Frontline Ltd.
Fourth Quarter and Financial Year 2000 Results

- Frontline reports record Fourth Quarter EBITDA of $221.7 million and net income of $181.2 million.

- Frontline reports record EBITDA of $481.8 million and net income of $313.9 million for the year 2000.

- The tanker market strengthened significantly in the fourth quarter.

- Fundamentals point towards a continued healthy market and strong earnings.

- Frontline acquired Golden Ocean in October 2000.

- Frontline acquired the 1997 and 1998 built Suezmax tankers Front Ardenne and Front Brabant, and the 1993 built VLCC Front Ace.

FOURTH QUARTER AND ANNUAL RESULTS

Frontline reports a record quarterly result of net income of $181.2 million in the fourth quarter of 2000: an 86 per cent increase over the immediately preceding quarter. Earnings before interest, tax, depreciation, and amortisation (EBITDA) for the quarter, including earnings from associated companies were $221.7 million, compared with $22.6 million for the comparable 1999 period. Basic earnings per share for the quarter were $2.29 and cashflow per share for the quarter was $2.66. The two key factors affecting this result are the strong tanker market that prevailed throughout the fourth quarter of 2000 and the inclusion of Golden Ocean Group Limited (“GOGL”) with effect from October 10, 2000. The net income includes an unrealised currency gain of $14.8 million linked to Yen debt in GOGL. The average daily time charter equivalents (“TCEs”) earned by the VLCCs, Suezmax tankers, and Suezmax OBO carriers trading in the spot market were $67,900, $49,500 and $46,300, respectively.

The increases in operating costs compared with the comparable quarter of 1999 represent the inclusion of GOGL. Administrative expenses in the fourth quarter of 2000 include costs relating to the Tankers International Pool while in the fourth quarter of 1999 they include the costs associated with the operation of ICB Shipping AB: this operation was closed down in early 2000.

Net interest expenses for the quarter were $25.0 million (1999 - $21.0 million). This has increased from $22.0 million in the third quarter of 2000, reflecting the inclusion of GOGL and additional debt drawndown in October 2000 in connection with the acquisition of three vessels by Frontline. Higher average cash balances, the repayment of

$38.8 million of debt during the fourth quarter and reduced margins have served to offset this increase.

During the fourth quarter, the Company issued 1,245,998 ordinary shares in connection with the acquisition of GOGL and 5,134 shares in connection with the exercise of warrants and share options. Late in the quarter, the Company bought back and cancelled 1,719,845 of its own shares in a series of market transactions. At December 31, 2000, 78,068,811 ordinary shares were outstanding and the weighted average number of shares outstanding for the quarter was 79,218,871 (as at December 31, 1999, 60,961,860 and for the quarter then ended – 59,300,990).

For the year ended December 31, 2000, the Company earned consolidated net income of $313.9 million (1999 - net loss of $86.9 million) and EBITDA of $481.8 million (1999 - $82.3 million). In 1999, in addition to the tanker market being significantly weaker, the results included the loss on the sale of four VLCCs in connection with the acquisition of ICB Shipping AB. The annual average daily time charter equivalents ("TCEs") earned by the VLCCs, Suezmax tankers, and Suezmax OBO carriers trading in the spot market were $46,300, $35,500 and $33,300 respectively, compared with $20,000, $16,700 and $16,800 in 1999.

The Company has been successful in maintaining its low operating costs during 2000. The average daily operating costs of the VLCCs, Suezmax tankers, and Suezmax OBO carriers including insurance and drydocking provisions was $6,900, $5,500 and $6,200, respectively compared with $6,800, $6,000 and $6,400 in 1999.

Net interest expense was $89.3 million (1999 - $81.2 million). Earnings per share for the 2000 year were $4.28 (1999 – loss of $1.76) and cashflow per share was $5.53 (1999 - $0.09). The average number of shares outstanding during 2000 was 73,390,654 (1999 – 49,467,970).

Acquisition of Golden Ocean

On October 10, 2000 Frontline took control of Golden Ocean Group Limited and with effect from that date GOGL is included in the consolidated financial statements of Frontline. GOGL is a non-recourse subsidiary of Frontline. The acquisition was financed through the issuance of 1,245,998 Frontline shares and payment of approximately $43.5 million in settlement of creditors claims. Through this transaction Frontline has invested $15 million equity in GOGL and total debt of $55 million.

The acquisition of GOGL brings into Frontline's consolidated balance sheet, ten drybulk carriers, including two owned through joint ventures, and eight VLCCs, including one chartered in and three owned through joint ventures. The entire drybulk fleet is fixed on long-term charters. The VLCC fleet is fixed on charters that range from one year to eleven years remaining. Certain of the VLCC charters provide for profit sharing that has allowed GOGL to benefit from the strong market in the fourth quarter of 2000. The GOGL vessels have been financed by a variety of structures some of which include Yen debt. In some cases this debt is fully covered by contracted Yen income. In other cases GOGL has some exposure to the Yen. In either scenario, quarterly accounting practises to revalue Yen debt will result in the recognition of exchange gains or losses. Total Yen debt as of year-end 2000 was approximately $250 million (exchange rate 114.37).

In addition to the on-balance sheet vessels, at the date of acquisition, GOGL had one purchase obligation and four purchase options on delivered VLCCs. It is the board's intention to take measures that will bring these vessels onto the balance sheet during 2001.

Included in this report is unaudited selected supplementary information for the fourth quarter of 2000. In the period ended December 31, 2000 GOGL contributed EBITDA of $24.8 million and net income of $29.2 million. Included in the net income is a foreign exchange gain of $14.8 million. At December 31, 2000 GOGL on a stand alone basis had total assets of $537.4 million and stockholders' equity of $44.2 million. The consolidation of GOGL into Frontline has given rise to goodwill of $2.75 million. However, in accordance with US generally accepted accounting principles, this amount is subject to adjustment as the valuations allocated to certain assets acquired are crystallised. This primarily relates to the purchase options and obligation held by GOGL companies.

THE MARKET

The tanker market showed increasing strength through the year 2000 with VLCC rates more than tripling and Suezmax rates more than doubling between the first and last quarters. Single fixtures were made for VLCCs at above USD 100,000 per day and single Suezmaxes were fixed at above USD 90,000 in the fourth quarter.

The underlying factors for the market improvement were mainly the supply and demand balance in the market created through extensive scrapping and modest newbuilding deliveries in 1999 and the first half of 2000 and a marked increase in OPEC oil production from spring 2000. The Erika oil spill in late 1999 contributed to a stricter view on using older tonnage, which further tightened the market and especially benefited modern tonnage.

The charter market improvement resulted in increases in second-hand ship prices and newbuilding prices over the year. A total of 26 VLCCs and 17 Suezmaxes were removed through scrapping from the trading fleet in 2000 and 41 VLCCs and 22 Suezmaxes were delivered from shipyards in the period.

CORPORATE AND OTHER MATTERS

During the fourth quarter of 2000, the Company bought back a total of 1,719,845 of its own shares pursuant to a current Board authority to acquire up to 3,500,000 shares. Since the year end a further 1,167,300 shares have been acquired and 76,901,525 shares are outstanding as at February 26, 2001. The average price paid for the shares acquired is NOK112.92 ($12.61). The Board feels that during this period the Frontline share has been undervalued and undertook this share buyback exercise as an effective way to increase shareholder value.

In October 2000, the Company took delivery of two secondhand Suezmax tankers, Front Ardenne and Front Brabant. At the same time Frontline also acquired a 1993-built VLCC, which was named Front Ace and on delivery to the Company was placed in the Tankers International Pool. This vessel was acquired for $53 million from a related party, such price being based on three independent valuations less a $1 million discount.

In February 2001, Frontline announced that it had entered into five newbuilding contracts. Two Suezmaxes have been ordered with the Sasebo Shipyard in Japan for delivery in August and October 2001, and three VLCCs have been ordered with Hitachi for delivery in April, August and October 2002. The total newbuilding project will have a cost of approximately USD 330 million, and will be paid through a competitive instalment plan until delivery. It is expected that the five contracts in total will need less than USD 100 million in equity and that Frontline's free cash flow in the first quarter of 2001 will be sufficient to cover this requirement.

OUTLOOK

The Board notes with pleasure that the strategy laid down for Frontline in 1997 is now rewarded and wants to assure the Company's shareholders that continued effort will be made to improve the Company's position in the crude oil transportation market and to increase return to investors.

After a very strong finish of the year 2000, the market has slowed down in the first quarter 2001 but rates are still at healthy levels. Frontline expects seasonal demand changes to be reflected in rates this year with rates improving towards the second half of the year. The cut-back of 1.5 MBPD production implemented by OPEC on February 1, 2001 partly reflected a slowdown in demand after a very hectic finish of year 2000. Further cut-backs are being discussed by OPEC, again reflecting slower seasonal demand in the spring, in the attempt to keep the oil price within the OPEC price band. Underlying demand, however, is expected to increase over 2000 with emphasis on growth in the second half of the year.

Longer term, the new IMO rules, which are subject to approval at the IMO's April meeting, are expected to cause removal by rule in the years 2002 – 2005 of the remaining 1970s built Suezmaxes and VLCCs. The rule would phase out about 30% of the existing total fleet in each segment. The current order books for Suezmaxes and VLCCs for delivery in the period until end 2003 / early 2004 stand at 90 VLCCs and 60 Suezmaxes. The requirement for replacement of older tonnage in combination with generally increasing transportation demand points to a positive market development in coming years.

The Board, against the observations above, places confidence in the tanker market going forward. Based on the earnings achieved so far during the first quarter with daily timecharter equivalent income of $40,000 for Suezmaxes and $60,000 for VLCCs, it is likely that the earnings during the first quarter will exceed USD 100 million. As for the full year result the Board are cautiously optimistic about the opportunity to improve the 2000 result further.

February 26, 2001
The Board of Directors
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Hamilton, Bermuda

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FRONTLINE GROUP UNAUDITED FOURTH QUARTER REPORT

1999 Oct-Dec	2000 Oct-Dec	INCOME STATEMENT *(in thousands of $)*	2000 Jan-Dec	1999 Jan-Dec *(audited)*
86,871	273,647	Freight, bareboat and time charter revenues	697,260	369,876
(33,257)	(24,174)	Voyage expenses	(97,316)	(116,662)
53,614	**249,473**	**Net operating revenues**	**599,944**	**253,214**
	697	Gain (loss) from sale of assets	1,160	(37,779)
21,146	25,413	Ship operating expenses	88,455	92,708
7,838	9,332	Charterhire expenses	34,351	31,719
3,161	2,624	Administrative expenses	9,326	11,783
21,469	**212,801**	**Operating income before depreciation and amortisation**	**468,972**	**79,225**
19,989	29,807	Depreciation and amortisation	92,880	91,435
1,480	**182,994**	**Operating income (loss) after depreciation and amortisation**	**376,092**	**(12,210)**
2,453	3,134	Interest income	6,858	7,561
(23,495)	(28,158)	Interest expense	(96,174)	(88,728)
1,111	8,882	Share of results from associated companies	12,817	3,067
(96)	14,392	Other financial items	14,315	(840)
(18,547)	**181,244**	**Income (loss) before taxes and minority interest**	**313,908**	**(91,150)**
(13)	-	Minority interest	-	4,245
(9)	41	Taxes	41	(9)
(18,551)	**181,203**	**Net income (loss)**	**313,867**	**(86,896)**
$(0.31)	**$2.29**	**Earnings (loss) per Share ($)**	**$4.28**	**$(1.76)**

		Income on timecharter basis ($ per day per ship)*		
16,7	67,9	VLCC	46,300	20,000
14,5	49,5	Suezmax	35,500	16,700
14,4	46,3	Suezmax OBO	33,300	16,800

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

BALANCE SHEET *(in thousands of $)*	**2000 Dec 30**	**1999 Dec 31** *(audited)*
ASSETS		
Short term		
Cash and bank deposits	116,094	66,267
Marketable securities	4,045	10,867
Other current assets	172,840	60,613
Long term		
Newbuildings and vessel purchase options	36,326	32,777
Vessel and equipment, net	2,363,308	1,523,112
Investment in associated companies	27,361	16,274
Goodwill	12,785	12,203
Deferred charges and other long-term assets	46,628	4,860
Total assets	**2,779,387**	**1,726,793**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short term		
Short term interest bearing debt	212,767	116,814
Other current liabilities	77,623	52,398
Long term		
Long term interest bearing debt	1,331,372	962,880
Other long term liabilities	123,665	18,450
Minority interest	4,470	18,951
Stockholders' equity	1,029,490	557,300
Total liabilities and stockholders' equity	**2,779,387**	**1,726,793**

UNAUDITED FOURTH QUARTER SUPPLEMENTARY INFORMATION

SELECTED FINANCIAL DATA *(in thousands of $)*	**Frontline Oct-Dec 2000**	**Golden Ocean Oct-Dec 2000**
Net operating revenues	**226,383**	**23,089**
Operating income before depreciation and amortisation	**195,136**	**17,664**
Depreciation and amortisation	24,513	5,293
Operating income after depreciation and amortisation	**170,623**	**12,371**
Interest income	4,081	248
Interest expense	(23,990)	(5,364)
Share of results from associated companies	1,131	7,116
Other financial items	(401)	14,794
Net income	**152,039**	**29,164**
Total current assets	272,161	16,772
Vessels and equipment (including options and vessels under capital lease)	1,904,044	467,510
Total assets	**2,313,977**	**537,438**
Total current liabilities	246,535	43,855
Total liabilities	**1,313,915**	**493,274**
Total stockholders' equity	**1,000,062**	**44,164**