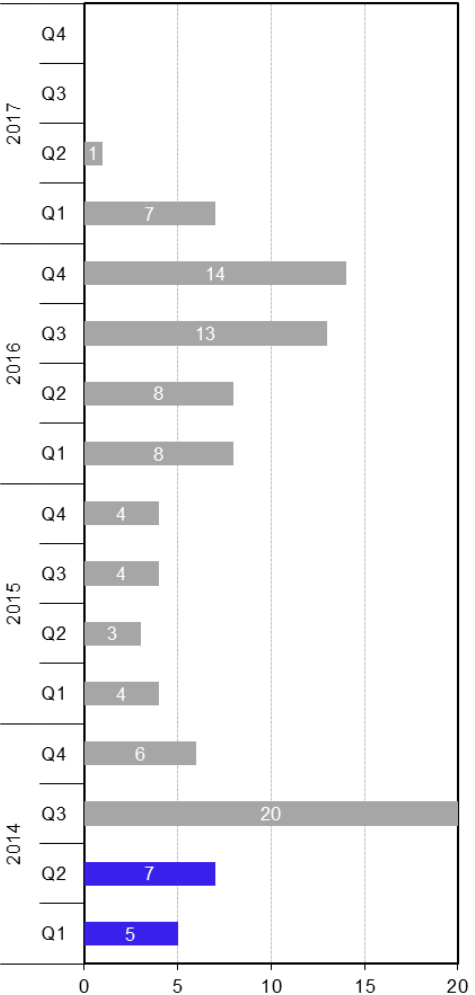
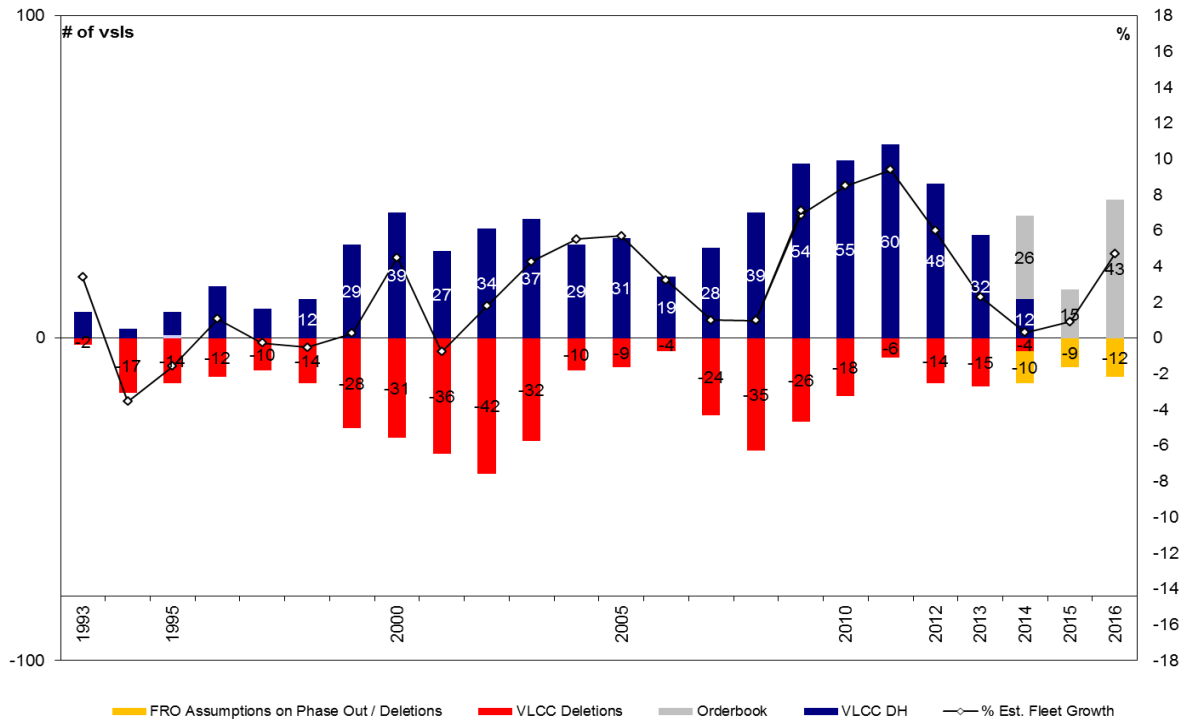
VLCC Fleet

Fleet

Current Fleet	629	Orderbook	92
DH Fleet	628	Delivered 2014	12
SH (DS, DB, SS) Fleet	1	Estimated deliveries 2014	20

Delivery Schedule

Current fleet & Orderbook



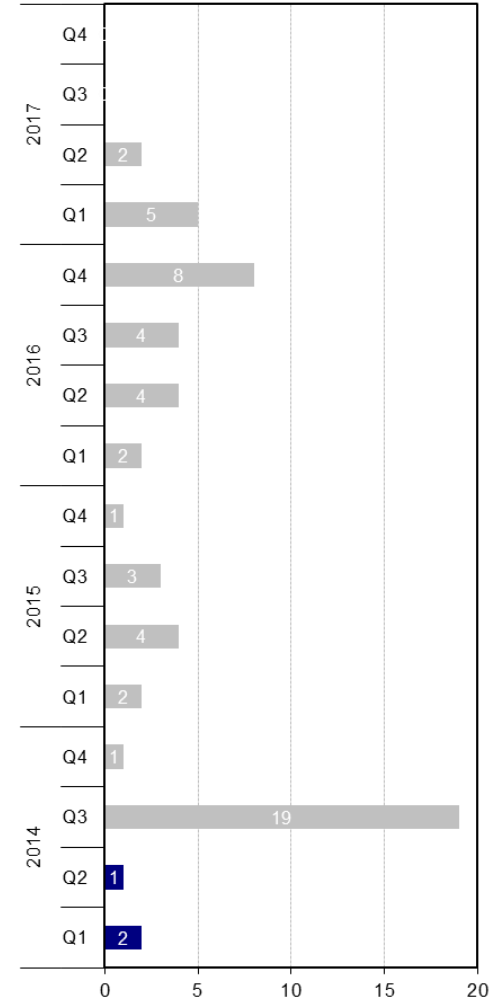
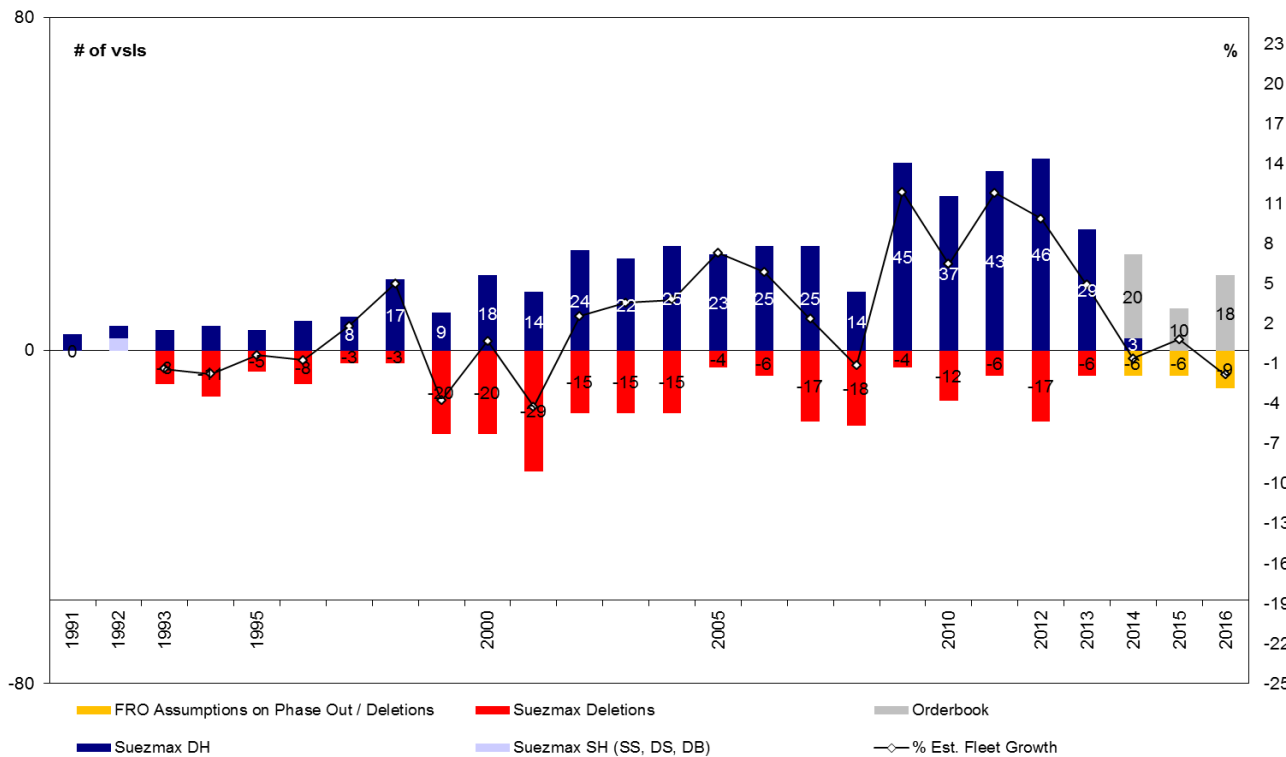
Suezmax Fleet

Fleet

Current Fleet	448	Orderbook	55
DH Fleet	445	Delivered 2014	3
SH (DS, DB, SS)	3	Estimated deliveries 2014	8

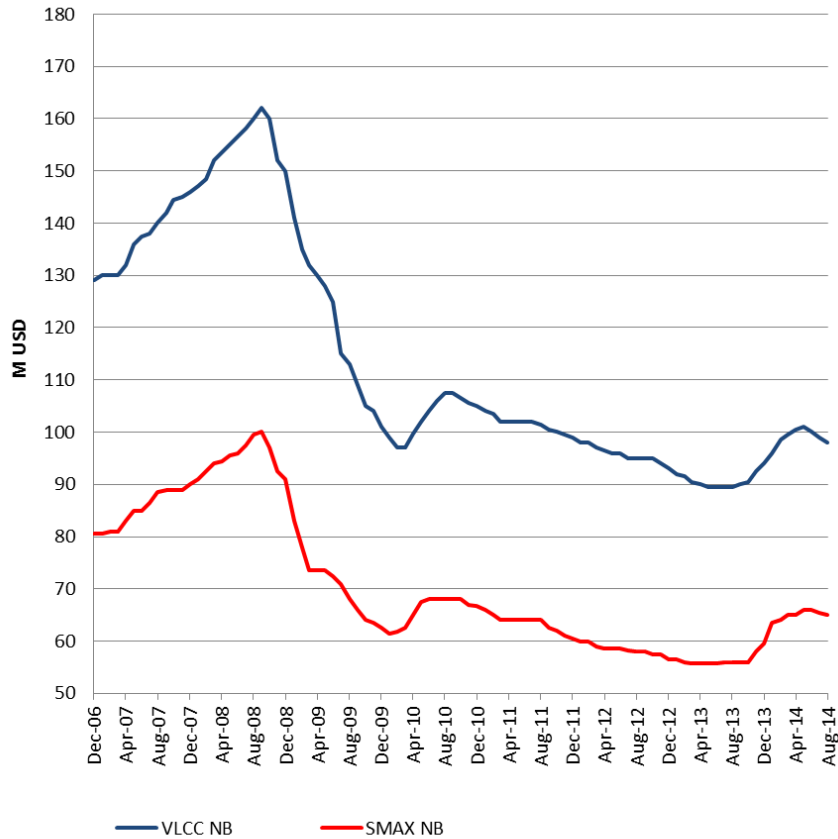
Delivery Schedule

Current fleet & Orderbook



Values and Rates

NEWBUILDING



TC MARKET



Outlook

General

- Higher volatility signaling a more balanced supply/demand scenario than recent years
- Limited crude ordering at present, but still shipyard open space for 2016
- Newbuilding prices has flattened out since Q1 2014
- Very fragmented ownership in the crude segment

Frontline

- Despite the improved tanker market so far in the third quarter, the Company is in a challenging situation with \$1.031 million in debt and lease obligations as of June 30, 2014
- Based on the current outlook for the tanker market, it is doubtful if the Company can generate sufficient cash from operations to repay the \$190 million convertible bond loan with maturity in April 2015
- The Board is considering various financing alternatives such as raising equity or selling assets, establish new loans or refinance existing arrangements to raise sufficient cash to repay the \$190 million convertible bond loan
- A full restructuring of the company, including lease obligations and debt agreements might be the only alternative



Questions?

