



*World leader in the international  
seaborne transportation of crude oil*

May 31, 2016

# 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.

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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. THE INFORMATION SET FORTH HEREIN SPEAKS ONLY AS OF THE DATES SPECIFIED AND FRONTLINE UNDERTAKES NO DUTY TO UPDATE ANY FORWARD-LOOKING STATEMENT TO CONFORM THE STATEMENT TO ACTUAL RESULTS OR CHANGES IN EXPECTATIONS OR CIRCUMSTANCES.

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 OR A SOLICITATION OF ANY VOTE OR APPROVAL.



# Company Highlights

## Q1 2016 Highlights

### Strong Performance

- Achieved net income attributable to the Company of \$78.9 million, or \$0.50 per share
- Announces a cash dividend of \$0.40 per share for the first quarter of 2016.
- Strong spot performance, particularly in the VLCC segment, despite market weakness in February and March

### Fleet Growth and Renewal

- Took delivery of four LR2 tanker newbuilding's

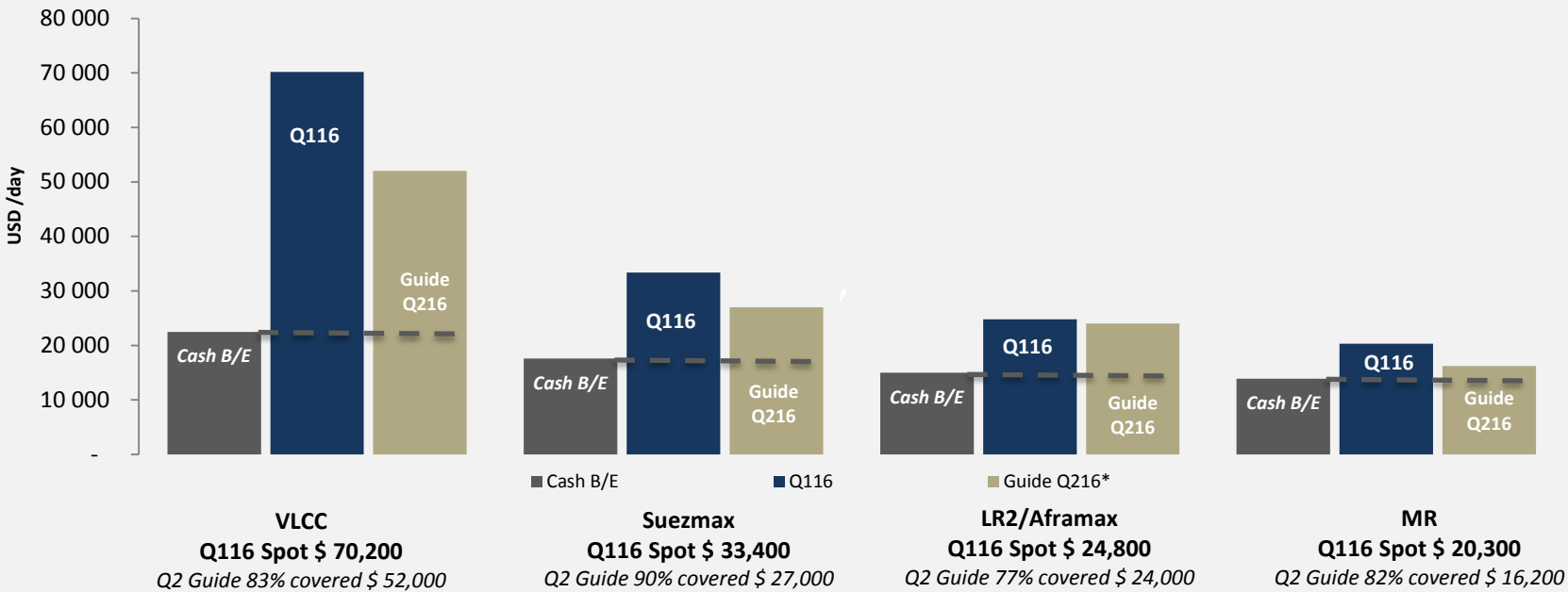
## Subsequent Events

### Attractive Financing Secured

- Secured up to \$328.4 million in bank debt financing from China Exim Bank
- In process of obtaining commitment for further bank debt financing of up to \$324.6 million from China Exim Bank
- Secured commitment of up to \$275 million in additional funding from a company affiliated with Hemen Holding Ltd, Frontline's largest shareholder
- Terminated long-term charter for 1998-built VLCC
- Took delivery of one LR2 tanker newbuilding

# Q1 Performance and Q2 Guidance

Q1 2016 TCE Rates and Q2 Guidance (USD thousands)



(1) Estimated cash cost breakeven rates for the remainder of 2016 includes bareboat hire / installments, interest loans, opex/drydock, and G&A expenses.



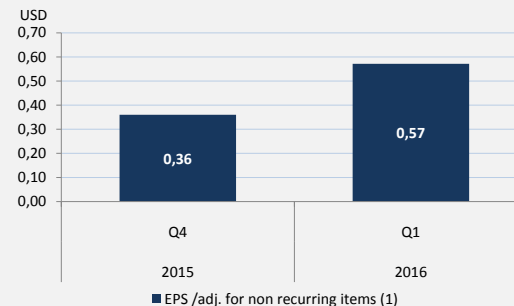
# Q1 2016 Financial Highlights

	2016 Jan - Mar
<i>(Million \$ except per share)</i>	
TC revenues (net of voyage expenses)	<b>192</b>
EBITDA (excl gain on sales)*	<b>141</b>
Net income	<b>79</b>
Earnings per share	<b>0,50</b>
Earnings per share adjusted for non recurring items	<b>0,57</b>
Cash dividend declared	<b>0,40</b>
Market Cap (Share price \$8.02)	<b>1 254</b>
Yield (annualized)**	<b>20 %</b>

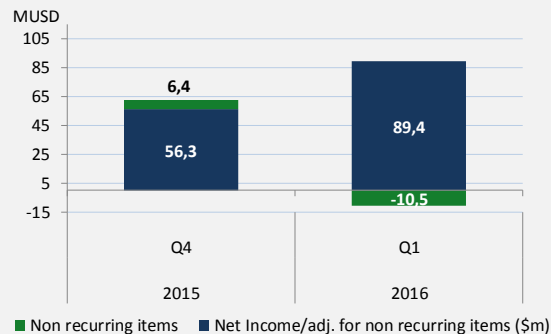
\* Earnings Before Interest, Tax, Depreciation, Amortization, gains or losses on disposals and impairment charges

\*\* Latest declared quarterly dividend annualized, divided by share price

Earnings Per Share (1)



Net Income

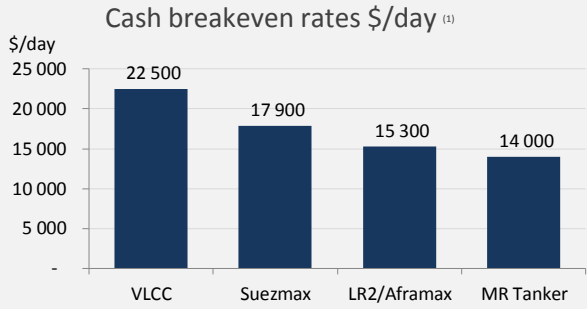


(1) Based on 156,386,506 shares outstanding as of December 31, 2015

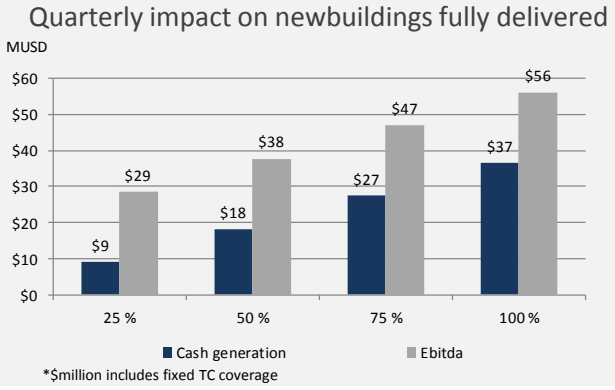
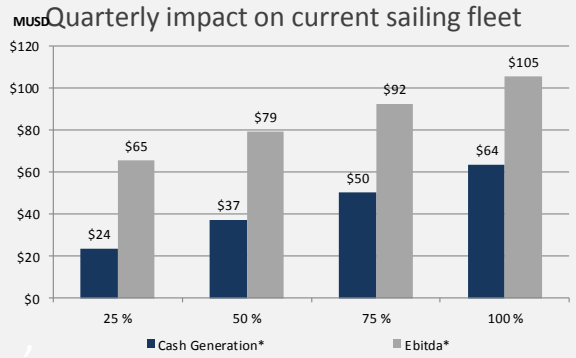
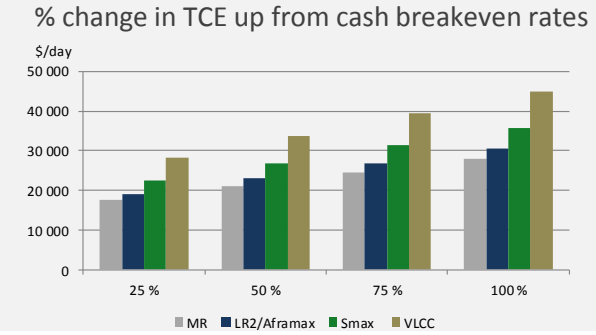
# Income statement

<i>(in thousands of \$)</i>	2016	2015	2015
	Jan - Mar	Oct - Dec	Jan-Dec
<b>Total operating revenues</b>	<b>227 103</b>	<b>243 429</b>	<b>949 007</b>
Gain on cancellation and sale of newbuilding contracts	-	13 744	112 000
Voyage expenses and commission	35 525	49 788	235 630
Contingent rental expense	(3 386)	32 245	89 724
Ship operating expenses	29 458	38 754	150 988
Charter hire expenses	14 052	13 046	43 387
Administrative expenses	10 773	12 554	50 184
Depreciation	37 907	24 988	103 083
<b>Total operating expenses</b>	<b>124 329</b>	<b>171 375</b>	<b>672 996</b>
<b>Net operating income</b>	<b>102 774</b>	<b>85 798</b>	<b>388 010</b>
Interest income	87	34	103
Interest expense	(13 944)	(12 542)	(57 764)
Share in results of associated companies	-	-	12 088
Impairment loss on shares	(2 351)	(9 369)	(9 369)
Foreign currency exchange gain (loss)	338	106	(66)
Mark to market loss on derivatives	(8 050)	(2 279)	(8 496)
Other non-operating items	174	1 163	1 142
<b>Net income before income taxes and non-controlling interest</b>	<b>79 028</b>	<b>62 911</b>	<b>325 648</b>
Income tax expense	(50)	(206)	(253)
<b>Net income (loss)</b>	<b>78 978</b>	<b>62 704</b>	<b>325 394</b>
Net (income) loss attributable to non-controlling interest	(72)	-	-
<b>Net income attributable to the Company</b>	<b>78 906</b>	<b>62 704</b>	<b>325 394</b>

# Impact of low cash breakeven levels



(1) Estimated cash cost breakeven rates for the remainder of 2016 includes bareboat hire / installments, interest loans, opex/drydock, and G&A expenses.

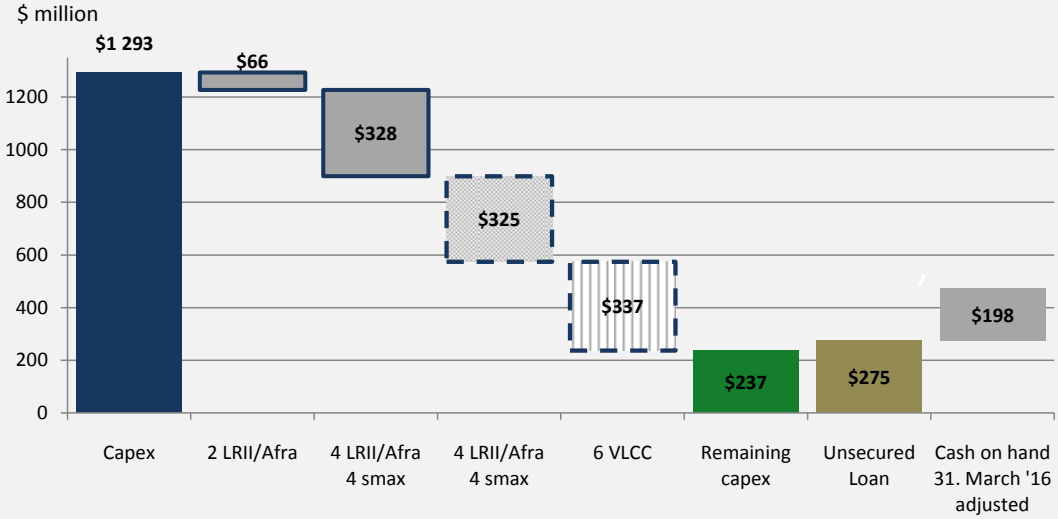


# Balance sheet

<i>(in \$ million)</i>	2016 Mar 31	2015 Dec 31
Cash	272	265
Restricted cash	0,7	0,4
Other Current assets	174	203
<b>Long term assets:</b>		
Newbuildings	243	266
Vessels	2 066	1 924
Goodwill	225	225
Other long term assets		0,4
<b>Total assets</b>	<b>2 980</b>	<b>2 883</b>
Current liabilities	227	242
Long term debt	852	746
Obligations under capital lease	431	447
Other long term liabilities	3	3
Noncontrolling interest	0,1	0,1
Frontline Ltd. stockholders' equity	1 467	1 446
<b>Total liabilities and stockholders' equity</b>	<b>2 980</b>	<b>2 883</b>



# Frontline in position to fully fund our NB program and has flexibility to further growth



### Frontline newbuilding program 2016-17:

- Committed bank debt financing of up to \$394.4m
- Committed senior unsecured loan facility of \$275m
- In process of obtaining commitment for bank debt financing of up to \$324.6m
- Assuming VLCC financing up to \$337m basis 60% leverage of contract values
- Cash on hand adjusted by \$74m according to lease/bank agreements

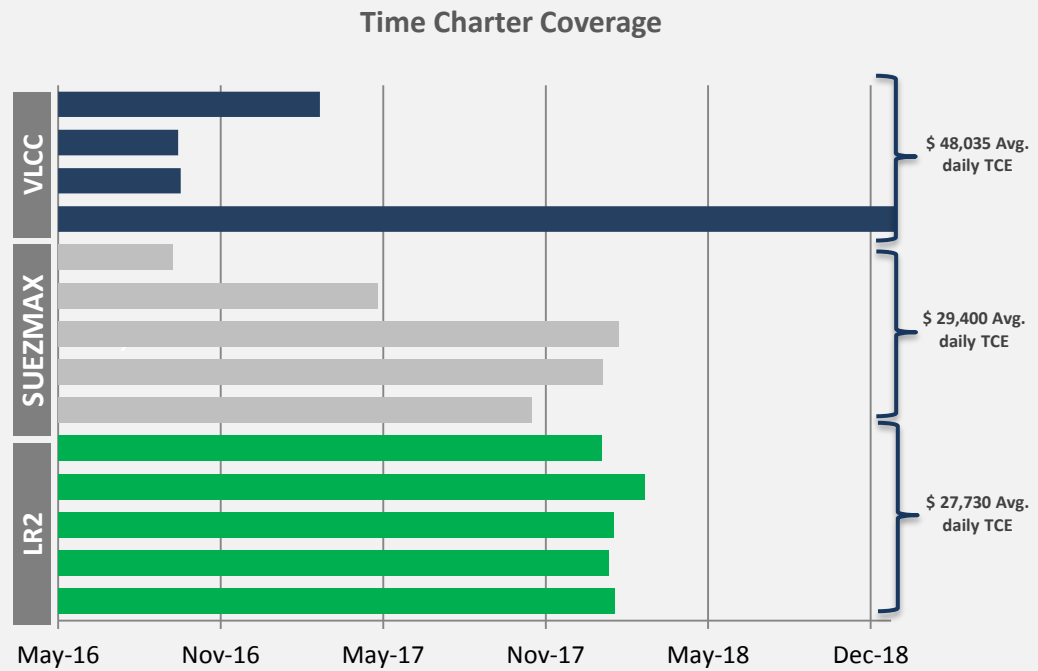
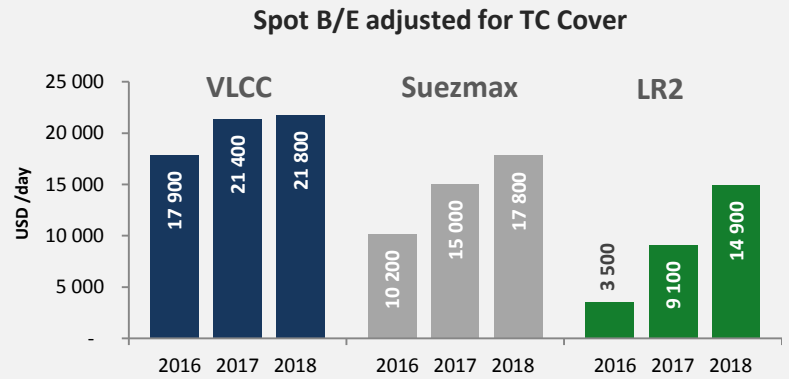


We are in position to fully fund the entire NB program and have flexibility for further growth.

# Time Charter Coverage Secures Cash Flow

## Frontline captures market strength

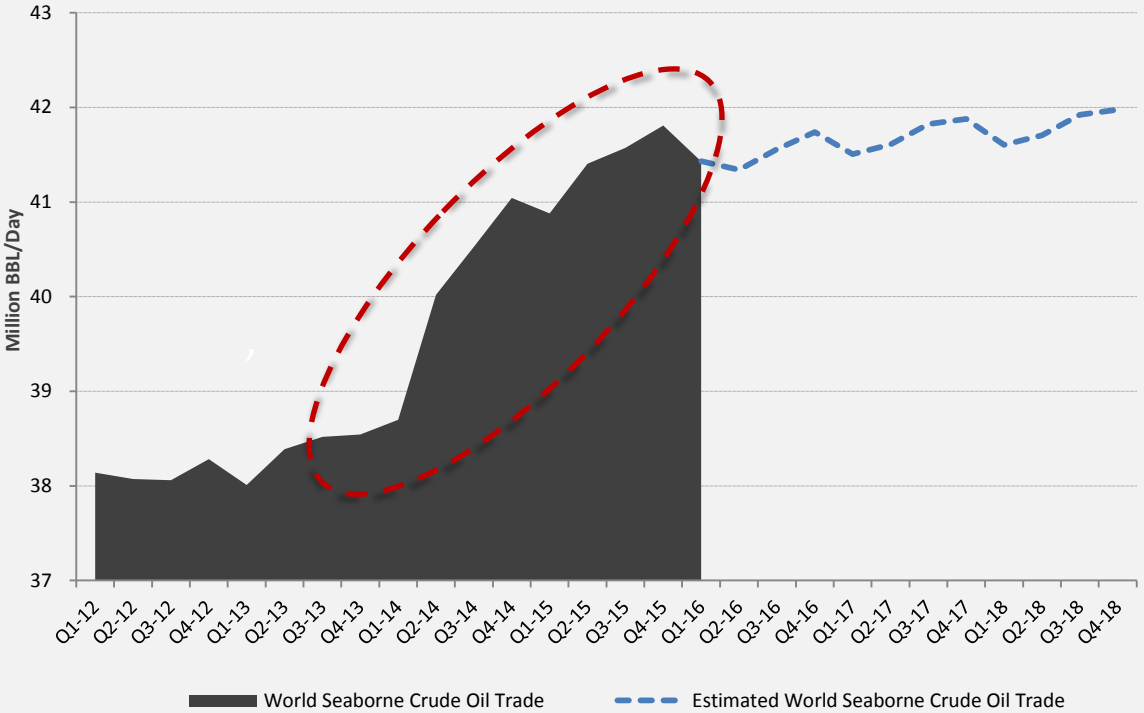
- 35% of the operating fleet is currently covered on time charter.
- Time charter cover lowers the cash break even on our remaining spot fleet while also securing cash flow



# Substantial Change In Tanker Demand

**Tanker rates have firmed based on a fundamental change in demand for tankers**

- Oil supply has increased by 6 million bbls/day in the last four years
- Crude supply shipped has increased 8% in the last 2 years
- Oil flows from the Atlantic basin to the Far East, ton/mile set to remain high
- Global oil supply is expected to continue to grow with demand, according to IEA. This is supportive of the tanker market



Sources: Clarksons, IEA, Frontline

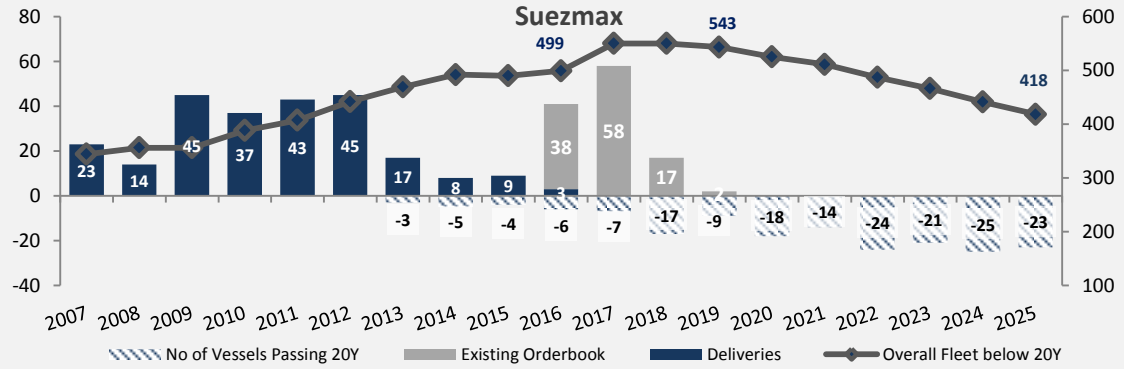
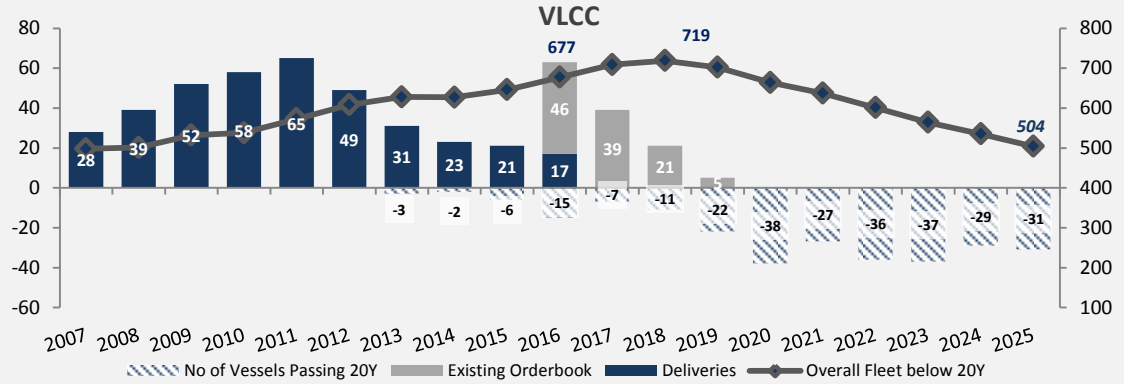


# Crude Tanker Orderbook

## Fleet growth moderated by aging fleet

- The crude tanker order book remains significant, at the same time the fleet is aging
- New orders have slowed down significantly with limited availability of financing
- A lot of secondhand tonnage for sale. Ships on the water gives earnings power now and should be preferred.

Type of Carterer	Approx Market Share	'Official' Max Age
Chinese Majors	34 %	15,00
Asian Other	29 %	19,17
Western Oilmajors	16 %	17,50
Sum /Average Max Age	79,8 %	17,22



Source: Fearnleys



# Market Outlook

## Bullish Factors

Crude supply looks to remain high

Oil prices stimulate demand

High volume causes congestion

US production slowing, imports increasing

## Bearish Factors

Decrease in oil supply

Slowing oil demand

Output disruptions/  
Inventory drawdown

Present Orderbook

*Frontline expects tanker demand to remain strong*