

The logo for Frontline, featuring a stylized 'F' icon above the word 'FRONTLINE' in a serif font, all contained within a white rectangular box.

FRONTLINE

Q2 2001 RESULTS
15 August 2001



The Fleet

33 + 8 N/B VLCCs



21 + 1 N/B Suezmaxes



8 Suezmax OBOs



- Oldest ship from 1990
- Average age – 5.9 years – Industry Average 12.5 years.
- Percentage double hull tonnage : 66 % - Industry Average 40 %
- Market share of modern spot market incl. Pool participators : Approximately 40 %

= 17 million dwt. or approximately 112 million barrels transport capacity.

Main events 2001

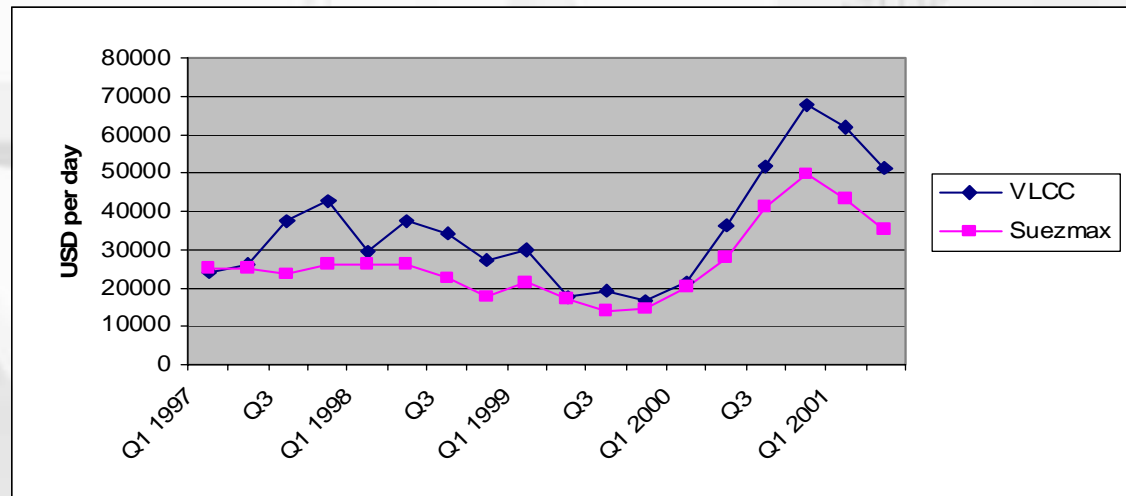
- Acquired VLCCs Edinburgh and Dundee together with OSG (50.1 / 49.9% j/v) in Feb / March.
- Sold Tarim and Tartar in April.
- Announced authorisations to buy back remaining warrants and increased level for buy back of shares to 7,500,000. In total 3,927,145 shares acquired. 300,000 shares are acquired in Q2, and so far in Q3 520,000 shares at average price of USD 17.80/NOK 164.
- Placed NOK denominated commercial paper.
- Suezmax M/T Front Archer sold.
- Three VLCC's acquired from Golden Ocean bankruptcy remotes trusts, further two to come.
- Dividend payout of USD 1.00 per share in May, further USD 0.40 payout in September.
- Acquisition of Mosvold Shipping through public bid.
- Subsequent acquisition of remaining 47% of Mosvold VLCC Newbuilding K/S + sale of old Mosvold VLCC.
- Joint venture between Frontline, OSG and Euronav acquires 4 VLCC's + 2 VLCC newbuildings from Bergen.

Profit & Loss

Q2 00	Q2 01 USD million	6M 2001	6M 2000	2000
109,0	195,2	417,3	178,1	599,9
0,0	16,0	16,7	0,5	1,2
32,7	-49,6	-89,7	-61,9	132,1
76,2	161,6	344,3	116,7	469,0
	before depreciation (EBITDA)			
21,0	-30,6	59,9	40,7	92,9
55,2	131,0	284,4	76,0	376,1
-20,5	-22,2	-16,3	-40,3	-62,2
34,7	108,8	268,0	35,7	313,9
0,0	-1,1	-2,5	0,0	0
34,7	107,7	265,5	35,7	313,9
0,49	1,40	3,45	0,53	4,28
	1,00	1,00	0,00	0,00

Income on timecharter basis (USD / day)

Q2 00	Q2 01		6M 2001	6M 2000	2000
36 100	51 400	VLCC	56 600	29 000	46 300
27 700	36 500	Suezmax	39 800	24 300	35 500
26 800	33 400	Suezmax OBO	36 500	22 800	33 300



Expenses

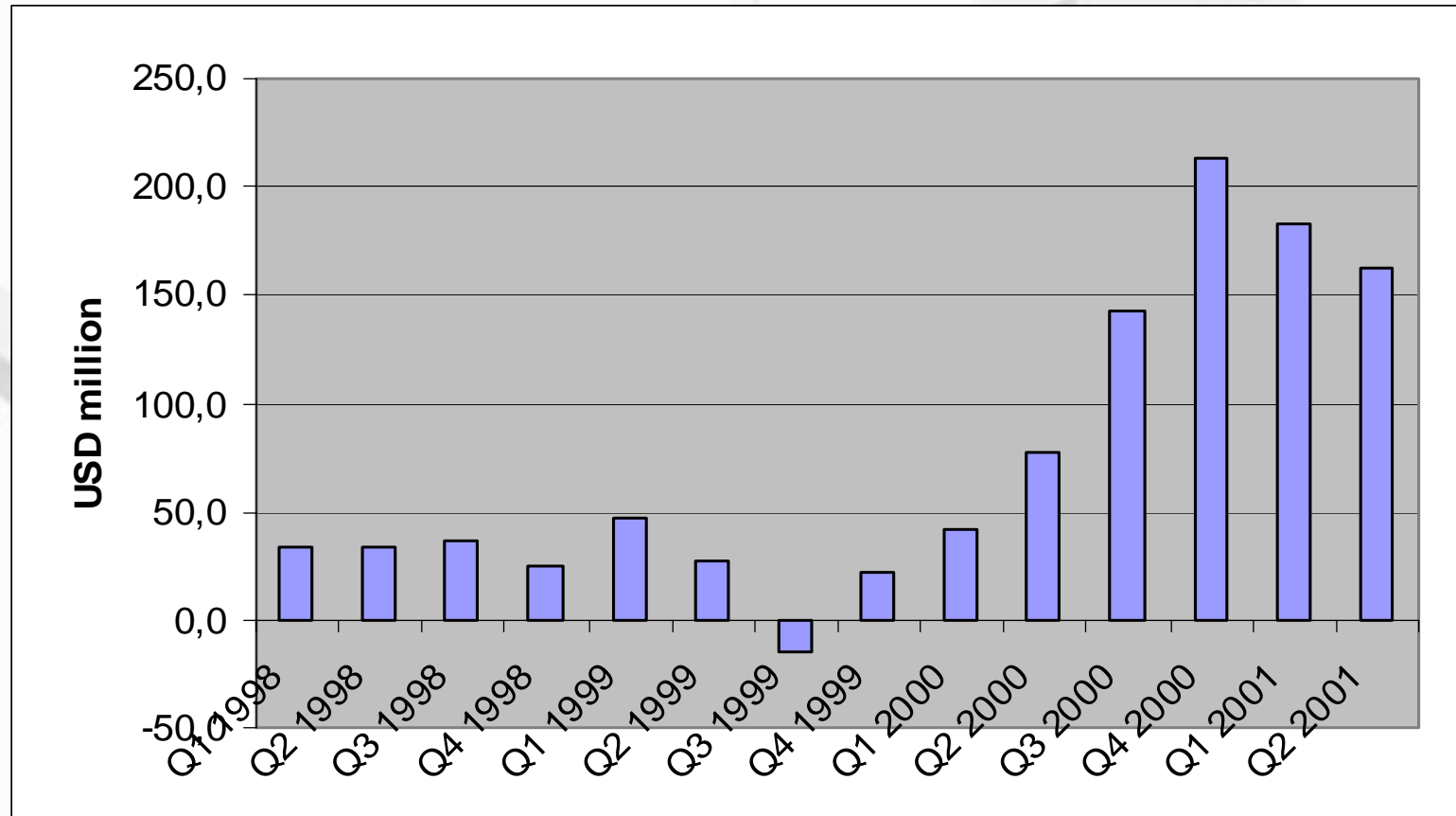
Q2 2000	Q2 2001	USD million	6M 2001	6M 2000	2000
21,2	33,1	Ship operating expenses	59,2	40,0	88,5
8,5	10,5	Charterhire expenses	21,1	16,6	34,4
3,0	6,0	Administrative expenses	9,5	5,2	9,3

Operating expenses (USD / day)

	Q2 2001	6M 2001	Budget 2001	Total 2000	Total 1999
VLCC	7489	7 256	7 024	6 940	6 828
Suezmax	7523	6 265	6 017	5 476	5 976
Suezmax OBO	8029	7 191	7 664	6 246	6 385
Offhire days:	92	152		60	
Trading days:	4271	8 378		14975	

Operating expenses are before G&A and including d/d reservations

EBITDA



Financial items

Q2 2000	Q2 2001	USD million	6M 2001	6M 2000	2000
109,0	195,2	Net operating revenues	417,3	178,1	599,9
0,0	16,0	Gain / loss on sale of vessels	16,7	0,5	1,2
32,7	-49,6	Total expenses	-89,7	61,9	132,1
76,2	161,6	Operating profit	344,3	116,7	469,0
		before depreciation (EBITDA)			
21,0	-30,6	Depreciation	59,9	40,7	92,9
55,2	131,0	Operating profit (EBIT)	284,4	76,0	376,1
-20,5	-22,2	Financial items	-16,3	-40,3	-62,2
34,7	108,8	Net profit (loss) before min. & taxes	268,0	35,7	313,9
0,0	-1,1	Minority	-2,5	0,0	0
34,7	107,7	Net profit (loss)	265,5	35,7	313,9
0,49	1,40	EPS	3,45	0,53	4,28
	3,3	Interest income	7,9		
	-24,5	Interest expense	-51,3		
	2,4	Share of result in assoc	12,3		
	0	Other financial items	-4,2		
	-3,4	Foreign currency gain	18,9		

Associated companies

	Debt outstanding
•Rasmussen K/S parts	nil
•Front Tobago (40%) partners OSG and Euronav	24,3
•Golden Fountain (50%) partner Euronav	39,2
•New Circassia (50%) partners Ropner and Runcinan	58,4
•Pacific Lagoon (45%) partner Euronav	58,4
•Golden Daisy (50%) partner Samartzis	15,6
•Golden Rose (50%) partner Samartzis	<u>15,8</u>
<i>USD 163.7 million is Yen denominated</i>	
Total =	211,7

Balance sheet - Assets

USD million

	Q2 2001	Q2 2000	2000
Short term			
Cash and Bank deposits	135,9	106,9	116,1
Marketable securities	0,9	17,1	4
Other current assets	119,0	89,2	172,8
Long term			
Newbuildings	106,0	0,0	36,3
Vessels and equipment, net	2 573,1	1 800,8	2363,3
Associated companies	40,0	6,8	27,4
Goodwill	11,3	11,9	12,8
Deferred charges and other assets	40,1	18,8	46,6
Total assets	3 026,4	2 051,6	2779,4

Trade rec./Voyages	79,9
Prepayment/inventory	16,0
Other	23,0

Frontline	43,7
Mosvold	53,9
Option to buy Opalia	8,4

Opalia	21,7
Oscilla	11,5

Balance sheet - Assets

USD million	Q2 2001	Q2 2000	2000
Short term			
Cash and cash equivalents	135,9	106,9	116,1
Marketable securities	0,9	17,1	4
Other current assets	119,0	89,2	172,8
Long term			
Newbuildings and vessel purchase options	106,0	0,0	36,3
Vessels and equipment, net	2 573,1	1 800,8	2363,3
Investment in associated companies	40,0	6,8	27,4
Goodwill	11,3	11,9	12,8
Deferred charges and other long-term assets	40,1	18,8	46,6
Total assets	3 026,4	2 051,6	2779,4

FL	2123,9
GOGL	343,0
GOGL includes 2 capes, 1 handy and 4 VLs	
GOGL Capital lease	106,1
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

Stockholders' equity and liabilities	Q2 2001	Q2 2000	2000
Short term			
Short term interest bearing debt	245,8	131,4	212,8
Other current liabilities	74,3	46,3	77,6
Long term			
Long term interest bearing debt	1 395,4	1 091,1	1 331,4
Other long term liabilities	123,4	20,6	123,7
Minority	9,7	4,4	4,5
Stockholder's equity	1 177,8	757,9	1 029,5
Total stockholders' equity and liab.	3 026,4	2 051,6	2 779,4

Yen denominated debt \$215.6 million

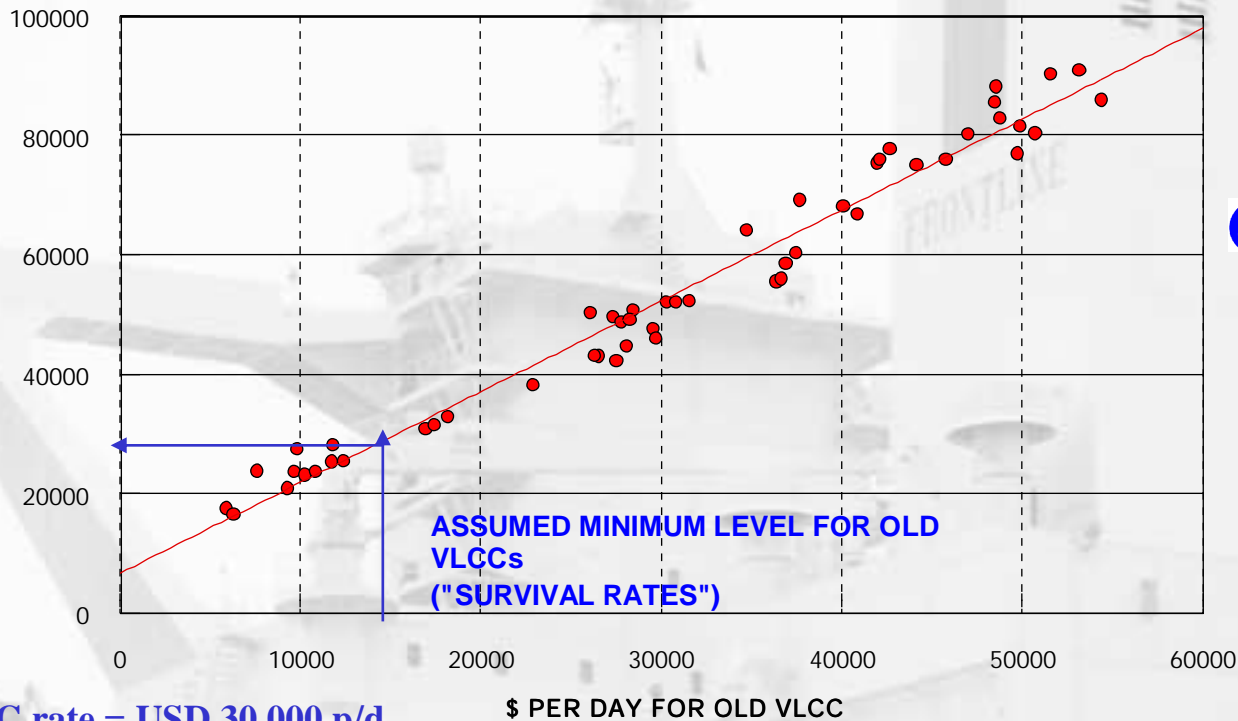
Breakeven rates (USD / day)

	Vessel B/E
VLCC	23 300
Suezmax	16 500
Suezmax OBO	17 500

The downside protection

CORRELATION BETWEEN RATES FOR MODERN AND RATES FOR OLD VLCC
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

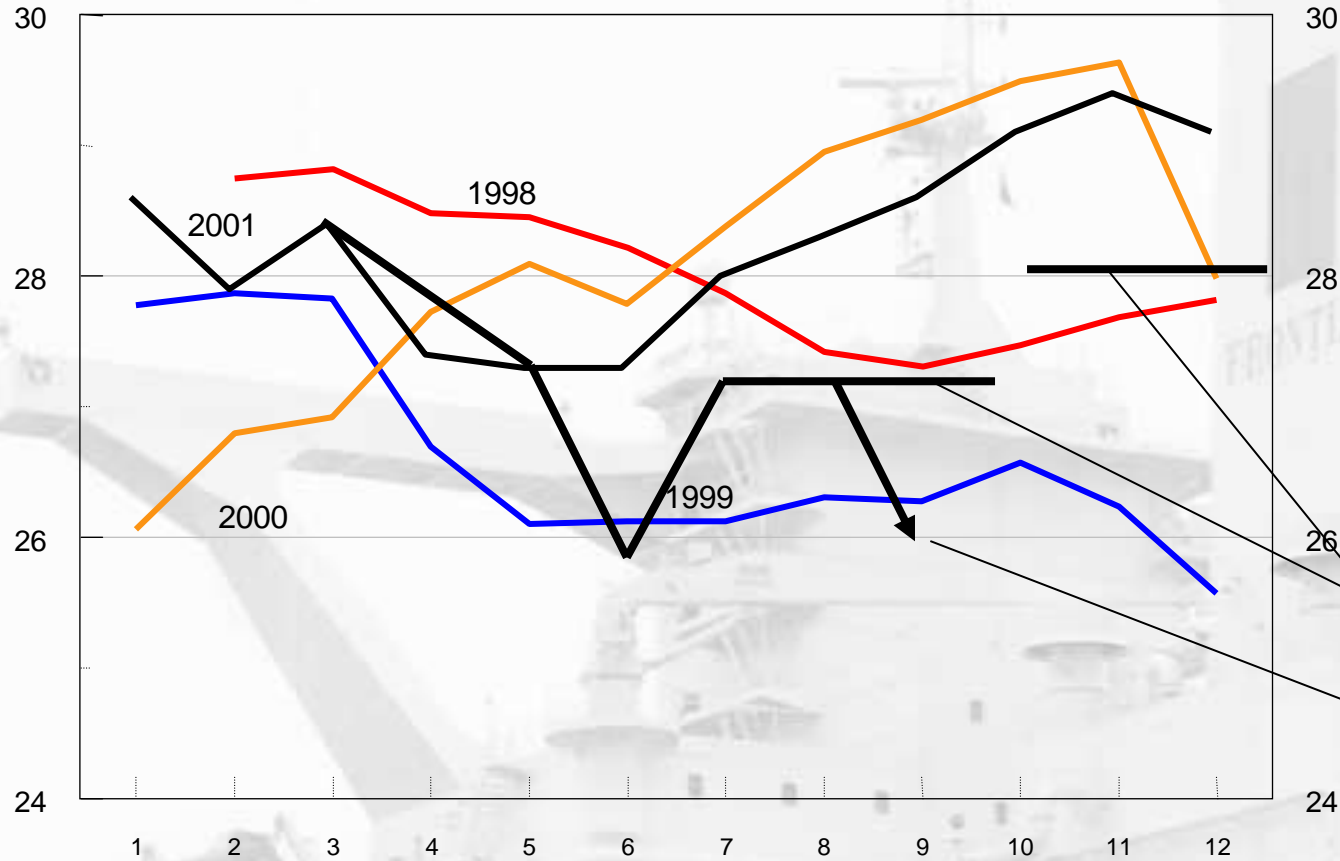
The macro trend

- OPEC has advised that it will consider further quota reductions in September
- It is likely that the OPEC production will have to be increased again in the latter part of the year
- Only a modest increase in transportation requirements is required to create room for a substantial increase in tanker rates
- An ageing fleet, new rules – combined with stricter practice from oil companies create need for modernisation

OPEC CRUDE PRODUCTION

1998-2001

MBD



**Call on OPEC
according to IEA in Q3
and Q4**

**OPEC incl Irak quotas from
September**



R.S. Platou
Economic Research a.s

Consequence of new OPEC September quota

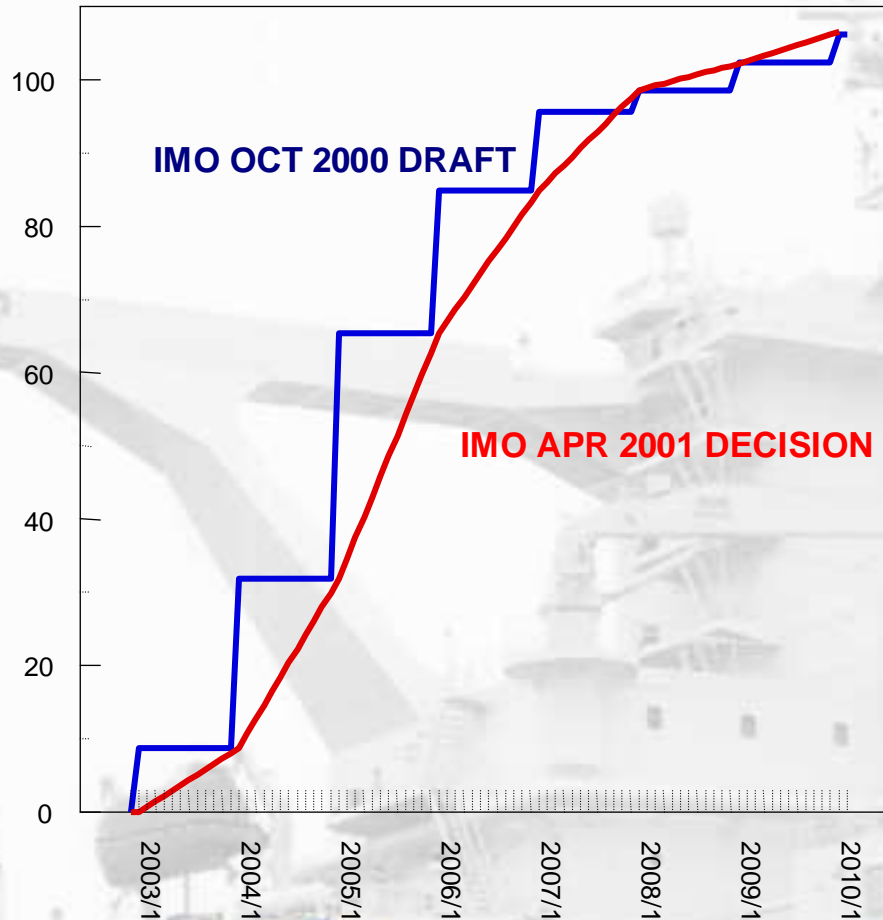
Major Assumption : World Wide growth in oil consumption estimated by IEA to 0,4 mill bbls. is fully covered by Non OPEC Production – i.e. call on OPEC equal to 2000.

	<i>mill Bbbls.</i>
Average daily OPEC production 2nd half 2000	28,84
Average daily OPEC production 2nd half 2001	26,48
Daily underproduction 2nd half 2001	2,36
Total underproduction	424,8
Current Global overstorage compared to 2000	127,0
Under storage compared to 2000 in the end of 2001	297,8
Daily production increase to cover shortfall Sep - Dec	2,5
Opec Quota Sep 2001	26,2
Production level Sep - Dec 2001 to equalize storage 2000	28,7

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.

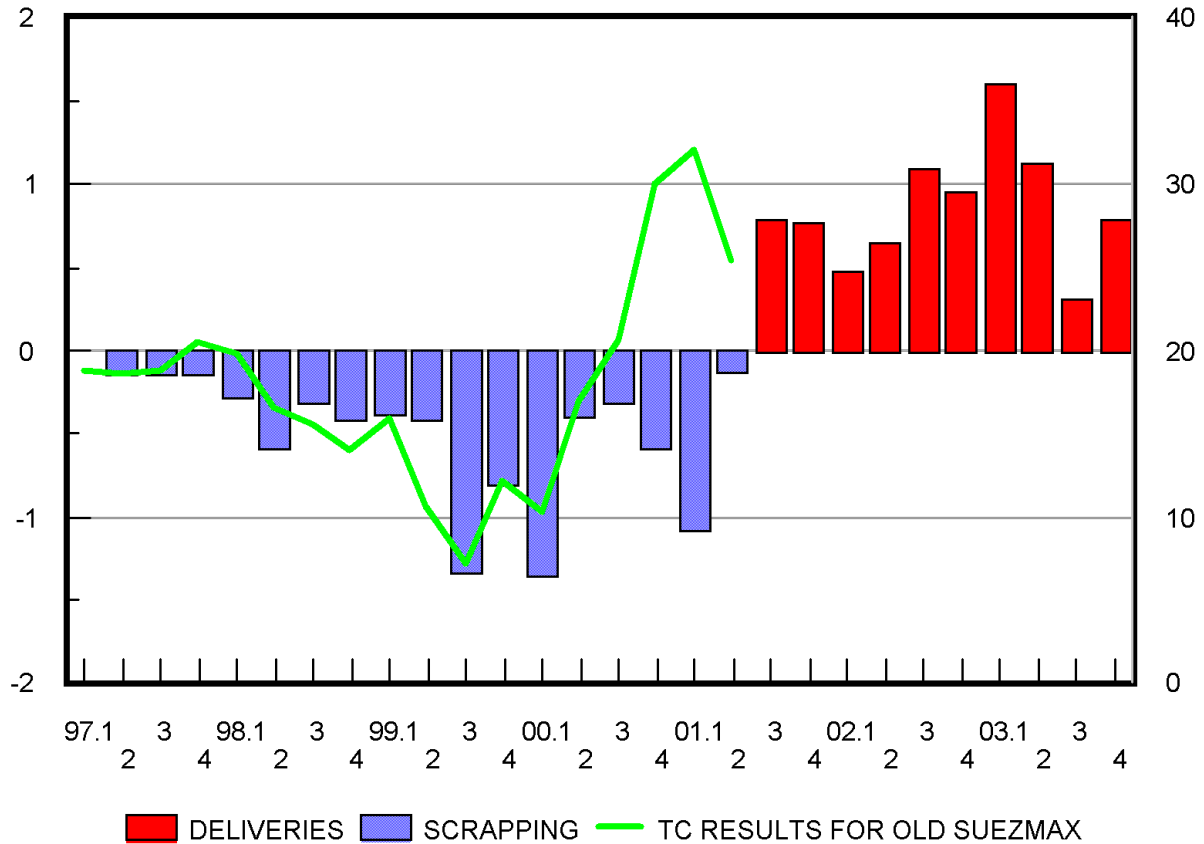
There have also been made some marginal adjustments in the Oct 2000 proposal for Category 2 and Category 3 phase-out.

SUEZMAX TANKERS 1997-2003

SCRAPPING, DELIVERIES AND FREIGHT RATES QUARTERLY

MILL. DWT

TC RESULTS FOR OLD SUEZMAX IN \$1000 PER DAY



VLCC TANKERS 1997-2003

SCRAPPING, DELIVERIES AND FREIGHT RATES

QUARTERLY

