INTERIM REPORT APRIL - JUNE 1999

FRONTLINE

SECOND QUARTER AND SIX MONTH RESULTS

Frontline reports a net loss of $3.6 million for the second quarter of 1999, compared with net income of $14.7 million for the second quarter of 1998. This result reflects the weakness in the tanker market, particularly the VLCC sector, offset by a dividend of $9.0 million received in respect of the Company's investment in ICB Shipping. In the second quarter of 1998, the reported results included the consolidation of Independent Tankers Corporation ("ITC"). As previously reported, ITC was subsequently sold to a related party and consequently not included in the consolidated results for any period of 1998. The financial information as at, and for the quarter ended June 30, 1998, included herein, has been restated to exclude ITC.

Earnings before interest, tax, depreciation, and amortisation (EBITDA) for the quarter, including earnings from associated companies were $17.2 million, compared with $33.6 million for the comparable period. The reduction reflects the sharp decline in timecharter equivalent earnings ("TCEs") earned which offset the effect of the increase in Frontline's fleet. The average daily TCEs earned by the VLCCs, Suezmax tankers, and Suezmax OBO carriers were $17,800, $17,000 and $16,800, respectively, compared with $37,200, $26,200 and $24,000 in the second quarter of 1998. Total days offhire in the 1999 quarter were 18 for the VLCCs and 56 for the Suezmax fleet, of which 24 days were for scheduled dry-docking. Of the remaining offhire, 14 days is the deductible period in connection with damage to the propeller of one of the Company's VLCCs. Total operating costs and depreciation have increased due to the expansion of the fleet, while administration costs have decreased as the benefits of the restructuring of the Company's operations are being realised.

If the majority holding position in ICB had been accounted for on an equity basis in Frontline's accounts, it would have increased EBITDA by approximately $6.9 million.

Net other expenses for the quarter, including the dividend from ICB, were $6.7 million (1998 - $7.2 million). In addition to an increase in the average debt resulting from the fleet expansion and further investment in ICB, the Company incurred non-recurring charges in respect of restructuring of its debt arrangements as discussed below.

Earnings per share for the quarter were $(0.08), (1998 - $0.32). The weighted average number of shares outstanding for the quarter and at June 30, 1999 was 46,106,860 (as at June 30, 1998 and for the quarter then ended – 46,106,860). Cashflow per share for the quarter was $0.23, compared with $0.57 for the same quarter in 1998.

For the first six months of 1999, the Company incurred a net loss of $3.4 million (1998 - net income of $23.9 million) and EBITDA of $46.3 million (1998 - $67.6 million). The average daily TCEs earned by the VLCCs, Suezmax tankers, and Suezmax OBO carriers were $22,600, $18,700 and $18,700, respectively, compared with $33,300, $25,800 and $25,700 in the first half of 1998.

Net other expenses for the six months were $21.8 million (1998 - $20.4 million). As for the quarter, this principally reflects an increase in the average debt resulting from the fleet expansion, offset by the ICB dividend.

Earnings per share for the six months were $(0.07), (1998 - $0.52) and cashflow per share was $0.53, compared with $1.02 for the first six months of 1998.

THE MARKET

The strong compliance to the 1.7 million barrels per day cut in production, introduced by OPEC in the beginning of the year, lead to a reduced demand in the freight market. Combined with annual overhauls at refineries and a negative and nervous psychology in the market, this substantially reduced the earnings, particularly in the VLCC market. The increase in the oil price pushed bunker prices from $55/60 per ton in the first quarter to as high as $105/110 per ton. These negative factors, combined with an oversupply of available tonnage, depressed the VLCC market with market rates for modern VLCC tonnage falling to $10,000 - $12,000 per day in April and May. For old turbine tonnage the earnings went as low as $2,000 – $3,000 per day, which is approximately $10,000 under operating cost for that type of tonnage. The VLCC market recovered somewhat in June before rates again tumbled in the third quarter. A total of 15 VLCCs were delivered in the first half of 1999, while 15 have been sold for scrap. Frontline's chartering arrangement with BP contributed positively to the earnings in the first half of 1999.

The Suezmax market was also hit hard by the adverse market conditions and showed a strong negative development in the second quarter. Continued competition from VLCCs, especially in the West African market, further contributed to this development. A total of 8 Suezmaxes were delivered and 6 were scrapped in the first half of 1999.

There are indications that the declining ship values and newbuilding prices, which prevailed in the latter half of 1998, and continued into the first quarter of 1999, have stabilised. Increased buying interest, especially for second-hand tonnage, is starting to give support to the market. For the first time, after seven quarters in a row with falling values, some brokers assessments include a value appreciation of tanker tonnage. The strengthening of the Japanese Yen and the major restructuring taking place in the Korean Shipyard industry give further room for a positive development in values.

CORPORATE AND OTHER MATTERS

In the first half of 1999, the Company has taken steps to improve its liquidity position and to address certain covenant breaches that existed at the end of 1998. In June, the Company's largest bank syndicate, led by Skandinaviska Enskilda Banken ("SEB"), agreed to change the loan profile on the facility provided to the Company. The agreed reduction in quarterly instalments will boost the Company's liquidity by $37.8 million during the remaining period of the loan to November 2003, equivalent to $8.4 million per annum. In addition, the Company signed a loan agreement for refinancing the Suezmax vessel "Lillo". The loan was drawn down on June 30, 1999, and partly used to repay the portion relating to "Lillo" under the SEB facility discussed above.

The net effect of the refinancing was to improve the Company's liquidity by $9.2 million.

The Company initiated, in the first half of this year, discussions with the its lending banks with the purpose of lowering the covenant requirements in the loan agreements at least until January 1, 2001. The changes were requested with the intention of increasing the flexibility of the Company's financing arrangements in the event of a prolonged negative market scenario. Included in the request for changes was a proposal to subordinate a $89.0 million loan (the "Subordinated Loan") given by Metrogas Holdings ("Metrogas"), a company related to Frontline's Chairman, to loans given by the Company's lending banks. In addition, the proposal included reclassifying the Subordinated Loan as equity for the purpose of calculating the Company's equity ratio.

In July 1999, the discussions with Metrogas and the Company's lending banks have been concluded and the Company and Metrogas have signed a Subordinated Convertible Loan Facility Agreement. Accordingly, the Company has received acceptance of reduced covenant levels from all but one of the Company's 19 lending banks. The Subordinated Loan is a three-year loan. In the case Frontline does not comply with certain covenants when the Subordinated Loan expires, then Frontline has the right to convert, and Metrogas is forced to accept, a conversion of the Subordinated Loan to equity at the then prevailing market prices. It is important to advise that Metrogas, in the meantime, does not have a conversion right under the existing arrangement. In order to strengthen the liquidity position further, Metrogas has agreed to an accumulation of the interest in the loan period instead of an annual interest payment.

In July 1999, Frontline took delivery of the fourth VLCC C-Class newbuilding, the "Front Commander", financed by traditional bank financing. The fifth and last VLCC, "Front Crown", will be delivered from the yard within the next two weeks. The ship is financed through the same arrangement as "Front Commander".

Frontline has filed its Annual Form 20-F with the SEC, including therein its audited consolidated financial statements for the year ended December 31, 1998.

The Board of Frontline is continuing to actively address the ownership deadlock situation with respect to ICB Shipping AB and remains cautiously optimistic that a solution will be reached in the near future. At June 30, 1999, Frontline owned approximately 68% of the outstanding shares of ICB, representing 44% of the voting power. The market prices for ICB shares used in Frontline's balance sheet as of June 30, was SEK 140 per A share and SEK 64 per B share. ICB has estimated the NAV of the company to be approximately SEK 72 per share. A possible solution to the ICB situation would significantly impact Frontline's results and balance sheet for 1999.

OUTLOOK

The current status of the oil market, with high spot prices and negative forward prices, puts pressure on the oil companies and refineries to reduce the oil in storage. The existing drawdown of storage, estimated to be approximately 1 million barrels per day ("mbpd"), is negatively influencing the demand side in the tanker market. A solid improvement in rates is not likely to occur until OPEC decides to change their production strategy, and thereby open up for more Arabian Gulf ("AG") production. Such a decision could be taken in OPEC's forthcoming September meeting and would significantly influence the short-term outlook in the market as well as the current negatively influenced psychology. The Board anticipates that material tonnage will be tied up as storage prior to the millennium change. This could, together with increased storage on land, and the positive growth signals from the Asian economies, positively influence the market balance for the rest of the year.

The high bunker prices, combined with the weak freight market, generate substantial operating losses for owners of old turbine tonnage. It is highly likely that, in the current market situation, we will see increased scrapping for the rest of the year.

IEA recently released new numbers for expected oil consumption for the year 2000. The number shows an increased demand of approximately 2.3 mbpd. With the main part of this increased production having to come from AG, the Board is moderately optimistic about the medium term outlook (2000 - 2001) for the tanker market.

Frontline will, in the coming period, concentrate on strengthening Alliance Chartering's market position in the Suezmax market. Such a concentration could include acquisition of new tonnage as well as co-ordination with other owners.

The recent improvement in the Capesize bulk market combined with the weak tanker market has created an opportunity for trading the Company's 8 OBOs partly in the dry bulk market. The chartering department is currently considering such opportunities.

The Board is closely monitoring the Company's cashflow and is evaluating different ways to strengthen the Company's balance sheet and liquidity position if the market remains weak. The flattening to positive development in second-hand prices, and the new arrangement with the Company's banks, reduce the negative consequences of the weak spot market.

The shareholders should anticipate an operating result for the third quarter in line with, or somewhat weaker than, the second quarter. Based on the factors described above, the Board expects that the market will again show a positive development from the fourth quarter.

August 23, 1999
The Board of Directors
Frontline Ltd.
Hamilton, Bermuda

FRONTLINE GROUP SECOND QUARTER REPORT (UNAUDITED)

INCOME STATEMENT

1998 Apr-Jun	1999 Apr-Jun	*(in thousands of $)*	1999 Jan-Jun	1998 Jan-Jun	1998 Jan-Dec *(audited)*
67,778	**54,009**	Freight revenues	**123,381**	138,138	270,405
(15,337)	**(15,477)**	Voyage expenses	**(32,122)**	(33,001)	(66,545)
52,441	**38,532**	**Net operating revenues**	**91,259**	105,137	203,860
222	**-**	Gain (loss) from sale of vessels	**207**	222	(1,514)
13,765	**15,023**	Ship operating expenses	**30,298**	28,103	55,586
3,401	**5,386**	Charterhire expenses	**12,679**	7,168	14,889
2,672	**1,774**	Administrative expenses	**3,536**	4,323	7,757
32,825	**16,349**	**Operating profit before depreciation**	**44,953**	65,765	124,114
11,640	**14,033**	Depreciation	**27,882**	23,304	51,659
21,185	**2,316**	**Operating profit after depreciation**	**17,071**	42,461	72,455
610	**454**	Interest income	**1,018**	1,628	2,998
(12,946)	**(15,373)**	Interest expense	**(30,476)**	(27,559)	(59,320)
5,324	**9,000**	Dividends	**9,000**	5,324	5,324
737	**818**	Results from associated companies	**1,300**	1,793	2,807
(187)	**(809)**	Other financial items	**(1,357)**	204	2,765
14,723	**(3,594)**	**Income (loss) before taxes**	**(3,444)**	23,851	27,029
-	**-**	Taxes	**-**	-	30
14,723	**(3,594)**	**Net income (loss) after tax**	**(3,444)**	23,851	26,999
0.32	**(0.08)**	**Earnings per Share ($)**	**(0.07)**	0.52	0.59
		Income on timecharter basis ($ per day per ship)*			
37,200	**17,800**	VLCC	**22,600**	33,300	31,800
26,200	**17,000**	Suezmax	**18,700**	25,800	22,400
24,000	**16,800**	Suezmax OBO	**18,700**	25,700	21,800

*Basis = Calendar days minus off-hire. Figures after deduction of broker commission

BALANCE SHEET

(in thousands of $)	1999 Jun 30	1998 Jun 30	1998 Dec 31 *(audited)*
ASSETS			
Short term			
Cash and bank deposits	**61,554**	105,420	75,950
Other current assets	**28,795**	34,831	30,439
Long term			
Newbuildings	**60,401**	132,908	75,681
Vessel and equipment, net	**1,134,311**	999,611	1,078,956
Marketable securities	**148,162**	135,201	110,157
Associated companies	**2,163**	2,778	3,837
Deferred charges and other assets	**4,486**	3,053	4,501
Total assets	**1,439,872**	1,413,802	1,379,521
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Short term interest bearing debt	**164,825**	156,915	170,551
Other current liabilities	**29,140**	36,068	27,952
Long term			
Long term interest bearing debt	**762,043**	716,478	712,470
Other long term liabilities	**14,656**	13,844	10,867
Stockholders' equity	**469,208**	490,497	457,681
Total liabilities and stockholders' equity	**1,439,872**	1,413,802	1,379,521

FRONTLINE

Frontline Ltd.
101 Front Street, Hamilton HM GX, Bermuda
Telephone +1 441 295 6935 - Telefax 1 441 295 3494

Frontline Management AS
P.O.Box 1327 Vika, N-0112 Oslo, Norway
Telephone +47 23 11 40 00 - Telefax +47 23 11 40 40 - Telex 74011

www.frontline.bm
www.huginonline.com