



May 29, 2015

Forward looking statements

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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 2015 Highlights and Transactions
- Financial Review
- Market Update
- Outlook
- Q & A



Highlights and Transactions

- The Suezmax "Front Idun" was delivered in January.
- The Company issued 12.2 million new ordinary shares under its ATM program during in the first quarter
- Increased the ATM limit from \$100m to \$150m in January.
- The Company issued 12.9 million and 5.9 million new shares under the ATM program in April and May, respectively, and the existing ATM program is fully utilized
- The Company bought \$33.3 million notional principal of its convertible bond at a purchase price of 99% in February.
- The remaining outstanding balance on the convertible bond of \$93.4 million was repaid in full upon maturity in April
- Today, Frontline announced that it has entered into a heads of agreement to amend the terms of the long term charter agreements with Ship Finance International Limited for the remainder of the charter period with effect from July 1, 2015



Summary of new charter structure with Ship Finance

Element	New structure
TC rates	<ul style="list-style-type: none"> Rates reduced to USD 20,000 for all VLCCs and USD 15,000 for all Suezmaxes for the whole charter period
Opex element of TC rate	<ul style="list-style-type: none"> Opex compensation increased to USD 9,000/day
Profit split	<ul style="list-style-type: none"> SFL will receive 50% of achieved rate above new TC rate Remaining pre-paid profit split terminated, i.e. profit split will be paid to SFL as earned from first day
Cash sweep	<ul style="list-style-type: none"> Cash sweep terminated
Guarantee	<ul style="list-style-type: none"> Parent company guarantee removed Minimum cash buffer of USD 2m per vessel to be established, meaning no payment can be made to the parent unless cash balance is above USD 2m Cash buffer will be built gradually through earnings and released to FRO at end of lease period

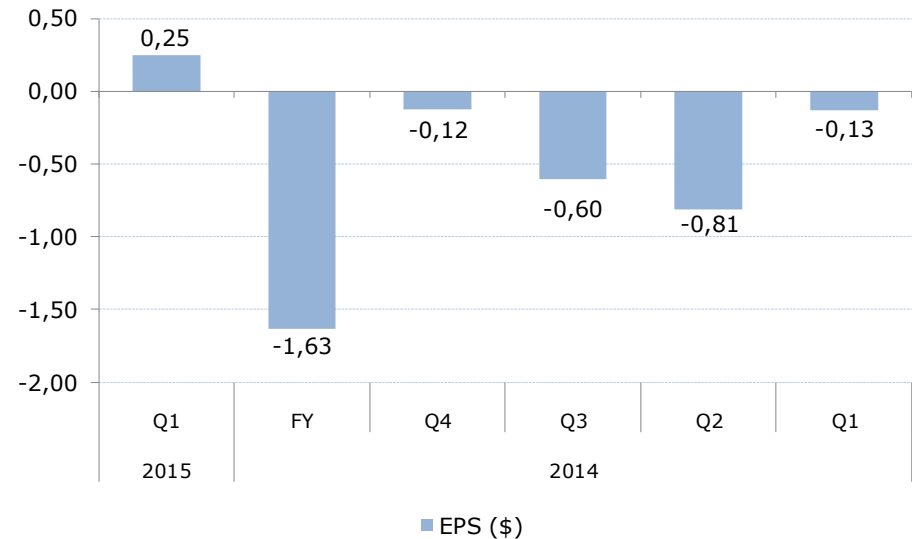
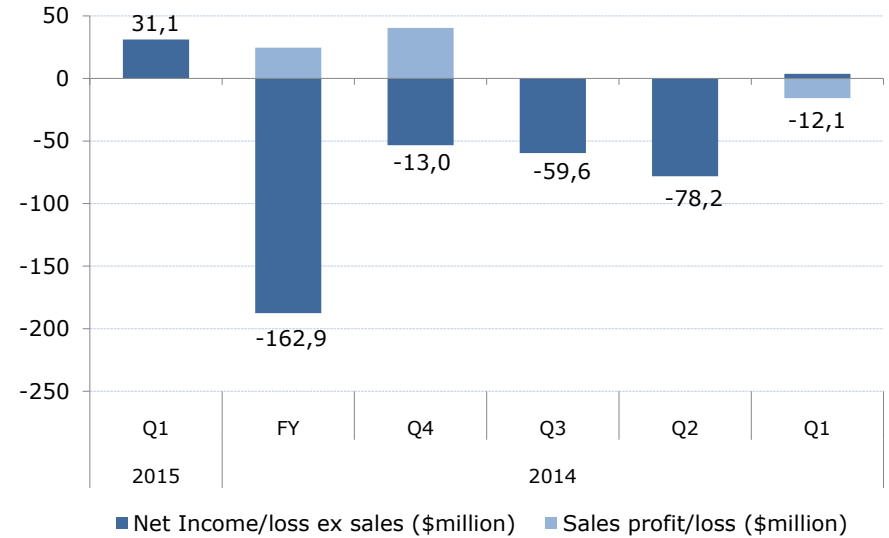
Financial Highlights

Q1 - 2015 results

- Net income : \$31.1m
- Net income per share : \$0.25

Share price NYSE May 28, 2015: \$3.06

– Market cap: \$439m

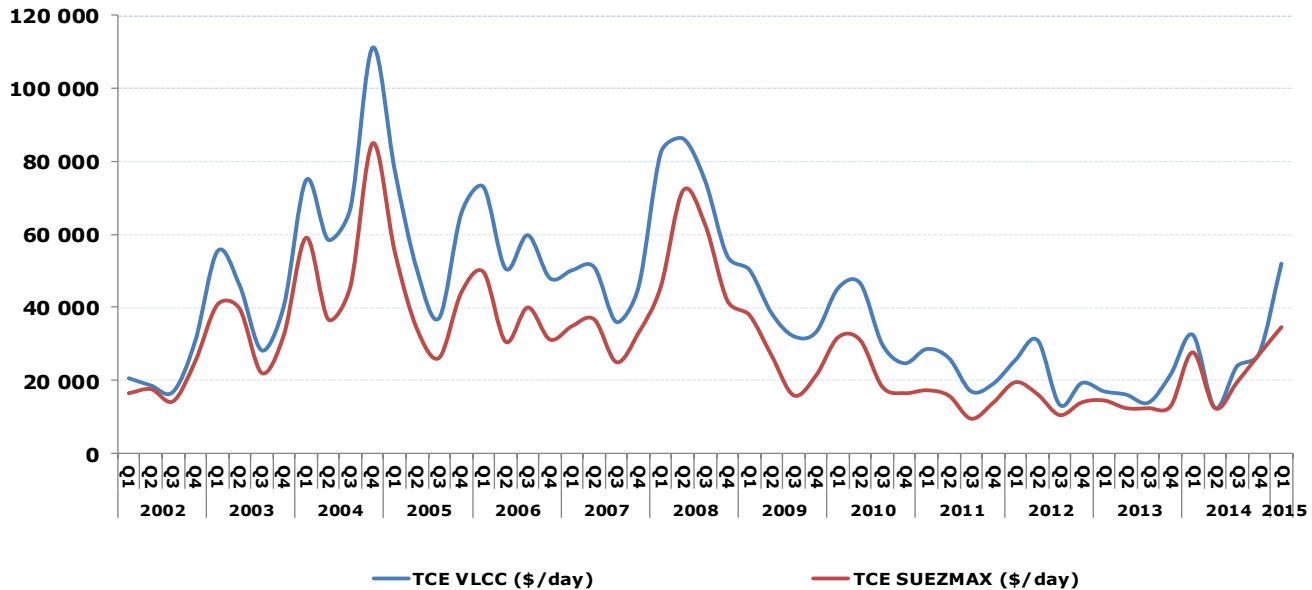


Income Statement

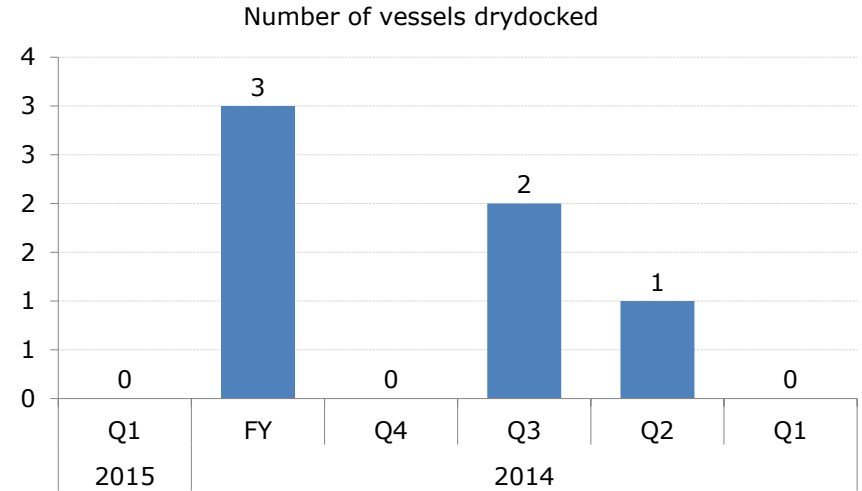
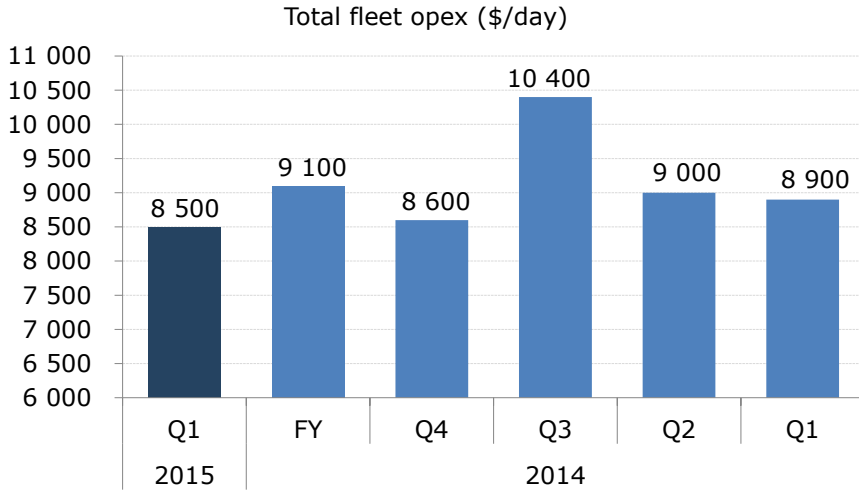
CONDENSED CONSOLIDATED INCOME STATEMENTS	2015	2014	2014
(in thousands of \$)	Jan-Mar	Jan-Mar	Jan-Dec
Total operating revenues	144,377	169,998	559,688
(Loss) gain on sale of assets and amortization of deferred gains	-	(15,727)	24,620
Voyage expenses and commission	43,232	80,701	286,367
Ship operating expenses	18,521	23,052	89,674
Contingent rental expense	16,212	13,023	36,900
Administrative expenses	9,995	9,070	40,787
Impairment loss on vessels	-	-	97,709
Depreciation	16,933	22,846	81,471
Total operating expenses	104,893	148,692	632,908
Net operating income (loss)	39,484	5,579	(48,600)
Interest income	11	7	47
Interest expense	(14,683)	(21,565)	(75,825)
Share of results from associated companies	5,748	562	3,866
Foreign currency exchange gain (loss)	65	(31)	(179)
Debt conversion expense	-	-	(41,067)
Gain on bond buy back	333	-	1,486
Loss from de-consolidation of subsidiaries	-	-	(12,415)
Other non-operating items	263	306	1,486
Net income (loss) before tax and noncontrolling interest	31,221	(15,142)	(171,201)
Taxes	(53)	(70)	(459)
Net income (loss)	31,168	(15,212)	(171,660)
Net (income) loss attributable to noncontrolling interest	(44)	3,127	8,722
Net income (loss) attributable to Frontline Ltd.	31,124	(12,085)	(162,938)
Basic earnings (loss) per share attributable to Frontline Ltd.	\$0.25	\$(0.13)	\$(1.63)

Income on time charter basis

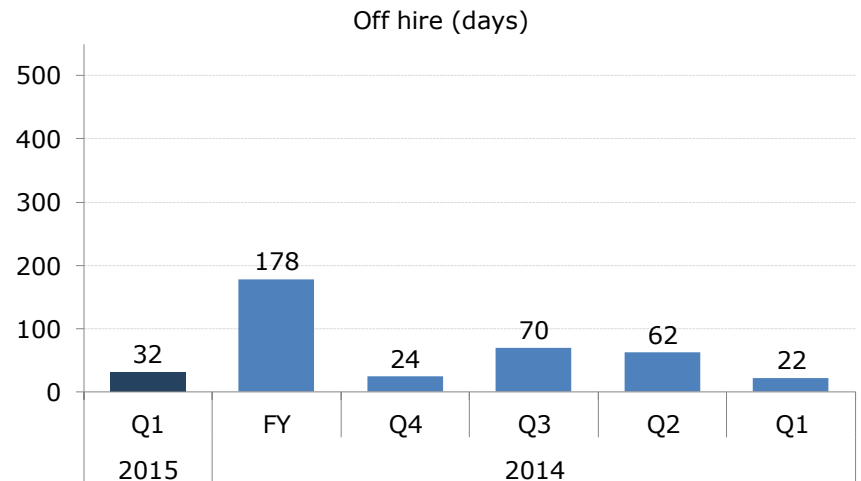
	2015	2014				
\$/day	Q1	FY	Q4	Q3	Q2	Q1
VLCC Spot	52 200	24 100	27 400	23 900	12 500	32 500
VLCC incl. TC out	49 400	24 800	27 900	24 600	13 900	32 700
Suezmax Spot	35 000	21 500	27 200	19 500	12 400	27 700
Suezmax Incl. TC out	33 100	21 100	26 000	18 600		



Ship operating expenses/Off-hire



- 4 scheduled drydockings in Q2 2015



Balance Sheet

Balance sheet (in \$ million)	2015 Mar 31	2014 Mar 31	2014 Dec 31
Cash	88	111	64
Restricted cash	0	75	42
Other Current assets	113	145	127
Long term assets:			
Newbuildings	-	30	15
Vessels	647	906	607
Other long term assets	108	107	106
Total assets	956	1 374	962
Current liabilities	244	174	329
Long term liabilities	712	1 193	704
Noncontrolling interest	0,4	6	0,3
Frontline Ltd. stockholders' equity	-0,4	1	-71
Total liabilities and stockholders' equity	956	1 374	962

Cash Cost Breakeven

Estimated cash cost breakeven rates

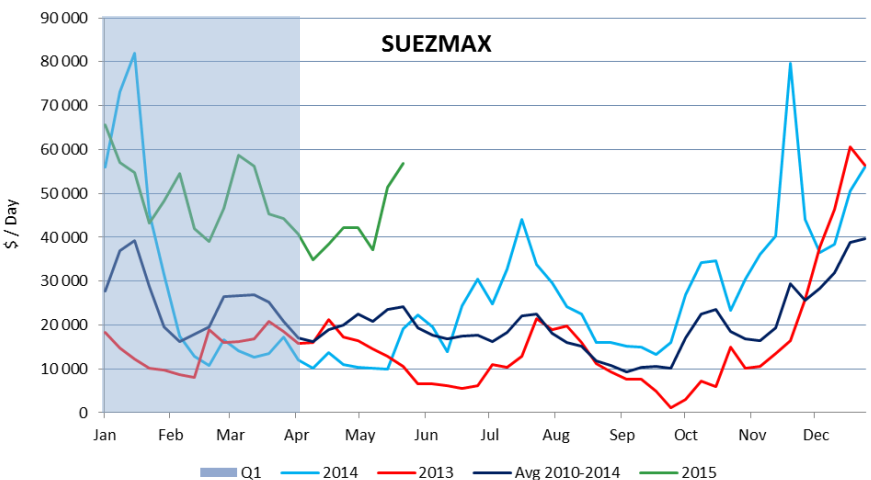
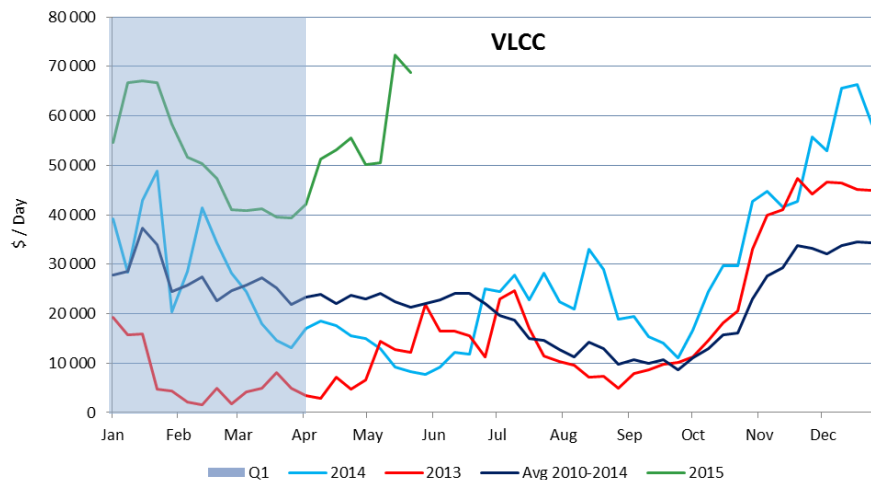
	<u>Q2 2015</u>	<u>2nd H 2015</u>
VLCC	\$31,300	\$24,800
Suezmax	\$23,100	\$19,500

Comments to B/E rates (\$/day):

Included in Cash B/E rates are: BB hire/installments & interest loans, opex and drydock, interest and admin expenses

Q2 2015: Includes estimated cash sweep to Ship Finance of \$6,500/day

Earnings & Market Factors in Q1



Q1 – Average Market earnings / Marex

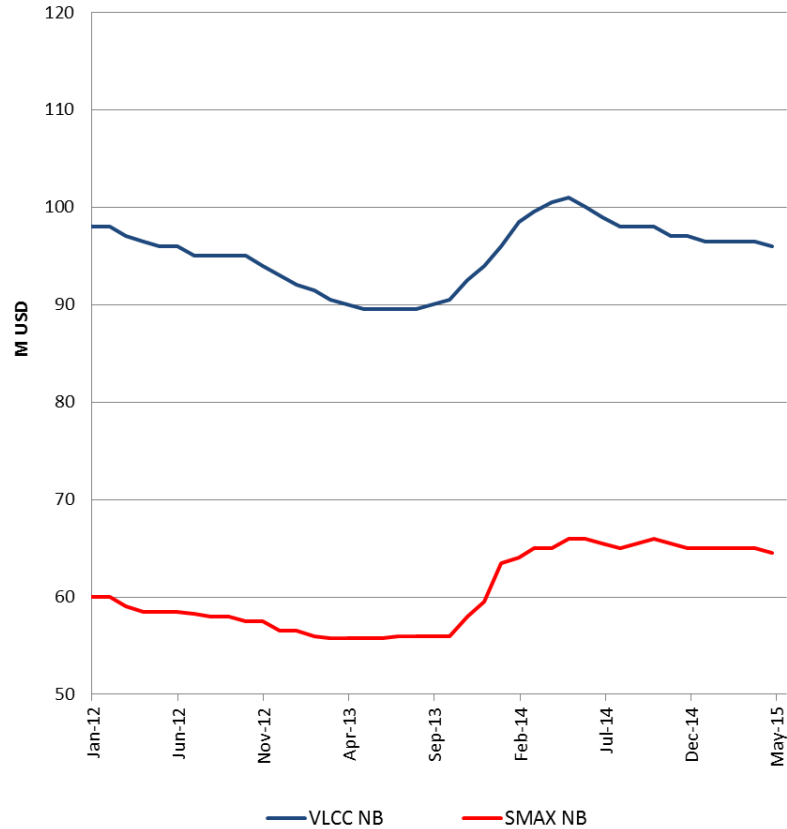
- VLCC (TD3) : \$ 62,700/day (Q4-14: \$51,300/day)
- Suezmax (TD20) : \$ 47,600/day (Q4-14: \$43,000/day)
- Frontline TC out cover taken in Q1
- Best Q spot TCE result in Frontline since Q1 2009

The Market:

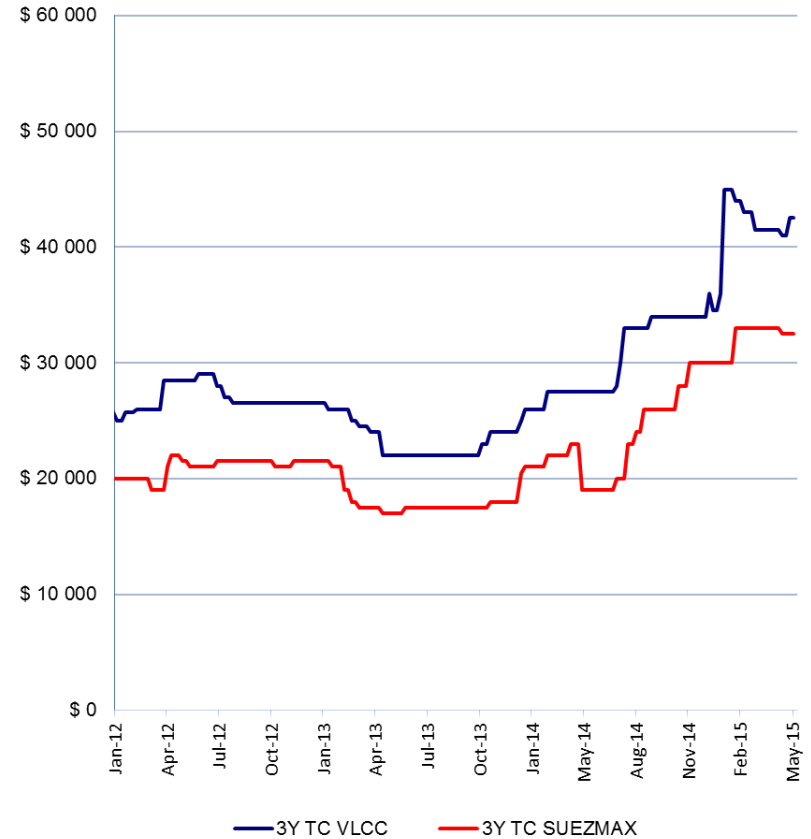
- High crude supply in the quarter
- Floating storage not to the extent we expected
- VLCC and Suezmax fleet largely unchanged for the quarter
 - Five VLCC and six Suezmax newbuildings were delivered during the quarter
 - Only one Suezmax and one VLCC were removed during the quarter

Values and Rates

NEWBUILDING



TC MARKET

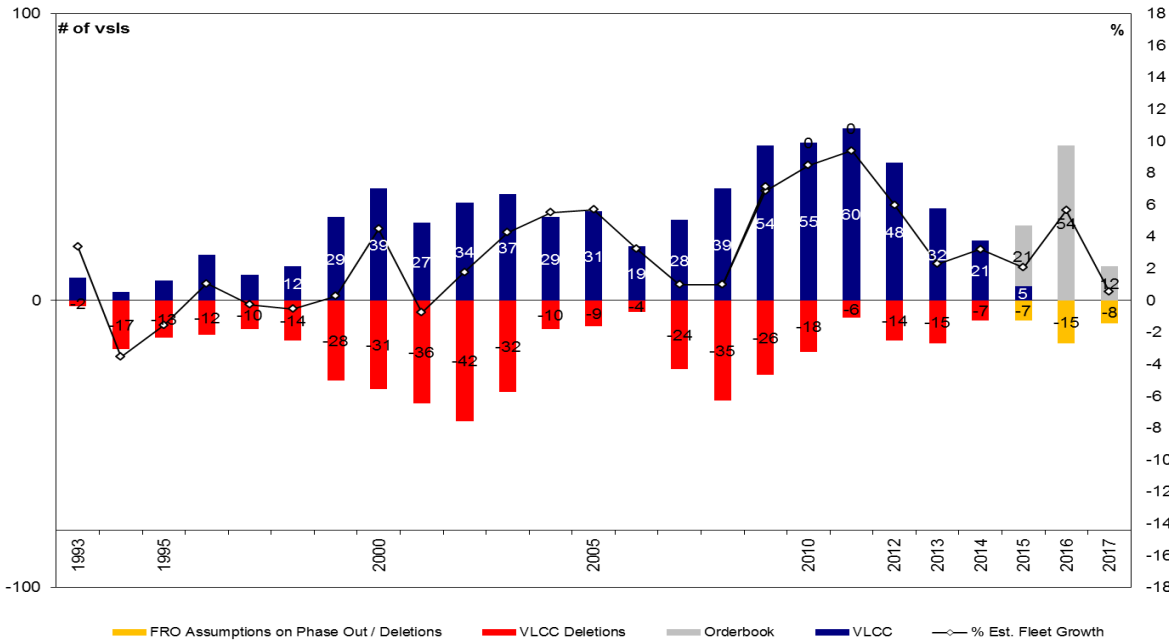


VLCC Fleet

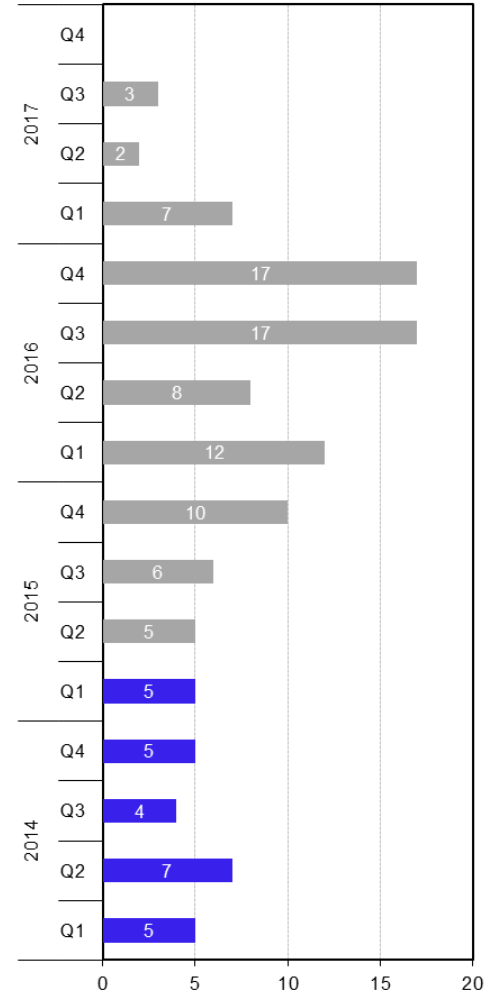
Fleet

Current Fleet	642	Delivered 2015	5
Orderbook	87	Estimated deliveries 2015	21
Orderbook/ Fleet	14 %		

Current fleet & Orderbook



Delivery Schedule

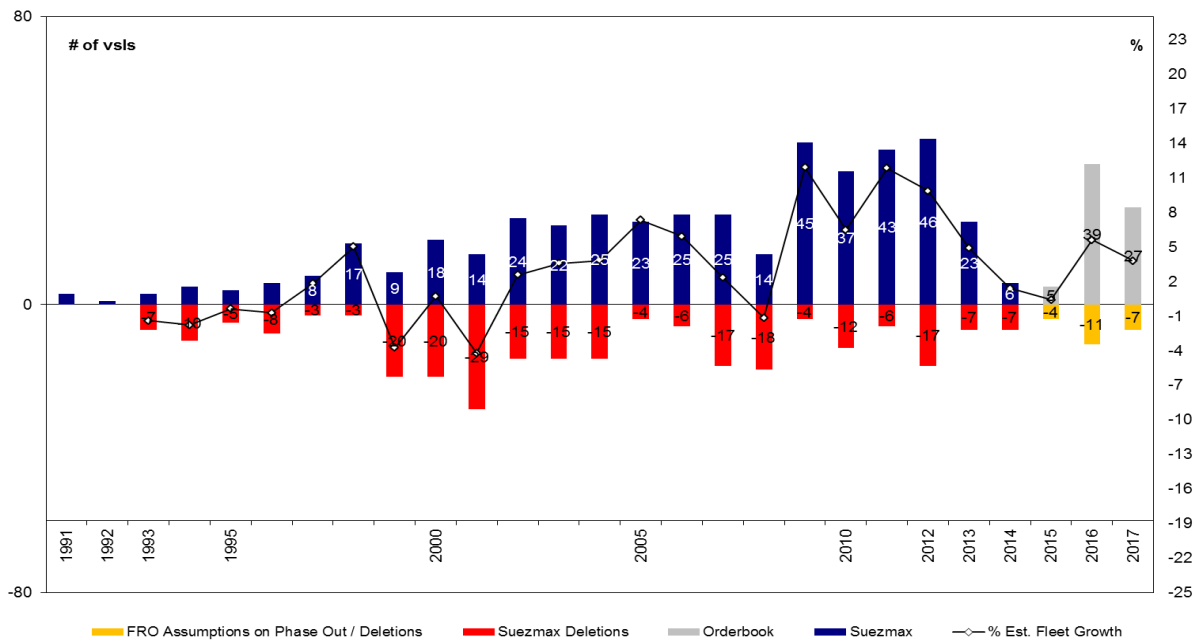


Suezmax Fleet

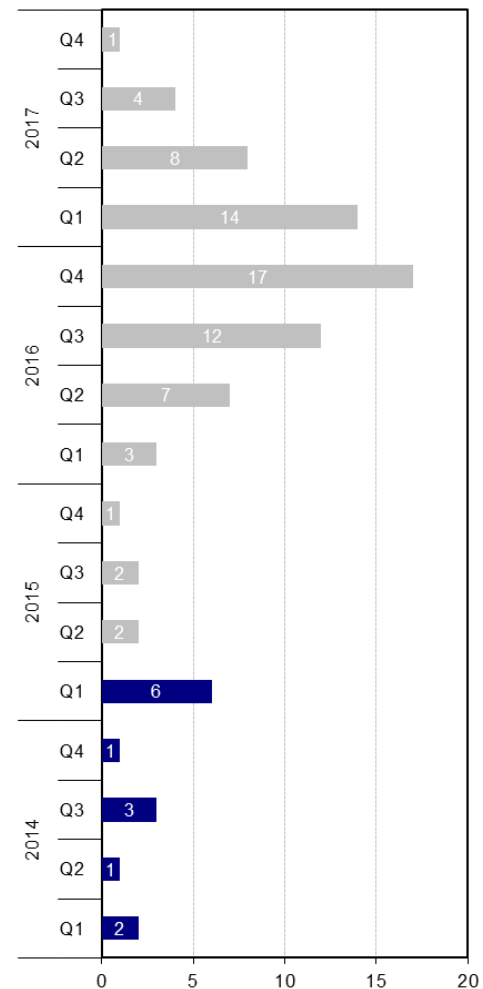
Fleet

Current Fleet	455	Delivered 2015	6
Orderbook	71	Estimated deliveries 2015	5
Orderbook/Fleet	16 %		

Current fleet & Orderbook



Delivery Schedule



Frontline

- Current fleet:
 - 17 Smax
 - 25 VLCC
- Frontline paid off its convertible bond loan in April 2015
- New charter structure agreed with Ship Finance Limited
- Focus will now shift from restructuring to development and growth

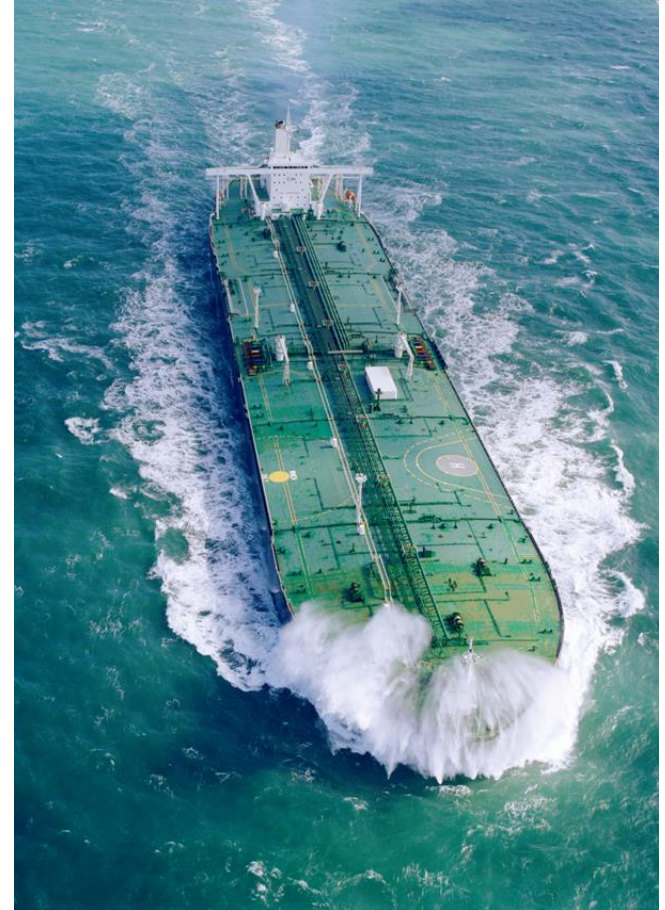


Market Outlook

- Risk factors;
 - Orderbook
 - Yard capacity
 - Demolition slowdown

- Bullish factors;
 - World oil supply at all time high
 - Fleet utilization above 85%
 - Tonne/miles remains high
 - Current volumes cause port/terminal congestion

It points towards a strong tanker market in 2015



Questions?

