FRO: INTERIM RESULTS

Frontline reports a net loss of $17.3 million for the third quarter of 1999 (1998 - net income of $8.3 million) and a net loss of $20.7 million for the first nine months of 1999 (1998 - net income of $32.2 million). Earnings per share for the quarter were $(0.37), (1998 - $0.18), and for the nine months $(0.45), (1998 - $0.70).

(in thousands of $)

	1998 Jul-Sep	**1999 Jul-Sep**	**1999 Jan-Sep**	**1998 Jan-Sep**
Net operating revenue	53,619	38,550	129,809	158,756
Operating profit before depreciation	36,120	15,716	60,669	101,886
Operating profit after depreciation	21,714	533	17,604	64,176
Net income (loss) after tax	8,349	(17,265)	(20,709)	32,200
Earnings per share	0.18	(0.37)	(0.45)	0.70

THIRD QUARTER AND NINE MONTH RESULTS

The Board of Frontline, at a meeting in Hamilton Bermuda, met and discussed the Company's results for the third quarter of 1999. The Board is disappointed to report a net loss of $17.3 million, compared with net income of $8.3 million for the third quarter of 1998. The result is in line with what the Board predicted in the second quarter report. Earnings before interest, tax, depreciation, and amortisation (EBITDA) for the quarter, including earnings from associated companies were $16.4 million, compared with $36.7 million for the 1998 period. The average daily time charter equivalents ("TCEs") earned by the VLCCs, Suezmax tankers, and Suezmax OBO carriers were $19,400, $14,100 and $15,300, respectively, (1998 - $34,200, $22,200 and $18,600, respectively). These TCEs do not include the vessels on time charter to BP since the earnings are subject to subsequent semi-annual adjustment. Total days offhire in the 1999 quarter were 45 for the VLCCs and 9 for the Suezmax fleet, of which 38 days were for scheduled docking. Total operating costs, administrative expenses and depreciation have increased due to the expansion of the fleet and the Company.

Net other expenses for the quarter were $18.5 million (1998 - $13.9 million). This reflects an increase in the average debt resulting from the fleet expansion and the further investment in ICB at the end of the quarter. In addition, the Company incurred a total of $1.7 million fees relating to the renegotiation of debt covenants and arrangement fees in connection with the refinancing of the debt associated with ICB.

Earnings per share for the quarter were $(0.37), (1998 - $0.18). On September 30, 1999, the Company issued a total of 12,945,000 shares in two capital transactions discussed below, resulting in 59,051,860 shares outstanding at September 30, 1999 and a weighted average number of shares outstanding for the quarter of 46,247,567 (as at September 30, 1998 and for the quarter then ended - 46,106,860). Cashflow per share for the quarter was $(0.05), compared with $0.49 for the same quarter in 1998.

For the first nine months of 1999, the Company incurred a net loss of $20.7 million (1998 - net income of $32.2 million) and EBITDA of $62.6 million (1998 - $104.3 million). The average daily TCEs earned by the VLCCs, Suezmax tankers, and Suezmax OBO carriers were $21,400, $17,100 and $17,600 respectively, compared with $33,600, $24,300 and $23,200 in the first nine months of 1998.

Net other expenses for the nine months were $40.3 million (1998 - $34.3 million). As for the quarter, this principally reflects an increase in the average debt resulting from the fleet expansion and the acquisition of ICB, offset by the ICB dividend received in the second quarter.

Earnings per share for the 1999 year to date were $(0.45), (1998 - $0.70) and cashflow per share was $0.48 (1998 - $1.51).

Accounting Treatment of ICB

In the quarter and nine months ended September 30, 1999, the investment in ICB is accounted for as an investment in marketable securities. The market price for ICB shares used in Frontline's balance sheet as of September 30, 1999 was SEK 140 per A share and SEK 63.5 per B share. This is consistent with the treatment applied in prior period interim reports and annual financial statements. Due to the nature of the acquisition of ICB by Frontline, US generally accepted accounting principles ("US GAAP") require restatement of certain previously reported Frontline financial statements. ICB will be included in the financial statements of Frontline according to the equity method for periods to December 31, 1998 and will be included on a consolidated basis from January 1, 1999. Due to the need to convert the financial statements of ICB to US GAAP before this restatement can be done, this accounting has not been applied to the Frontline financial statements included in this Interim Report. The restatement will first be presented in the financial statements for the year ended December 31, 1999.

The following unaudited table presents ICB's net operating revenues and net income as prepared in accordance with Swedish GAAP:

1998 Jul-Sep	**1999 Jul-Sep**	*(in thousands of $)*	**1999 Jan-Sep**	**1998 Jan-Sep**	**1998 Jan-Dec**
45,800	29,900	Net operating revenues	103,200	122,700	161,000
8,300	(40,800)	Net income	(37,800)	19,600	20,000

ICB has reported negative EBITDA of $28.7 million and $0.4 million for the quarter and nine months ended September 30, 1999, respectively. However, these results include a loss on sale of vessels of $35.5 million that will not impact the results of Frontline on a consolidated basis. The sale of the four vessels to ACOL Tankers is done based on broker valuation assessment. The transaction has therefore not negatively influenced the underlying value of ICB.

THE MARKET

The TCE results for the third quarter is another set back for tanker owners. Based on a continued strong adherence to the OPEC production cut, rates continued the weak trend from the second quarter. The VLCC market from the Middle East fluctuated in the quarter around WS 45, which, based on the bunker prices in the third quarter, gave TCE earnings of $15-16,000 per day. The market for VLCCs out of West Africa was particularly active in September when about 15 VLCCs were fixed in this direction. The backhaul opportunities created the potential for $2 - 3,000 per day additional earnings, while it took away demand from the Suezmaxes. The earnings differential between modern VLCCs and old turbines increased in the third quarter as a function of increased bunker prices. The differential is estimated to $9,500 per day. Old tonnage is thereby giving owners an operating loss of $6 – 7,000 per day.

The Suezmax market went as low as WS 50 for W Africa - USG trades during the quarter. Based on a modern Suezmax this gives earnings of $7,500 per day. The market picked up somewhat in September when Novorossisk in the Russian Black Sea opened up after one month of closedown. The market has after that remained in the WS 70 - 75 level. The weak freight market has given limited availability for cross trading of Suezmax tonnage.

The Capesize bulk market showed a very strong trend in the third quarter, when rates moved from TCE of $7-8,000 up to $20,000. This led to a decision by Frontline to move the OBO carriers into the dry-market. This decision had limited positive effects in the third quarter, but the effect is expected to increase in the fourth quarter. All of the Company's eight OBO carriers have recently been employed with dry bulk cargoes.

In the third quarter a total of 11 VLCC and 7 Suezmaxes were delivered from the yard while 5 VLCCs and 10 Suezmaxes have been scrapped. For the nine months to September 30, 1999, 25 VLCC and 14 Suezmax newbuildings have been delivered while 19 VLCCs and 16 Suezmaxes have been scrapped.

CORPORATE AND OTHER MATTERS

At the end of September 1999, Frontline acquired ICB shares previously owned by the so-called "A group" consortium including those controlled by board members and ICB shares controlled by the Angelicoussis family. Frontline, as a result of the acquisitions, increased its shareholding in ICB to approximately 90 per cent of the capital and 93 per cent of the votes. In October 1999, a new Board of Directors was appointed in ICB and is consequently controlled by Frontline.

Frontline intends to co-ordinate the activities of ICB and Frontline into the existing Frontline organisation. As a result of the change of control in ICB, part of ICB's existing financing will have to be refinanced. Frontline will refinance ICB as soon as possible, and thereafter seek to acquire the minority shareholders.

Also at the end of September 1999, Frontline entered into three transactions to substantially increase financial flexibility in the coming years. Frontline has entered into an agreement with its banks to allow flexibility in its debt repayment schedule, which, if utilised in 2000, will increase working capital by up to a maximum of $32 million. The Company issued approximately $20 million in equity through a private placement with five financial institutions. Issue price was NOK 33.00 and the total number of shares issued was 4,715,000. In addition, $35 million of the $89 million Metrogas subordinated loan facility was converted to equity. At an issue price of NOK 33.00 a total of 8,230,000 shares were issued. In connection with this conversion, Metrogas offered $15 million of the resulting ordinary shares to existing Frontline shareholders and warrant holders. The total number of shares outstanding in Frontline after completion of these transactions is 59,051,860.

The three combined transactions will increase Frontline's equity by $55 million, and will improve the working capital by up to $52 million.

During the third quarter, Frontline took delivery of the fourth and fifth VLCC C-Class newbuilding, the Front Commander and Front Crown, both vessels being financed by traditional bank financing.

On October 28, 1999, the Board of Directors approved a transaction with the Mosvold Farsund Group under which Frontline will acquire one Suezmax newbuilding (the "Mosvold ship"). The vessel, which is due for delivery in January 2000, is presently under construction at Hyundai in South Korea and is a sister ship of the three Suezmaxes Frontline took delivery of in 1998. In addition to the Mosvold ship, Frontline is also scheduled to take delivery of another two Suezmaxes newbuildings from Hyundai in January and April 2000.

The purchase price of $45.5 million for the Mosvold ship will be partly paid by the issuance of 1,910,000 Frontline shares to the seller at a price of NOK 37.00. Frontline will receive a one year American style call option to buy back 430,000 of these shares for NOK 37.00 per share plus 10 per cent interest per annum compensation. Frontline’s partner in Alliance Chartering, OMI Corporation, has in another transaction concluded the purchase of Mosvold Farsund’s second Suezmax newbuilding which is scheduled to be delivered in March 2000.

The Board estimates that ICB will be fully integrated operationally into Frontline within the first quarter of 2000. This should strengthen Frontline’s market position, increase the Group’s purchasing power and reduce the Group’s overhead per ship. In connection with the take-over of ICB, special importance has been given to strengthen the technical side of the Group. Mr. O. Spieler has been hired as new Technical Director. Spieler comes from a position as fleet manager in Bergesen dy. ASA.

OUTLOOK

The Board in Frontline will continue to focus on all efforts that can strengthen Frontline’s market position in the VLCC and Suezmax market.

The rate development so far in the fourth quarter has not given any clear positive signals. It is however encouraging to recognise that the level of scrapping of old tonnage is picking up. The Board anticipates that the earnings in the fourth quarter will show a positive development from the third quarter. In particular, it is anticipated that the OBO carriers will show improved earnings due to the improved bulk market. Newbuilding prices and secondhand prices are showing marginal positive development.

A major positive improvement in the freight market will not happen before OPEC decides to open up for increased production. Limited overall overhang of tonnage, the increased scrapping, the increased world wide consumption of oil, and the falling trend in world wide oil storage, makes the board cautiously optimistic about the development in 2000.

November 16, 1999
The Board of Directors
Frontline Ltd.
Hamilton, Bermuda

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FRONTLINE GROUP THIRD QUARTER REPORT (UNAUDITED)

1998 Jul-Sep	1999 Jul-Sep	INCOME STATEMENT *(in thousands of $)*	1999 Jan-Sep	1998 Jan-Sep	1998 Jan-Dec *(audited)*
70,415	56,524	Freight revenues	179,905	208,553	270,405
(16,796)	(17,974)	Voyage expenses	(50,096)	(49,797)	(66,545)
53,619	**38,550**	**Net operating revenues**	**129,809**	**158,756**	**203,860**
-	-	Gain (loss) from sale of vessels	207	222	(1,514)
12,577	16,443	Ship operating expenses	46,741	40,679	55,586
3,562	4,632	Charterhire expenses	17,311	10,730	14,889
1,360	1,759	Administrative expenses	5,295	5,683	7,757
36,120	**15,716**	**Operating profit before depreciation**	**60,669**	**101,886**	**124,114**
14,406	15,183	Depreciation	43,065	37,710	51,659
21,714	**533**	**Operating profit after depreciation**	**17,604**	**64,176**	**72,455**
329	390	Interest income	1,408	1,957	2,998
(16,411)	(18,957)	Interest expense	(49,433)	(43,970)	(59,320)
-	-	Dividends	9,000	5,324	5,324
587	656	Results from associated companies	1,956	2,380	2,807
2,164	113	Other financial items	(1,244)	2,367	2,765
8,383	**(17,265)**	**Income (loss) before taxes**	**(20,709)**	**32,234**	**27,029**
34	-	Taxes	-	34	30
8,349	**(17,265)**	**Net income (loss) after tax**	**(20,709)**	**32,200**	**26,999**
0.18	(0.37)	**Earnings per Share ($)**	(0.45)	0.70	0.59

		Income on timecharter basis ($ per day per ship)*			
34,200	19,400	VLCC	21,400	33,600	31,800
22,200	14,100	Suezmax	17,100	24,300	22,400
18,600	15,300	Suezmax OBO	17,600	23,200	21,800

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

BALANCE SHEET *(in thousands of $)*	1999 Sep 30	1998 Sep 30	1998 Dec 31 *(audited)*
ASSETS			
Short term			
Cash and bank deposits	64,765	40,549	75,950
Other current assets	29,314	43,329	30,439
Long term			
Newbuildings	23,181	93,618	75,681
Vessel and equipment, net	1,288,305	1,173,723	1,078,956
Marketable securities	217,209	131,648	110,157
Associated companies	1,858	3,944	3,837
Deferred charges and other assets	5,657	3,312	4,501
Total assets	**1,630,289**	**1,490,123**	**1,379,521**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Short term interest bearing debt	227,437	156,922	170,551
Other current liabilities	32,721	38,057	27,952
Long term			
Long term interest bearing debt	842,982	808,029	712,470
Other long term liabilities	16,233	1,730	10,867
Stockholders' equity	510,916	485,385	457,681
Total liabilities and stockholders' equity	**1,630,289**	**1,490,123**	**1,379,521**