



# 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.

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

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



# Highlights and Transactions

- The Company issued 1,140,226 new ordinary shares in the third quarter under the ATM program
- Termination of long term charter parties with SFL for three VLCCs built in 1999
  - Delivery took place in November 2014
- Purchased \$17.8m notional value of the Convertible Bond
- \$23m of the Convertible Bond exchanged with shares and cash payment



# Financial Highlights

## Q3 - 2014 results

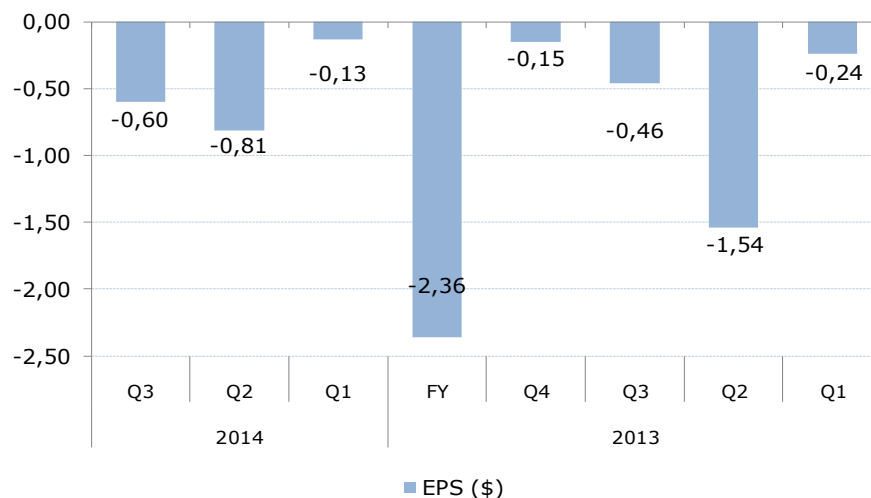
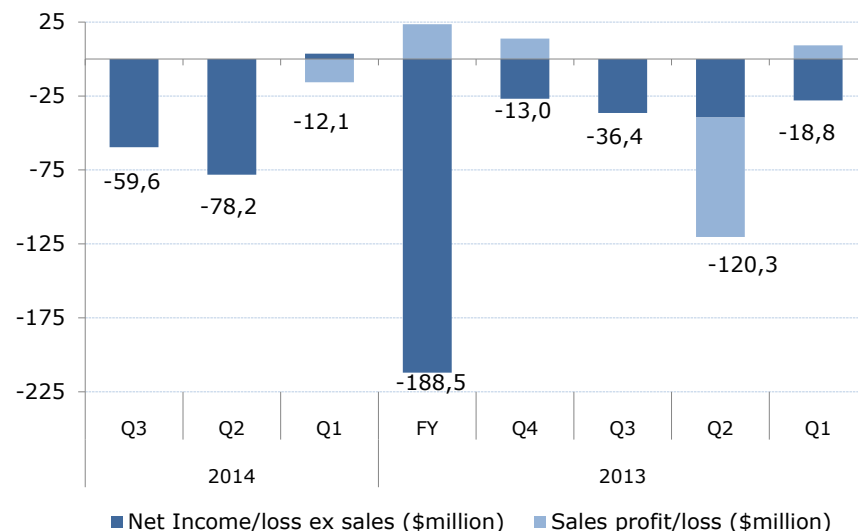
- Net loss : \$59.6m, equivalent to loss per share of \$0.60
- Impairment loss of \$45.2m
- Net loss (ex impairment loss): \$14.5m, equivalent to loss per share of \$0.15

## Nine months - 2014 results

- Net loss : \$150m, equivalent to loss per share of \$1.55
- Net loss (ex impairment loss): \$48.6m, equivalent to loss per share of \$0.50

Share price NYSE November 24, 2014: \$1.33

- Market cap: \$132m

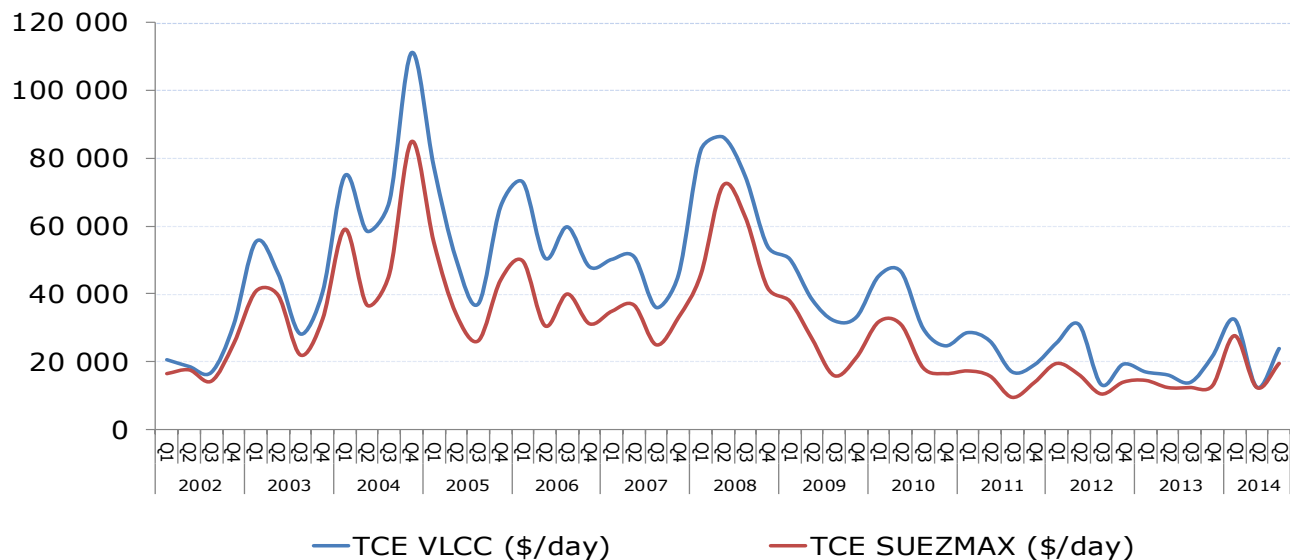


# Income Statement

<b>2013</b>	<b>2014</b>	<b>CONDENSED CONSOLIDATED INCOME STATEMENTS</b>			
July-Sept	July-Sept (in thousands of \$)		<b>2014</b>	<b>2013</b>	<b>2013</b>
			Jan-Sept	Jan-Sept	Jan-Dec
<b>126,494</b>	<b>135,619</b>	<b>Total operating revenues</b>	<b>424,589</b>	<b>373,619</b>	<b>517,190</b>
-	-	(Loss) gain on sale of assets and amortization of deferred gains	(15,727)	9,732	23,558
75,185	69,677	Voyage expenses and commission	222,486	219,571	299,741
26,987	24,842	Ship operating expenses	71,006	86,651	109,872
(8,864)	7,628	Contingent rental expense (income)	20,769	(9,470)	(7,761)
-	-	Charter hire expenses	-	4,176	4,176
7,412	10,431	Administrative expenses	29,825	23,168	31,628
22,400	41,531	Impairment loss on vessels	97,709	103,724	103,724
24,042	19,039	Depreciation	64,565	76,381	99,802
<b>147,162</b>	<b>173,148</b>	<b>Total operating expenses</b>	<b>506,360</b>	<b>504,201</b>	<b>641,182</b>
<b>(20,668)</b>	<b>(37,529)</b>	<b>Net operating loss</b>	<b>(97,498)</b>	<b>(120,850)</b>	<b>(100,434)</b>
12	14	Interest income	32	81	83
(22,775)	(26,425)	Interest expense	(69,206)	(68,301)	(90,718)
6,067	3,069	Share of results from associated companies	11,036	13,046	13,539
(14)	-207	Foreign currency exchange loss	-119	(124)	(92)
-	-	Mark to market loss on derivatives	-	(585)	(585)
-	-	Gain on redemption of debt	-	-	(12,654)
-	-3,643	Loss on de-consolidation of Windsor	-3,643	-	-
333	369	Other non-operating items	1,056	939	1,267
<b>(37,045)</b>	<b>(64,352)</b>	<b>Net loss before tax and noncontrolling interest</b>	<b>(158,342)</b>	<b>(175,794)</b>	<b>(189,594)</b>
(84)	(23)	Taxes	(191)	(275)	(284)
<b>(37,129)</b>	<b>(64,375)</b>	<b>Net loss from continuing operations</b>	<b>(158,533)</b>	<b>(176,069)</b>	<b>(189,878)</b>
14	-	Net loss from discontinued operations	-	(1,016)	(1,204)
<b>(37,115)</b>	<b>(64,375)</b>	<b>Net loss</b>	<b>(158,533)</b>	<b>(177,085)</b>	<b>(191,082)</b>
669	4,728	Net loss attributable to noncontrolling interest	8,571	2	2,573
<b>(36,446)</b>	<b>(59,647)</b>	<b>Net loss attributable to Frontline Ltd.</b>	<b>(149,962)</b>	<b>(175,478)</b>	<b>(188,509)</b>
<b>\$(0.46)</b>	<b>\$(0.60)</b>	<b>Basic loss per share attributable to Frontline Ltd.</b>	<b>\$(1.55)</b>	<b>\$(2.24)</b>	<b>\$(2.36)</b>

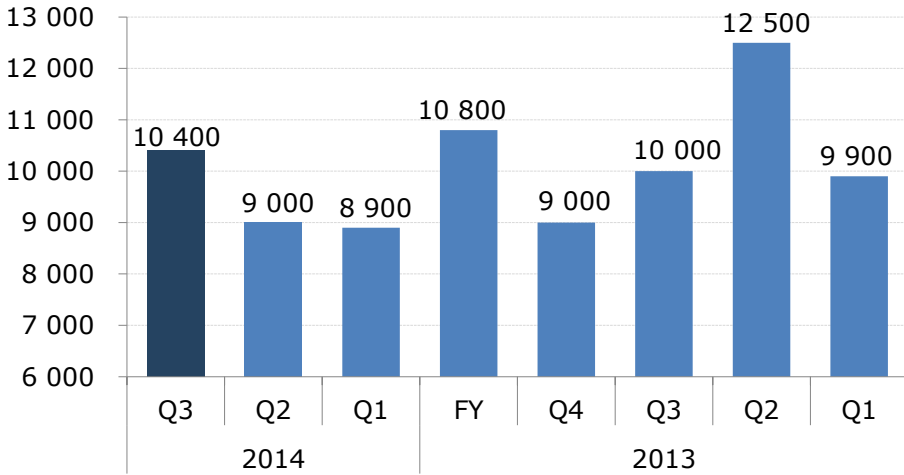
# Income on time charter basis

	2014				2013				
\$/day	YTD	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1
<b>VLCC Spot</b>	23 000	23 900	12 500	32 500	15 400	21 600	13 900	11 200	14 600
<b>VLCC incl. TC out</b>	23 800	24 600	13 900	32 700	17 400	22 400	16 100	14 100	17 000
<b>Suezmax Spot</b>	19 700	19 500	12 400	27 700	13 400	12 900	12 400	13 800	14 500
<b>Suezmax Incl. TC out</b>	19 300	18 600							

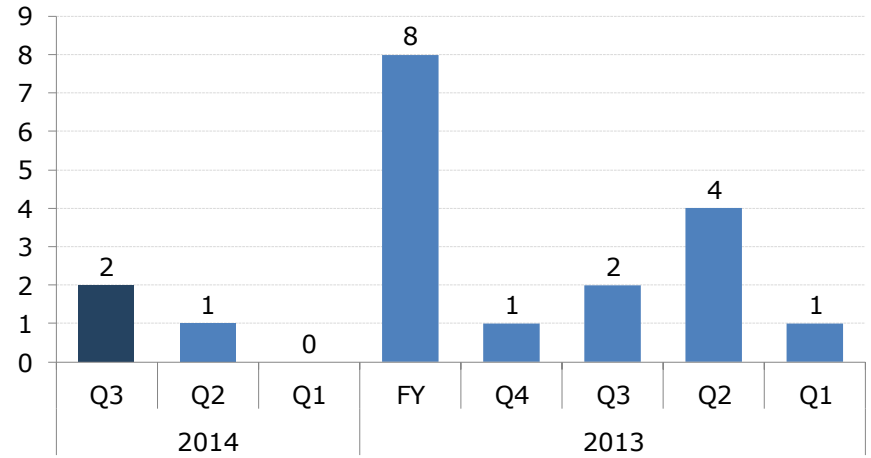


# Ship operating expenses/Off-hire

Total fleet opex (\$/day)

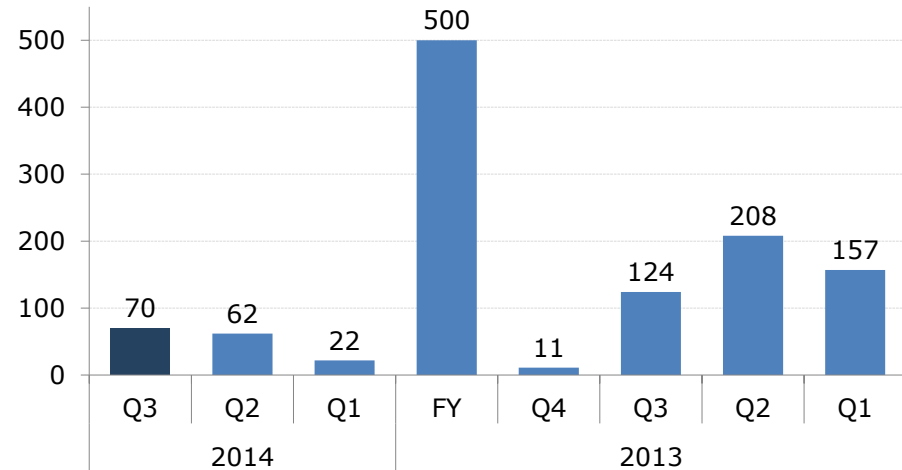


Number of vessels drydocked



- No scheduled drydockings in Q4 2014

Off hire (days)





# Balance Sheet

<b>Balance sheet</b> (in \$ million)	<b>2014</b> <b>Sep 30</b>	<b>2014</b> <b>Jun 30</b>	<b>2013</b> <b>Dec 31</b>
Cash	105	62	54
Restricted cash	16	37	68
Other Current assets	137	141	138
<b>Long term assets:</b>		-	
Vessels	624	884	970
Newbuildings	15	15	30
Other long term assets	141	113	108
<b>Total assets</b>	<b>1 038</b>	<b>1 252</b>	<b>1 368</b>
		-	
Current liabilities	324	323	131
Long term liabilities	837	990	1 255
Noncontrolling interest	0,5	5	9
Frontline Ltd. stockholders' equity	-124	-67	-27
<b>Total liabilities and stockholders' equity</b>	<b>1 038</b>	<b>1 252</b>	<b>1 368</b>

# Cash Cost Breakeven

## Estimated Cash cost breakeven rates

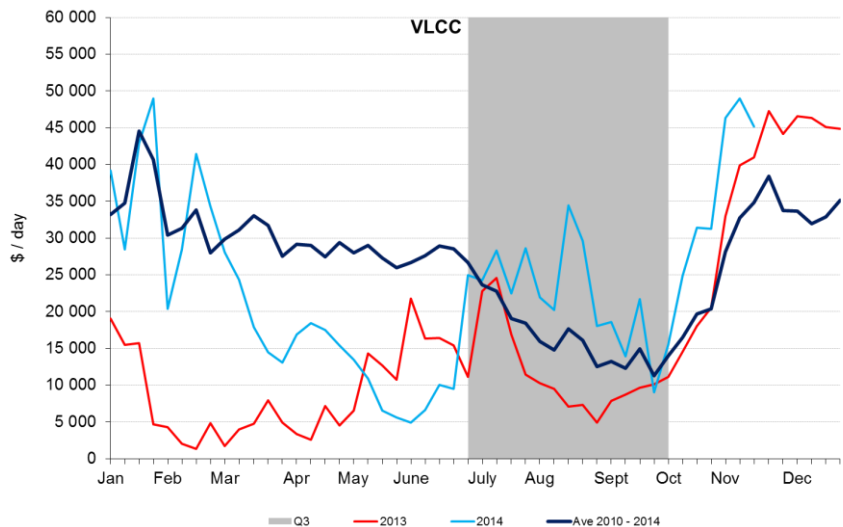
for the remainder of 2014 (\$/day)

VLCC	\$22,900
Suezmax	\$18,100

### Comments to B/E rates:

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

# Earnings & Market Factors

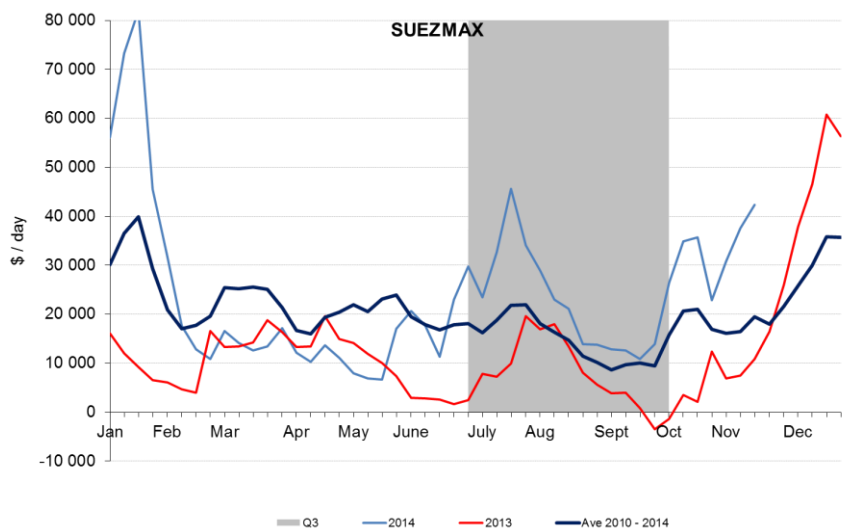


## Q3 – Average Market earnings / Marex

- VLCC (TD3) : \$ 19,000/day (Q2-14: \$12,000/day)
- Suezmax (TD5) : \$23,000/day (Q2-14: \$15,500/day)

## The Market:

- According to IEA global oil demand increased by 1.6 mb/d in Q3 compared to Q2.
- Total VLCC and Suezmax fleet remained largely unchanged during the quarter
  - Five VLCC newbuilding and Three Suezmax were delivered during the quarter
  - One Suezmax and no VLCCs were removed during the quarter



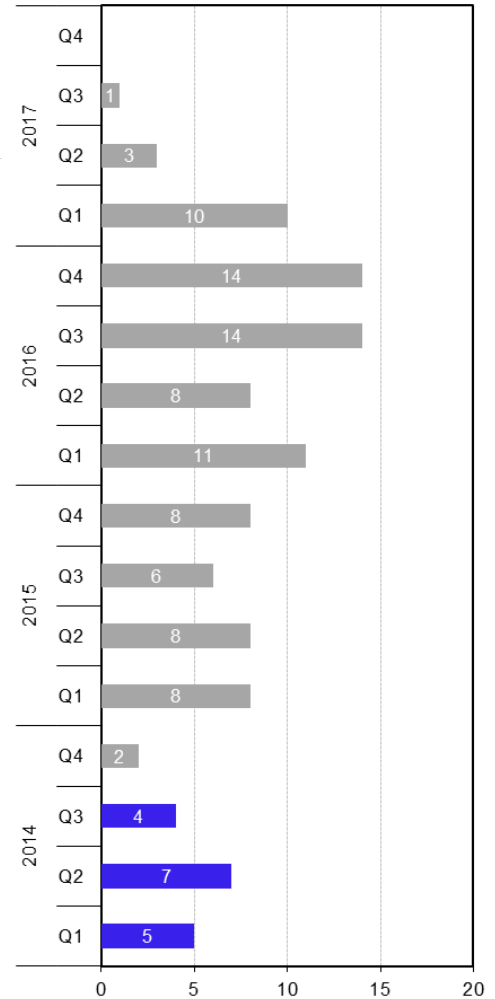
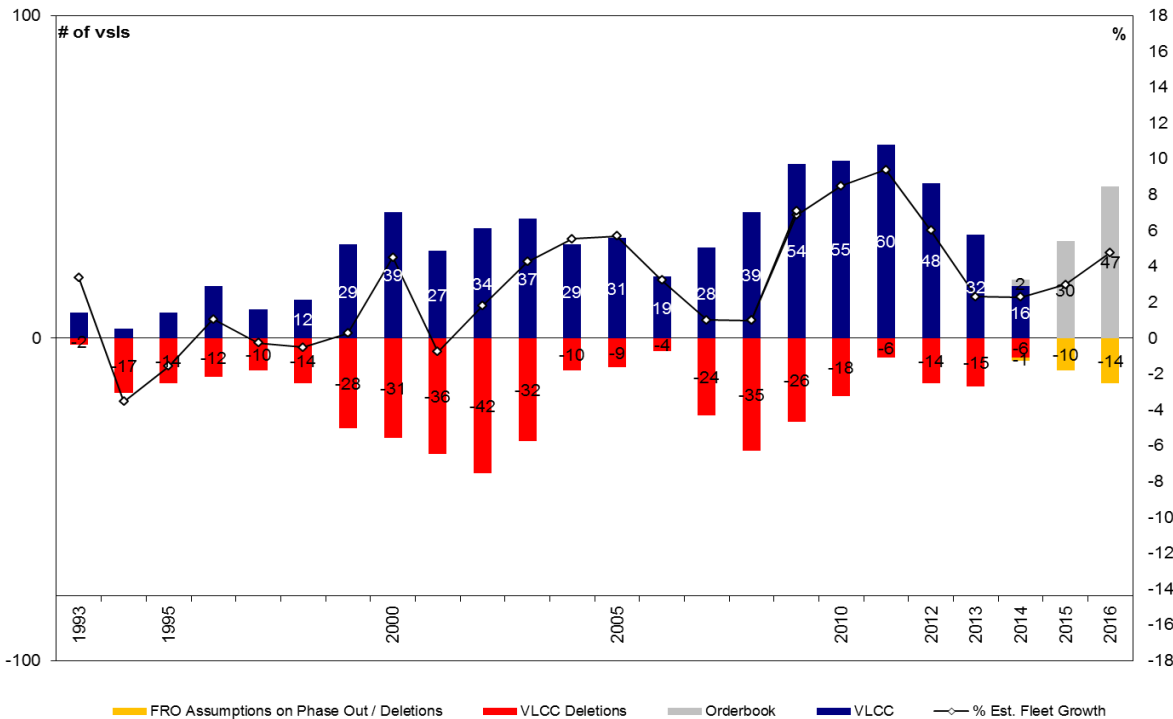
# VLCC Fleet

## Fleet

<b>Current Fleet</b>	<b>634</b>	<b>Delivered 2014</b>	<b>16</b>
<b>Orderbook</b>	<b>93</b>	<b>Estimated deliveries 2014</b>	<b>18</b>
<b>Orderbook/ Fleet</b>	<b>15 %</b>		

## Delivery Schedule

## Current fleet & Orderbook



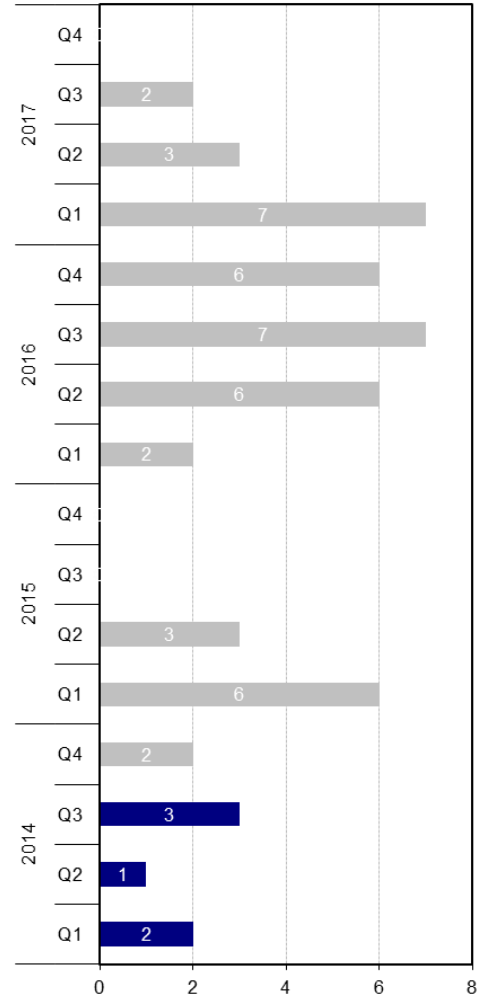
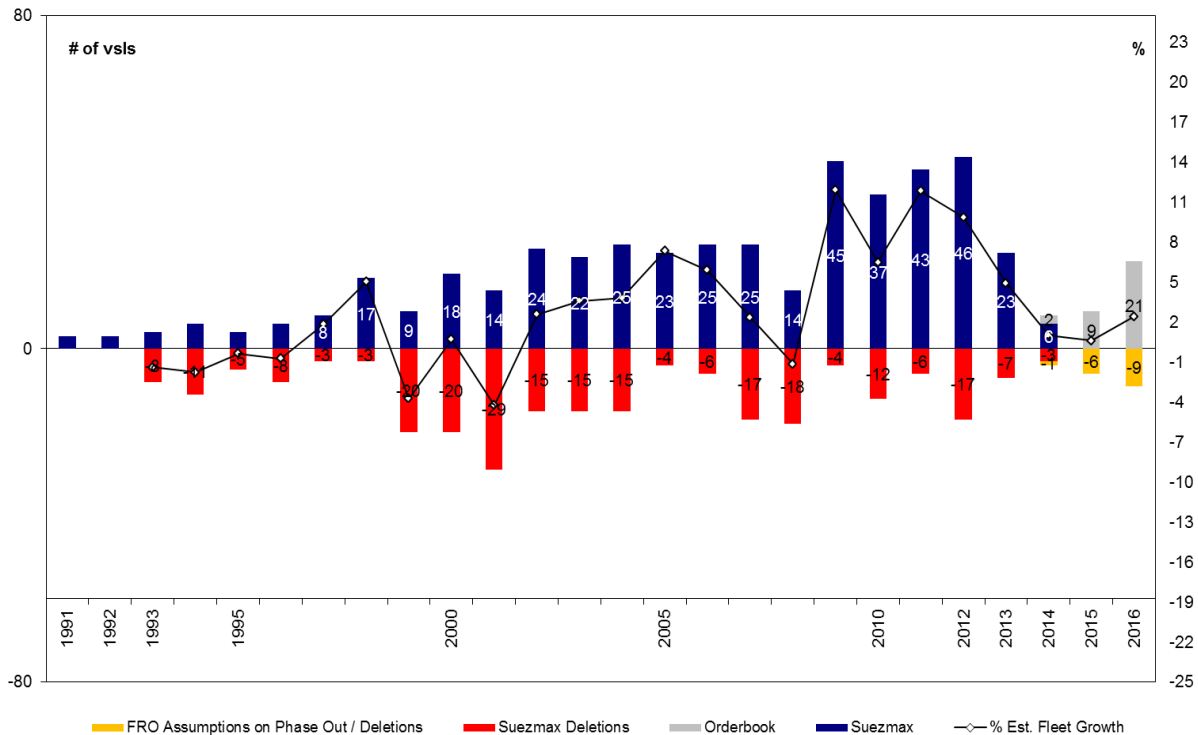
# Suezmax Fleet

## Fleet

<b>Current Fleet</b>	<b>452</b>	<b>Delivered 2014</b>	<b>6</b>
<b>Orderbook</b>	<b>44</b>	<b>Estimated deliveries 2014</b>	<b>8</b>
<b>Orderbook/Fleet</b>	<b>10 %</b>		

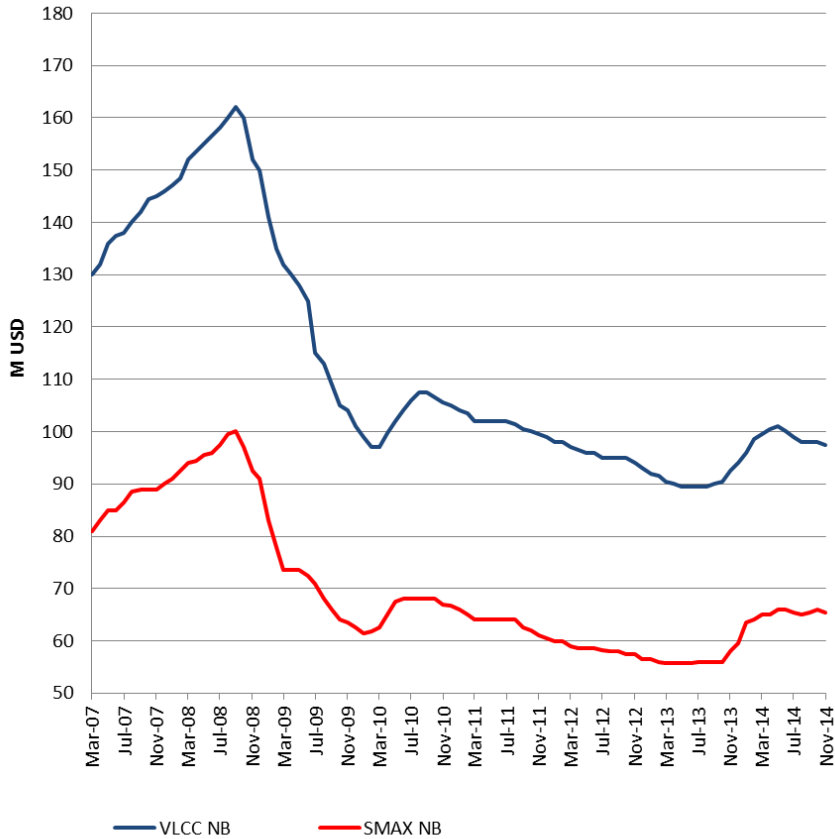
## Delivery Schedule

### Current fleet & Orderbook



# Values and Rates

## NEWBUILDING



## TC MARKET



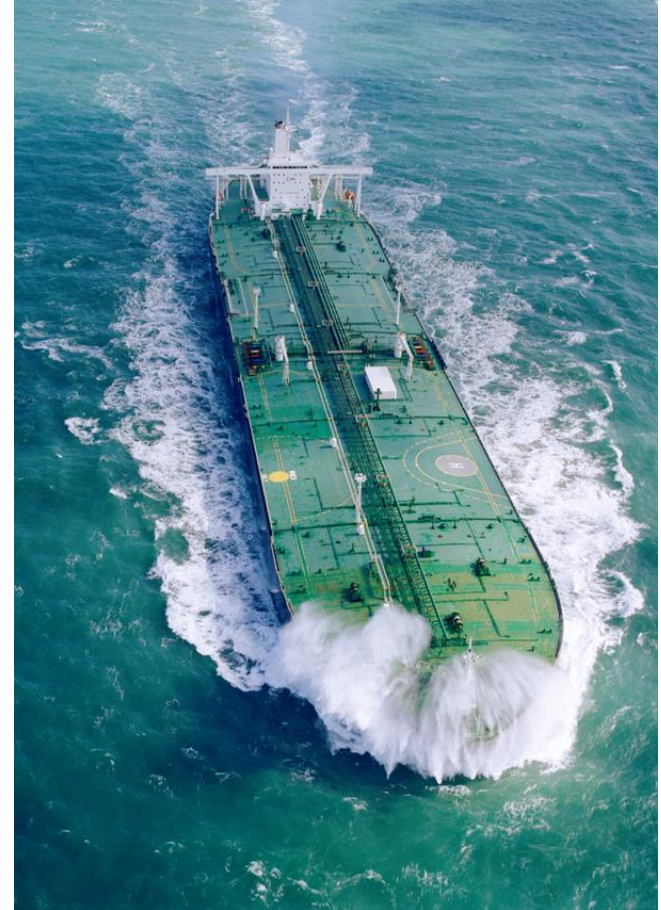
# Frontline

- Fleet, including vessels on commercial management & ITCL:
  - 14 Smax
  - 25 VLCC
  - One Suezmax newbuilding expected delivered in January 2015
    - Remaining installments to be paid approximately \$41m
- VLCC Chartering set-up
- The Company's debt and lease obligation is being worked on. The target is to re-build Frontline into a leading tanker company



# Market Outlook

- Highest fleet utilisation seen since 2009
- Geography of trading routes has reversed in the last 18 months and increased ton/mile
- Increased ton/mile has increased volatility
- Lower oil price increasing TCE
- New ECA regulations from 1 January 2015 sees high sulphur fuel leaving Europe and USA
- Strong contango in oil markets means that storage could come in to play
- Very strong Suezmax market boosting owners confidence
- VLCC's showing improvement and market sentiment turning positive





Questions?

