

FRO: YEARLY RESULT

Frontline reports a net loss of \$18.6 million for the fourth quarter of 1999 (1998 - net loss of \$3.0 million) and a net loss of \$86.9 million for the year ended December 31, 1999 (1998 - net income of \$31.9 million). Earnings per share for the quarter were \$(0.31), (1998 - \$0.07), and for the year \$(1.76), (1998 - \$0.69). The results for 1999 include ICB Shipping AB which has been consolidated with effect from January 1, 1999. The results for 1998 are restated to reflect the inclusion of ICB using the equity method.

(in thousands of \$)

	1998	1999	1999	1998
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net operating revenue	45,104	53,614	253,214	203,860
Operating profit before depreciation	22,228	21,469	79,225	124,114
Operating profit after depreciation	8,278	1,480	(12,210)	72,455
Net income (loss) after tax and minority	(3,047)	(18,551)	(86,896)	31,853
Earnings (loss) per share	(0.07)	(0.31)	(1.76)	0.69

FRONTLINE 1999 RESULTS

- **Frontline reports a net loss of US\$18.6 mill for the fourth quarter of 1999.**
- **The 1999 full year loss amounts to US\$86.9 million, which includes US\$45.9 million in accounting loss attributable to the full consolidation of ICB.**
- **As a result of the consolidation of ICB, the book equity of Frontline is increased from US\$511 million to US\$560 million.**
- **Frontline takes delivery of the two Suezmaxes, Front Archer and Front Sky, and acquires 40% of the 1993 built VLCC, Toba.**
- **The Board expects a return to profit in the first quarter of 2000 and anticipates a strong recovery in tanker rates in the period 2000 - 2002.**

FOURTH QUARTER RESULTS

Frontline reports a net loss of \$18.6 million for the fourth quarter of 1999, compared with a net loss of \$3.0 million for the fourth quarter of 1998, as the weak market conditions continued to effect the Company's result. Earnings before interest, tax, depreciation, and amortisation (EBITDA) for the quarter, including earnings from associated companies were \$22.6 million, compared with \$24.8 million for the 1998 period. The average daily time charter equivalents ("TCEs") earned by the VLCCs, Suezmax tankers, and Suezmax OBO carriers were \$16,700, \$14,500 and \$14,400, 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 10 which related to the Suezmax fleet. The acquisition of ICB Shipping AB ("ICB") and continued expansion of the Frontline fleet has led to increased total operating costs, administrative expenses and depreciation. Through economies of scale the average daily administrative and operating costs are, however, decreasing.

Net other expenses for the quarter were \$21.1 million (1998 - \$13.9 million). This reflects an increase in the average debt resulting from the fleet expansion and the further investment in ICB.

Earnings per share for the quarter were \$(0.31), (1998 - \$(0.07)). On December 20, 1999, the Company issued 1,910,000 shares in connection with a vessel acquisition transaction discussed below, resulting in 60,961,860 shares outstanding at December 31, 1999 and a weighted average number of shares outstanding for the quarter of 59,300,990 (as at December 31, 1998 and for the quarter then ended - 46,106,860). Cashflow per share for the quarter was \$0.02, compared with \$0.24 for the same quarter in 1998.

ANNUAL RESULTS

For the year ended December 31, 1999, the Company incurred a net loss of \$86.9 million (1998 - net income of \$31.9 million) and EBITDA of \$82.3 million (1998 - \$137.1 million). The average daily TCEs earned by the VLCCs, Suezmax tankers, and Suezmax OBO carriers were \$20,000, \$16,700 and \$16,800 respectively, compared with \$31,800, \$22,400 and \$21,800 in 1998.

The average daily operating costs of the VLCCs, Suezmaxes and Suezmax OBOs, including drydocking and insurance costs were \$5,900, \$5,400 and \$5,700 compared with \$7,600, \$6,400 and \$6,700 for 1998. The Board is very satisfied with the reduction in operating costs which are

attributable to reduced insurance costs and the implementation of a cost cutting program in the first quarter of 1999 which aimed to reduce the overall cost structure by between \$500 and \$750 per day.

Net other expenses for the year were \$82.0 million (1998 - \$53.6 million). This principally reflects an increase in the average debt resulting from the fleet expansion and the acquisition of ICB.

Earnings per share for the 1999 year were \$(1.76), (1998 - \$0.69) and cashflow per share was \$0.09 (1998 - \$1.81). The weighted average number of shares outstanding for 1999 was 49,467,970.

Accounting Treatment of ICB

US generally accepted accounting principles ("US GAAP") require restatement of certain previously reported Frontline financial statements to reflect the step acquisition of ICB. ICB has been included in the financial statements of Frontline according to the equity method for periods to December 31, 1998 and on a consolidated basis from January 1, 1999. This accounting treatment has resulted in Frontline taking some portion of the loss on the sale of vessels by ICB which will be reported in the restated third quarter consolidated results for 1999 and in the full year result.

THE MARKET

The VLCC market and Suezmax market remained weak during the fourth quarter. Total OPEC production in the fourth quarter is estimated to be approximately 26 million barrels, which is slightly down from the third quarter. Both the VLCC market and Suezmax market suffered in November and December as a function of a temporary shut down of Iraqi oil exports.

The most noticeable market development in the quarter was the accelerated scrapping of tonnage as a result of high bunker cost and the difficulties finding cargoes for old tonnage. A total 10 VLCC and 9 Suezmaxes were scrapped in the quarter, while the numbers for the full year were 35 VLCCs and 23 Suezmaxes. A total of 31 VLCCs and 14 Suezmaxes newbuildings were delivered in 1999.

The breaking in two of the 23 year old tanker, Erika, in December and the oil spill polluting the coast of Brittany following the accident, has increased the awareness of quality problems in certain older vessels. New and stricter regulations for tankers will be put in place in the European Community as a consequence of the Erika accident.

CORPORATE AND OTHER MATTERS

The Board of Frontline has taken positive steps in the fourth quarter to strengthen the Company's position in the VLCC market. In December, Frontline entered into an agreement with five other shipowners to establish Tankers International LLC ("Tankers") to operate a pool of their respective VLCC fleets. Tankers commenced operations on February 1, 2000, initially operating with 38 VLCCs, and has been met with a positive reaction in the market.

Also in December, Frontline completed an agreement with a German K/G arranged by Dr. Peters GmbH for the sale and leaseback of the 1998-built Suezmax vessel Front Warrior to the K/G for a sales price of US\$50.0 million. Frontline will take the vessel back on charter for a minimum period of eight years with two plus one plus one year options. The agreement also includes the option for Frontline to buy back the vessel during the charter period. The cash released from these transactions has been used to strengthen the Company's working capital and its liquidity position.

In the fourth quarter of 1999, Frontline focussed on completing the final stages of the acquisition of ICB and integration of ICB into Frontline's operations. During this period, the necessary refinancing of ICB's debt facilities was completed, Frontline commenced an offer and concurrently commenced a compulsory redemption process to acquire the remaining outstanding minority

shareholders of ICB. In December an application was made to delist ICB from the Stockholm Stock Exchange. The management of the ICB vessels has been transferred to Frontline appointed ship managers and the Board is optimistic that the close down of the ICB operations will be completed within an acceptable and efficient timeframe.

In February, 2000 Frontline took delivery of the Suezmax newbuilding (the "Front Archer"), purchased in the fourth quarter of 1999 in a transaction with the Mosvold Farsund Group. The purchase price of \$45.5 million for the Front Archer was part financed in December 1999 by the issuance of 1,910,000 Frontline shares to the seller at a price of NOK 37.00, and was further financed by traditional bank financing. Frontline has the right to within one year buy back 430.000 of these shares at NOK 37.00 plus 10 % p.a. interest cost.

In February, 2000 Frontline also took delivery of the Suezmax newbuilding, the Front Sky, and is scheduled to take delivery of the final Suezmax newbuilding, to be named the Front Sun, in April, 2000. Both vessels are financed by traditional bank financing. This will complete the Company's current Suezmax newbuilding program.

Frontline has, together with two of its partners in Tankers, acquired the 1993 built VLCC MT Toba for US\$ 37.25 million. The ship, which will be renamed MT Front Toba, is expected to be taken over in the first half of March and will immediately after delivery be employed in the Tankers VLCC Pool. Frontline will have a 40 % ownership interest in the ship.

Frontline is proud to announce the new agreement the Company has signed with the Angolian state oil company Sonangol. Through this agreement, Frontline has been selected as the commercial manager for their three Suezmax newbuildings, out of which one is already delivered.

The positive development in Frontline's share price during the fourth quarter of 1999, has continued into 2000. Since October 1, 1999 the share price on the Oslo Stock Exchange has increased from NOK 35 (US\$4.38) to NOK 58 (US\$7.06). An effectively priced equity is seen by the Board as the main condition for Frontline's future growth.

The Board is pleased to announce that Ola Lorentzon, Managing Director of ICB Shipping AB, will take over as Managing Director of Frontline Management from Tor Olav Trøim, effective April 3, 2000. Mr. Lorentzon's appointment will substantially strengthen Frontline's organisation. Mr. Trøim will continue in his position as Vice President of Frontline Ltd. In this capacity, he will concentrate his future work on corporate transactions, and continuing to develop Frontline's relationship with the capital market.

OUTLOOK

It is encouraging to see that the consolidation work Frontline has promoted is effective. Both Tankers International (VLCCs) which has been effective from February 1, 2000, and Alliance Chartering (Suezmaxes), have world leadership market positions, which should lead to superior earnings for our shareholders.

The market has so far in 2000 shown positive development. The high degree of scrapping has continued and so far this year 13 VLCCs have been scrapped. The positive development in ship values which started in the third quarter 1999 has continued into 2000. Based on interest from potential buyers, it is anticipated that the value of 1990 - 1995 built Suezmax and VLCC tonnage has increased approximately 10% since the third quarter of 1999. The Korean yard industry has, as a result of the Won strengthening against the US Dollar, quoted higher newbuilding prices.

The market rates for VLCCs remained weak in January but has presently improved to a TCE level around US\$25 – 30,000 per day. The Suezmax market strengthened in December and daily TCE rates have since been in the US\$20 – 25,000 level with some peak fixtures in excess of US\$30,000 per day.

Taken into view the results for January and February and the current trend for March it is anticipated that Frontline will be able to return to profit in the first quarter of 2000. The Board remains increasingly optimistic about the market for the coming two years. With increased OPEC production and a controlled order backlog it is likely that we will see a strong recovery in tanker rates. Frontline is well positioned to benefit from this development.

February 25, 2000
The Board of Directors
Frontline Ltd.

Contact: Tor Olav Trøim/ Tom E. Jebsen
+47 23 11 40 00

FRONTLINE GROUP FOURTH QUARTER REPORT (UNAUDITED)

1998 Oct-Dec	1999 Oct-Dec	INCOME STATEMENT <i>(in thousands of \$)</i>	1999 Jan-Dec	1998 Jan-Dec <i>(restated)</i>
61,852	86,871	Freight revenues	369,876	270,405
(16,748)	(33,257)	Voyage expenses	(116,662)	(66,545)
45,104	53,614	Net operating revenues	253,214	203,860
(1,736)	-	Gain (loss) from sale of vessels	(37,779)	(1,514)
14,907	21,146	Ship operating expenses	92,708	55,586
4,159	7,838	Charterhire expenses	31,719	14,889
2,074	3,161	Administrative expenses	11,783	7,757
22,228	21,469	Operating profit before depreciation	79,225	124,114
13,950	19,989	Depreciation	91,435	51,659
8,278	1,480	Operating profit (loss) after depreciation	(12,210)	72,455
1,041	2,453	Interest income	7,561	2,998
(15,351)	(23,495)	Interest expense	(88,728)	(59,320)
2,582	1,111	Results from associated companies	3,067	12,985
398	(96)	Other financial items	(840)	2,765
(3,050)	(18,547)	Income (loss) before taxes and minority interest	(91,150)	31,883
-	(13)	Minority interest	4,245	-
3	(9)	Taxes	(9)	30
(3,047)	(18,551)	Net income (loss) after tax and minority interest	(86,896)	31,853
(0.07)	(0.31)	Earnings (loss) per Share (\$)	(1.76)	0.69

		Income on timecharter basis (\$ per day per ship)*		
27,100	16,700	VLCC	20,000	31,800
17,800	14,500	Suezmax	16,700	22,400
17,700	14,400	Suezmax OBO	16,800	21,800

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

BALANCE SHEET <i>(in thousands of \$)</i>	1999 Dec 31	1998 Dec 31 <i>(restated)</i>
ASSETS		
<i>Short term</i>		
Cash and bank deposits	66,267	75,950
Other current assets	61,438	30,439
<i>Long term</i>		
Newbuildings	32,365	75,681
Vessel and equipment, net	1,523,112	1,078,956
Marketable securities	18,595	-
Associated companies	2,344	239,887
Goodwill	12,203	-
Deferred charges and other assets	10,469	4,501
Total assets	1,726,793	1,505,415
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>Short term</i>		
Short term interest bearing debt	157,306	170,551
Other current liabilities	49,739	27,952
<i>Long term</i>		
Long term interest bearing debt	922,380	712,470
Other long term liabilities	21,117	10,867
Minority interest	18,951	-
Stockholders' equity	557,300	583,574
Total liabilities and stockholders' equity	1,726,793	1,505,414

Frontline Ltd.

<i>Vessel</i>	<i>Manager</i>	<i>Flag</i>	<i>Built</i>	<i>S.Dwt</i>	<i>Yard</i>
Suezmax Tankers					
Polytrader (40%)	RMS	NOR	1978	126 000	Uddevalla
Polytraveler (35%)	RMS	NOR	1979	126 000	Uddevalla
Front Birch	Acomarit	NIS	1991	152 000	Daewoo
Front Maple	Acomarit	NIS	1991	152 000	Daewoo
Granite	Wallem	BS	1991	142 000	Split
Lillo	ITM	LIB	1991	147 253	AESA
Front Emperor	Acomarit	SING	1992	147 273	AESA
Front Sunda	Wallem	NIS	1992	142 000	Split
*Marble	Wallem	BS	1992	142 000	Split
Front Comor	Wallem	NIS	1993	142 000	Split
Front Spirit	Acomarit	NIS	1993	147 273	AESA
Front Pride	Acomarit	LIB	1993	149 686	Mitsui
Front Splendour	Acomarit	NIS	1995	149 745	Mitsui
Front Glory	Acomarit	NIS	1995	149 834	Mitsui
Front Fighter	V.Ships	NIS	1998	153 181	Hyundai
Front Hunter	V.Ships	NIS	1998	153 181	Hyundai
Front Warrior	V.Ships	BS	1998	153 181	Hyundai
Kim Jacob (T/C)	V.Ships	SING	1998	158 000	Daewoo
Mindano	V.Ships	SING	1998	158 000	Daewoo
Okha (50%)	Wallem	BS	1999	158 000	Daewoo
Front Archer	Farsund	NIS	2000	152 980	Hyundai
Front Sky	V.Ships	BS	2000	153 181	Hyundai
Front Sun	V.Ships	BS	2000	153 181	Hyundai
*Sonangol Girassol	Wallem	BS	2000	158 000	Daewoo
*Sonangol Luanda	Wallem	BS	2000	158 000	Daewoo
*Hull No. 5154	Wallem	BS	2001	158 000	Daewoo
OBO					
Front Breaker	ITM	NIS	1991	169 177	Daewoo
Front Climber	Acomarit	SING	1991	169 178	Hyundai
Front Driver	Acomarit	NIS	1991	169 177	Hyundai
Front Guider	Acomarit	SING	1991	169 142	Daewoo
Front Leader	Acomarit	SING	1991	169 381	Daewoo
Front Rider	Acomarit	SING	1992	169 718	Hyundai
Front Striver	Acomarit	SING	1992	169 204	Daewoo
Front Viewer	ITM	SING	1992	169 381	Daewoo
VLCC					
Front Sabang	Wallem	SING	1990	285 000	Daewoo
Vanadis	Wallem	SING	1990	285 000	Daewoo
Front Highness	Acomarit	SING	1991	284 420	Hyundai
Front Lady	Acomarit	SING	1991	284 420	Hyundai
Front Lord	Acomarit	SING	1991	284 420	Hyundai
Front Duke	Acomarit	SING	1992	284 420	Hyundai
Front Duchess	Acomarit	SING	1993	284 480	Hyundai
Toba (40%)	V.Ships	LIB	1993	260 619	IHI
Front Century	ITM	LIB	1998	310 392	Hyundai
Front Champion	ITM	LIB	1998	310 392	Hyundai
Front Chief	ITM	LIB	1999	310 392	Hyundai
Front Commander	Acomarit	BS	1999	310 392	Hyundai
Front Crown	Acomarit	BS	1999	310 392	Hyundai

* Vessels commercially managed by Frontline Management AS