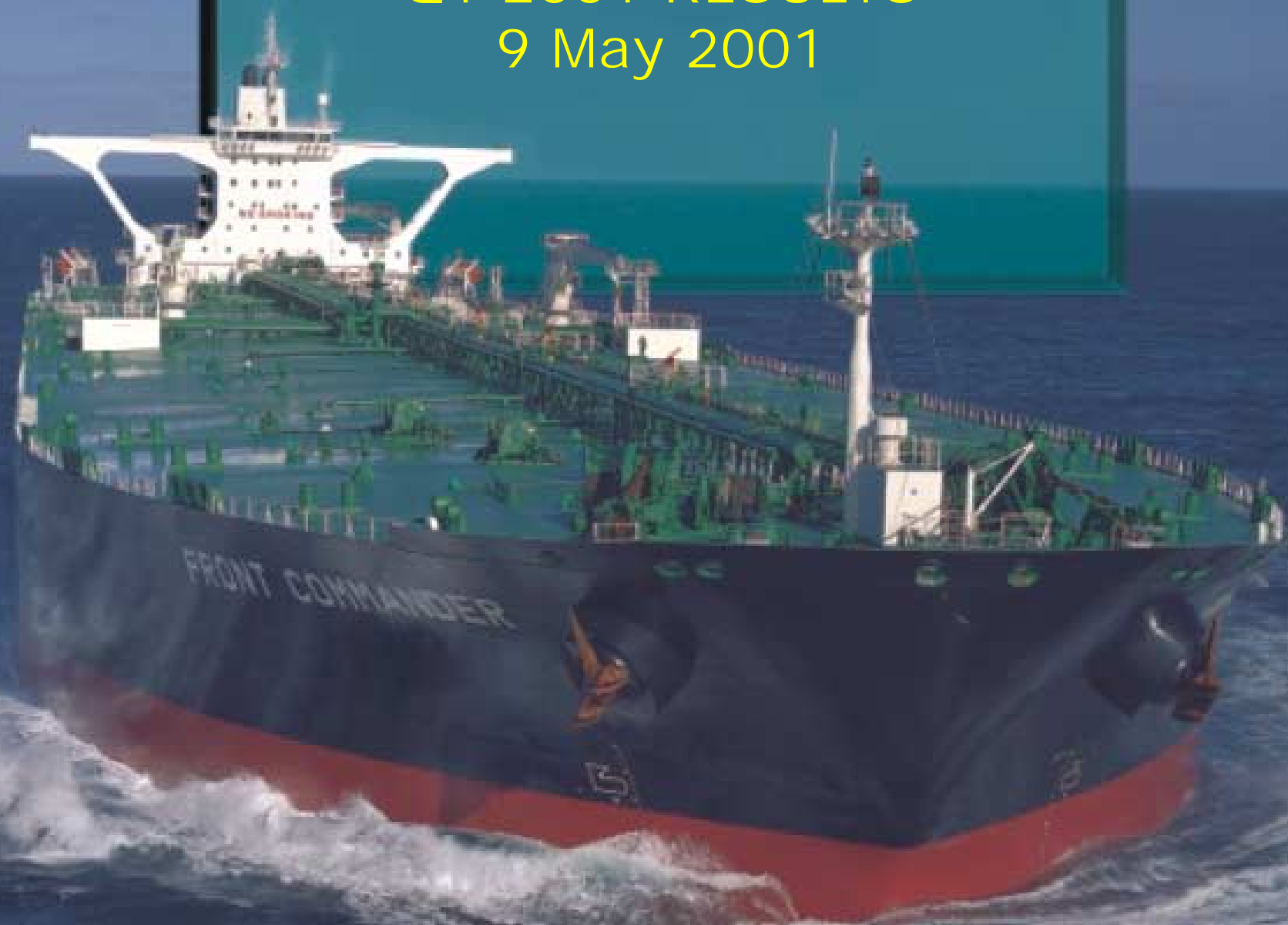


The logo for Frontline, featuring the word "FRONTLINE" in a serif font with a small green square above the letter "O".

FRONTLINE

Q1 2001 RESULTS  
9 May 2001



# The Fleet

30 + 3 N/B VLCCs



21 + 2 N/B Suezmaxes



8 Suezmax OBOs



- Oldest ship from 1990
- Average age – 5.8 years – Industry Average 12.5 years.
- Percentage double hull tonnage : 70 % - Industry Average 40 %
- Market share of modern spot market incl. Pool participators : Approximately 40 %

**= 14 million dwt. or approximately 100 million barrels transport capacity.**

# Main events 2001

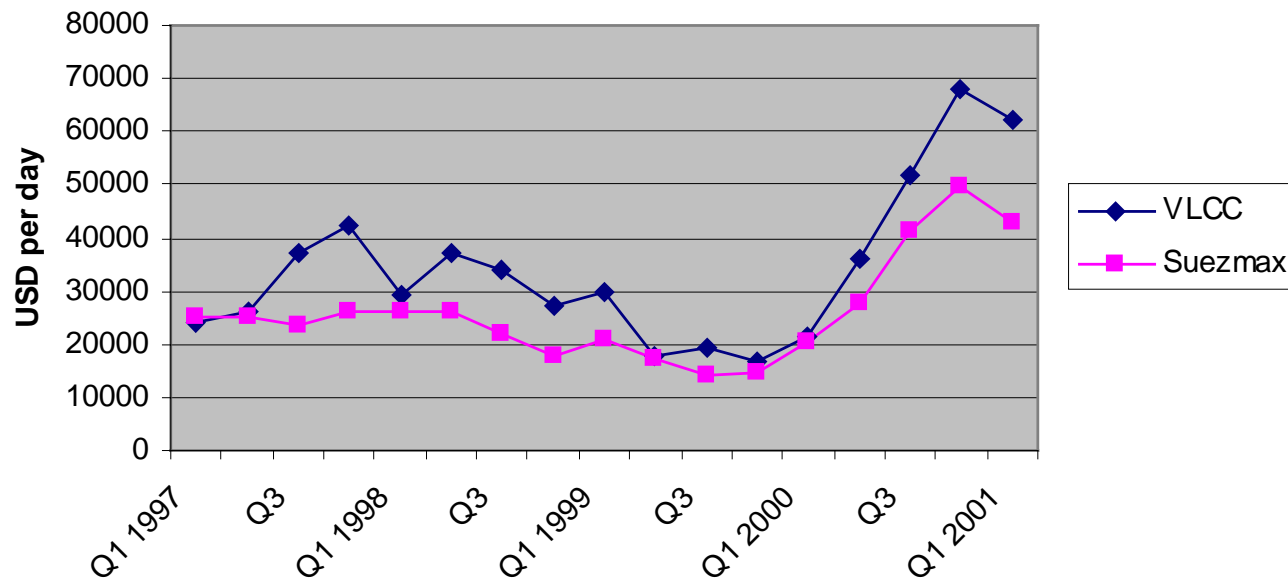
- Acquired VLCCs Edinburgh and Dundee together with OSG (50.1 / 49.9% j/v) in Feb / March.
- Sold Tarim and Tartar in April.
- 1,387,300 FRO shares acquired at average price of USD 13.15.
- Finalising acquisition of five VLCCs built in 99/00 which previously were held by remote bankruptcy trusts.
- Offer to buy Mosvold Shipping Ltd. At NOK 5.50 per share.
- Dividend payout of 1 USD per share to shareholders registered as per May 21.
- Announced authorisations to buy back remaining warrants and increased level for buy back of shares to 7,500,000.
- Placed NOK denominated commercial paper.

# Profit & Loss

USD million	Q1 2001	Q1 2000	2000
Net operating revenues	222,1	69,1	599,9
Gain / loss on sale of vessels	0,7	0,5	1,2
Total expenses	40,1	29,2	132,1
Operating profit before depreciation (EBITDA)	182,7	40,4	469,0
Depreciation	29,3	19,7	92,9
Operating profit (EBIT)	153,4	20,7	376,1
Financial items	9,8	-19,7	-62,2
Net profit (loss) before min. & taxes	163,2	1,0	313,9
Minority	-1,4	0,0	0
Net profit (loss)	161,7	1,0	313,9
EPS (USD)	2,10	0,02	4,28
Dividend (USD)	1,00	0,00	0,00

# Income on timecharter basis (USD / day)

	Q1 2001	Q1 2000	2000
<b>VLCC</b>	<b>62 100</b>	<b>21 300</b>	<b>46 300</b>
<b>Suezmax</b>	<b>43 000</b>	<b>20 300</b>	<b>35 500</b>
<b>Suezmax OBO</b>	<b>39 400</b>	<b>18 900</b>	<b>33 300</b>



# Expenses

<b>USD million</b>	<b>Q1 2001</b>	<b>Q1 2000</b>	<b>2000</b>
<b>Ship operating expenses</b>	<b>26,1</b>	<b>18,8</b>	<b>88,5</b>
<b>Charterhire expenses</b>	<b>10,5</b>	<b>8,2</b>	<b>34,4</b>
<b>Administrative expenses</b>	<b>3,5</b>	<b>2,2</b>	<b>9,3</b>

# Operating expenses (USD / day)

	<b>Q1 2001</b>	<b>Budget 2001</b>	<b>Total 2000</b>	<b>Total 1999</b>
<b>VLCC</b>	<b>6 542</b>	<b>7 024</b>	<b>6 940</b>	<b>6 828</b>
<b>Suezmax</b>	<b>4 556</b>	<b>6 017</b>	<b>5 476</b>	<b>5 976</b>
<b>Suezmax OBO</b>	<b>5 582</b>	<b>7 664</b>	<b>6 246</b>	<b>6 385</b>

**Offhire in Q1 2001: 70 days (38 d/d)**

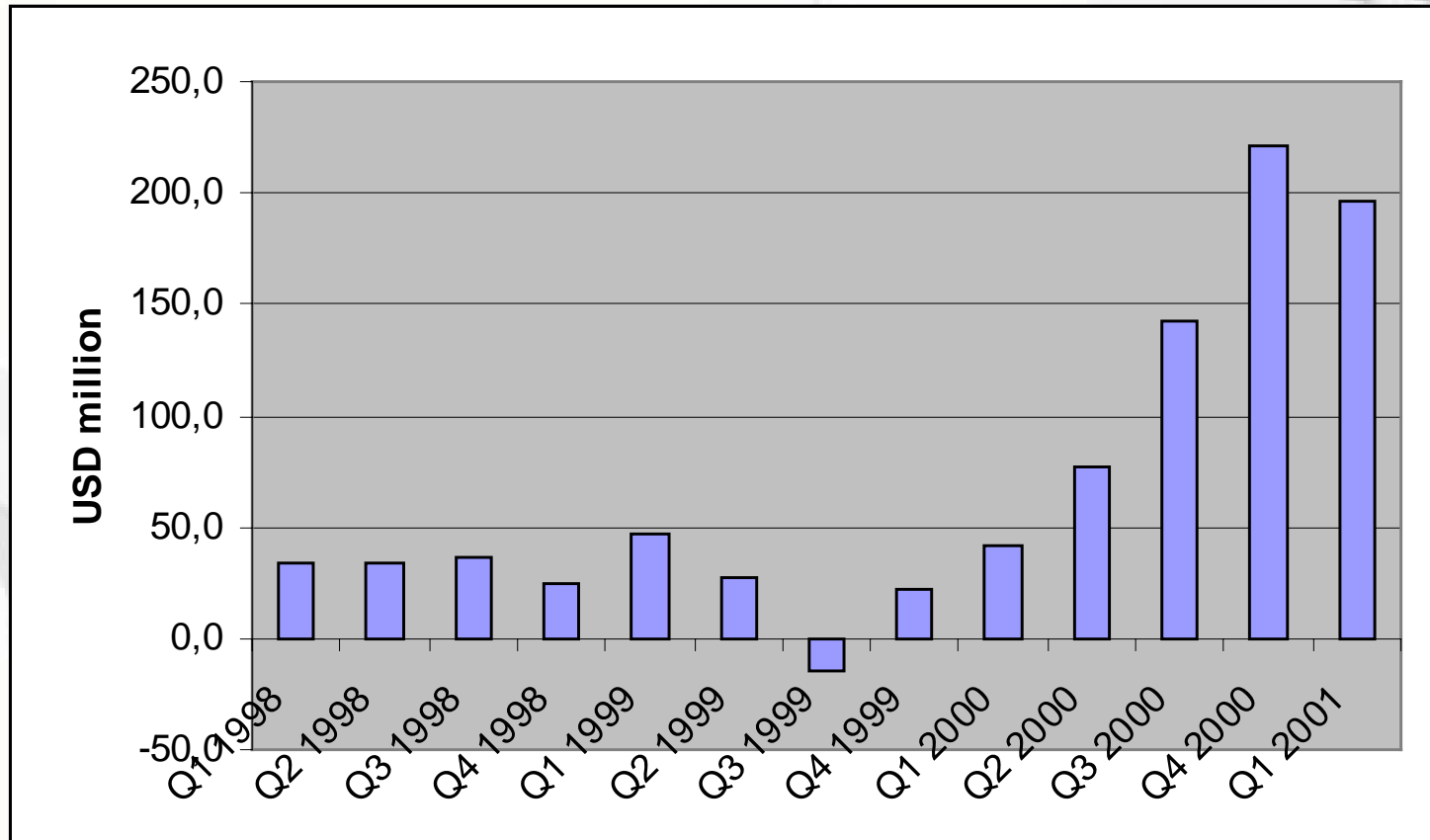
**Offhire in 2000: 60 days**

**Trading days 2001: 4096**

**Trading days 2000: 14975**

**Costs before G&A**

# EBITDA



# Financial items

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Interest income	4,6	0,7	2,10	0,02	4,28
Interest expense	(26,7)	(20,7)			
Share of results in assoc	13,9	0,7			
Other financial items	(4,2)	-0,2			
Foreign currency gain	22,3	-0,2			

# Associated companies

- Rasmussen K/S parts
- Front Tobago (40%) partners OSG and Euronav
- Golden Fountain (50%) partner Euronav
- New Circassia (50%) partners Ropner and Runcinan
- Pacific Lagoon (45%) partner Euronav
- Golden Daisy (50%) partner Samartzis
- Golden Rose (50%) partner Samartzis

# Profit & Loss

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EPS (USD)	2,10	0,02	4,28
Dividend (USD)	1,00	0,00	0,00

# Balance sheet - Assets

USD million

	Q1 2001	Q1 2000	2000		
<b>Short term</b>					
Cash and Bank deposits	212,7	86,1	116,1	Trade rec. / voyage in progress	102,2
Marketable securities	0,8	17,5	4	Prepaym / inventory	15,1
Other current assets	127,0	57,9	172,8	Other	9,7
<b>Long term</b>					
Newbuildings	57,7	12,1	36,3	Newbuilds	21,3
Vessels and equipment, net	2 436,8	1 602,0	2363,3	Options to buy vessels:	
Associated companies	40,8	6,0	27,4	Opalia	8,4
Goodwill	14,2	12,0	12,8	Comanche	13,9
Deferred charges and other assets	44,2	5,1	46,6	Commerce	13,9
Total assets	2 934,2	1 798,6	2779,4	Oscilla	11,5
				Comanche and Commerce	25,6

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Goodwill	14,2	12,0	12,8
Deferred charges and other assets	44,2	5,1	46,6
<b>Total assets</b>	<b>2 934,2</b>	<b>1 798,6</b>	<b>2779,4</b>

FL	1982,2
GOGL	346,9
GOGL includes 2 capes, 1 handy and 4 VLs	
GOGL Capital lease	107,3
includes 1 cape, 2 handys and 2 panmax	

# Off balance sheet vessels



- Front Century
- Front Champion
- Front Warrior
- Kim Jacob
- Golden Victory

# Balance sheet - Liabilities

<b>Stockholders' equity and liabilities</b>	<b>Q1 2001</b>	<b>Q1 2000</b>	<b>2000</b>
<b>Short term</b>			
Short term interest bearing debt	227,5	157,1	212,8
Other current liabilities	63,0	42,9	77,6
<b>Long term</b>			
Long term interest bearing debt	1 352,8	956,2	1331,4
Other long term liabilities	113,0	20,9	123,7
Minority	7,5	4,4	4,5
Stockholder's equity	1 170,5	617,2	1029,5
<b>Total stockholders' equity and liab.</b>	<b>2 934,2</b>	<b>1 798,6</b>	<b>2779,4</b>

# Cash commitments

<b>Cash per 31-03-2001</b>	<b>213</b>
<b>Tarim / Tartar sale</b>	<b>45</b>
<b>Dividend</b>	<b>-77</b>
<b>Newbuilds</b>	<b>-60</b>
<b>Corporate loans next 12 months</b>	<b>-55</b>
<b>Net cash</b>	<b>66</b>

# Breakeven rates (USD / day)

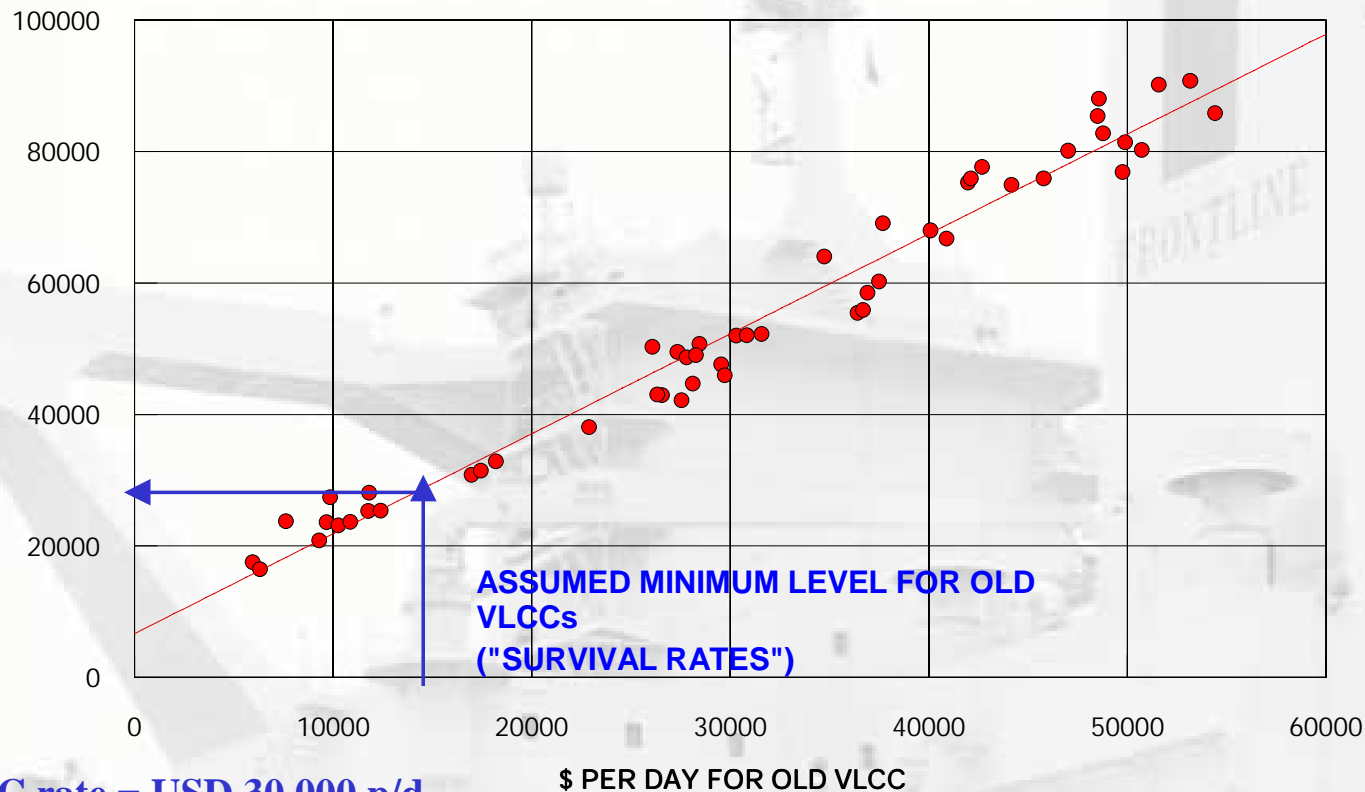
## Core B/E

<b>VLCC</b>	<b>23 100</b>
<b>Suezmax</b>	<b>17 400</b>
<b>Suezmax OBO</b>	<b>17 900</b>

# The downside protection

CORRELATION BETWEEN RATES FOR MODERN AND RATES FOR OLD VLCCs  
WEEKLY 2000

\$ PER DAY FOR MODERN VLCC



R.S. Platou  
Economic Research a.s

CORRESPONDING  
FLOOR FOR  
MODERN UNITS

ASSUMED MINIMUM LEVEL FOR OLD  
VLCCs  
("SURVIVAL RATES")

Modern VLCC rate = USD 30.000 p/d

Suezmax rate = USD 23.000 p/d

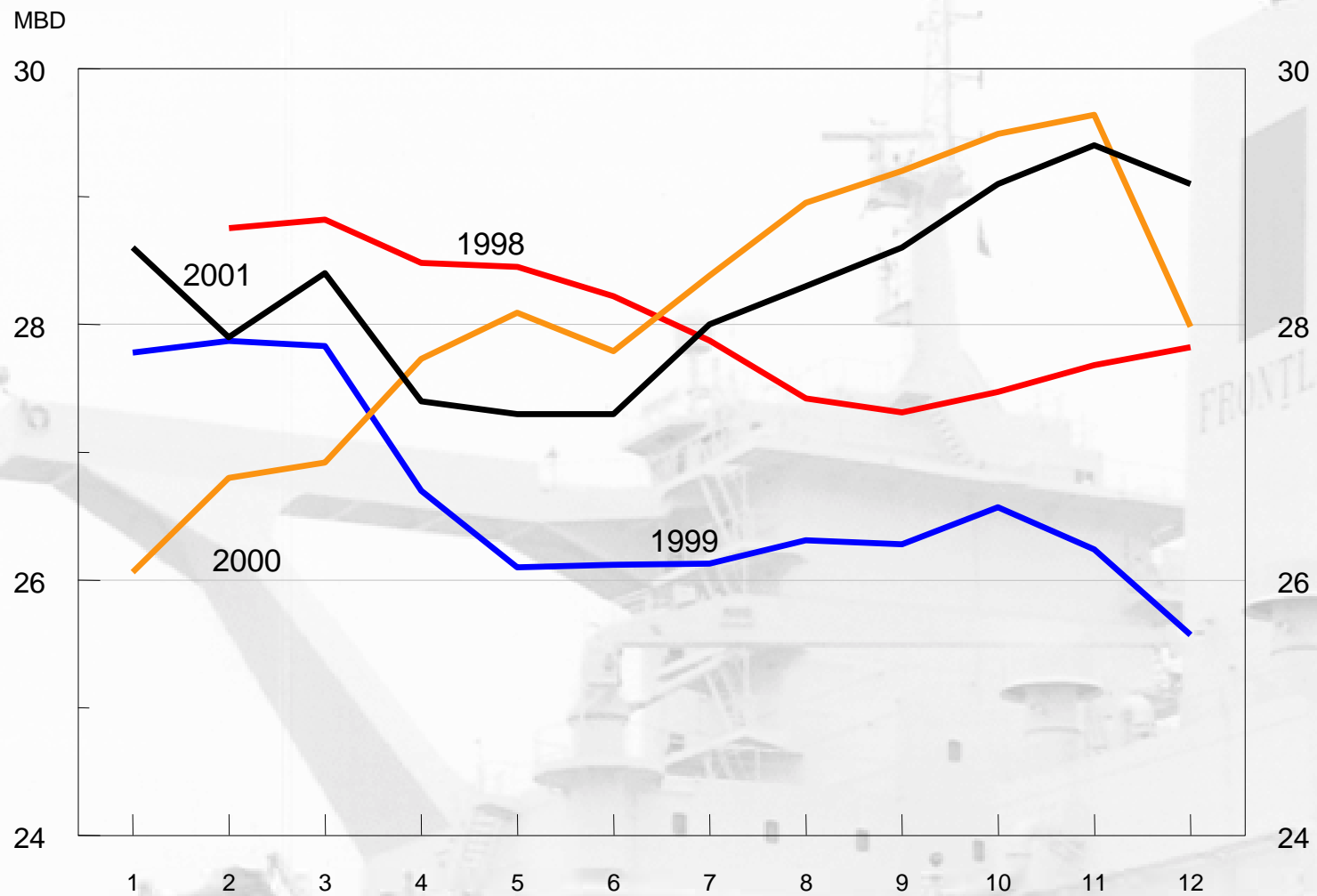
Net Income Frontline = USD 130 million

# The macro trend

- Growth in world wide oil consumption approximately 1,7 %.
- Strong demand increases in areas without additional production capacity ( China – India).
- Build up of refinery capacity in developing countries creates need for crude feed.
- Middle East oil production is gaining market share.
- North Sea and US production are expecting to level off.
- An ageing fleet, new rules – combined with stricter practice from oil companies create need for modernisation.

# OPEC CRUDE PRODUCTION

1998-2001

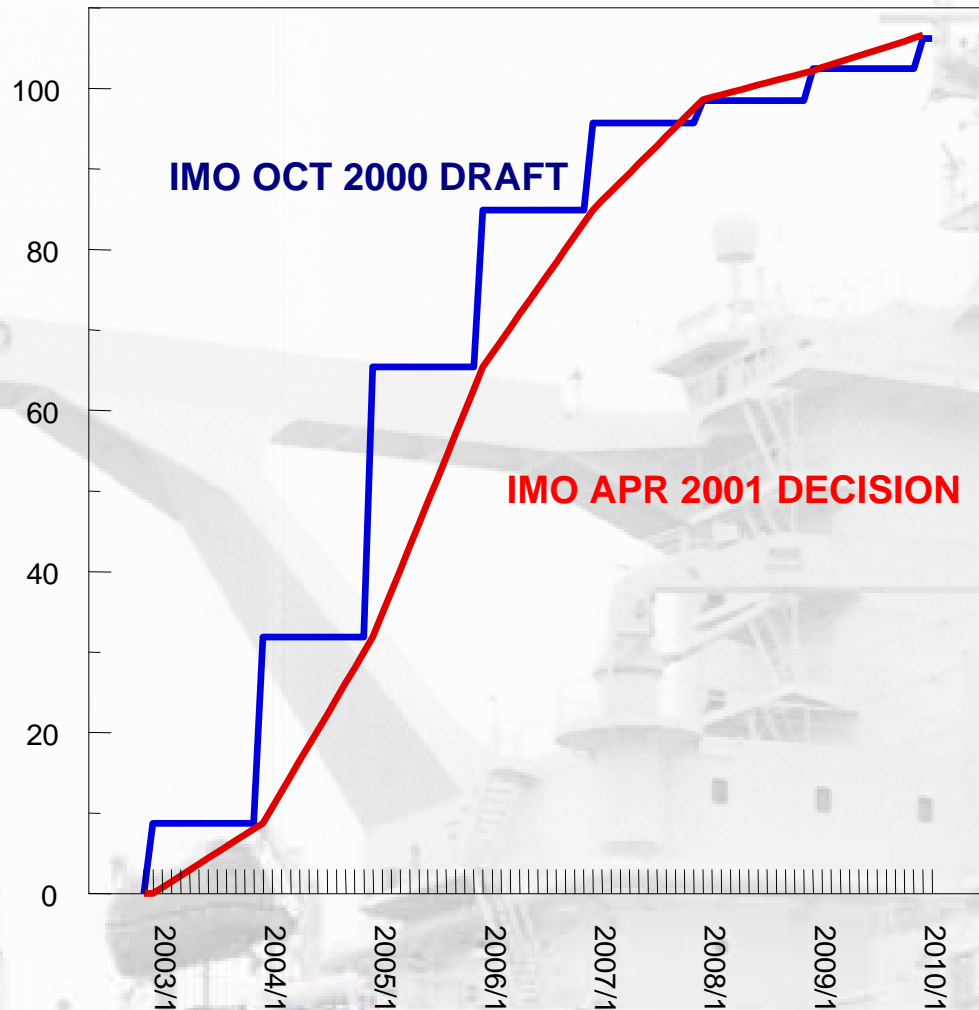


R.S. Platou  
Economic Research a.s

# NEW RULES FOR THE PHASE-OUT OF SINGLE-HULL TANKERS

**TANKERS 10,000 DWT +**  
BASED ON FLEET AS PER MAY 2001

ACCUMULATED IN MILL DWT



The IMO April meeting unanimously adopted new amendments to Marpol 13g. Phase-out will be due to the anniversary date of the tanker rather than January 1. If tankers are delivered evenly throughout the year, the Oct 2000 phase-out schedule will be delayed by 6 months.

There have also been made some marginal adjustments in the Oct 2000 proposal for Category 2 and Category 3 phase-out.

# Our market view - Today

- Continued strong market for the next 3 – 5 year periode with potential for new rate peaks this autumn when OPEC increase production.
- Current fleet composition creates USD 30,000 p/d VLCC "floor" for the next five year period.
- Growth in crude oil import in Asia and increased production from MEG will be important tonnage demand forces.
- The continued strong spot market will increase S&P activity as well as give more opportunities for long term charter and strategic deals with major oil companies.
- The new IMO rules will cause removal of practically all pre 1980 built tankers by 2006.
- Major players will seek further consolidation.
- OPECs new production philosophy will increase seasonal volatility.