

The logo for Frontline, featuring a stylized vertical bar above the word "FRONTLINE" in a serif font.

FRONTLINE

Q1 2002 RESULTS

21 May 2002



www.frontline.bm

The Fleet

36 + 5 N/B VLCCs

- Oldest ship from 1990
- Average age – 6.4 years – Industry Average 12.1 years.
- Percentage double hull tonnage : 69 % - Industry Average 44 %



24 Suezmaxes



8 Suezmax OBOs

= 17.7 million dwt. or approximately 118 million barrels transport capacity.

Main events 2002 – Q1

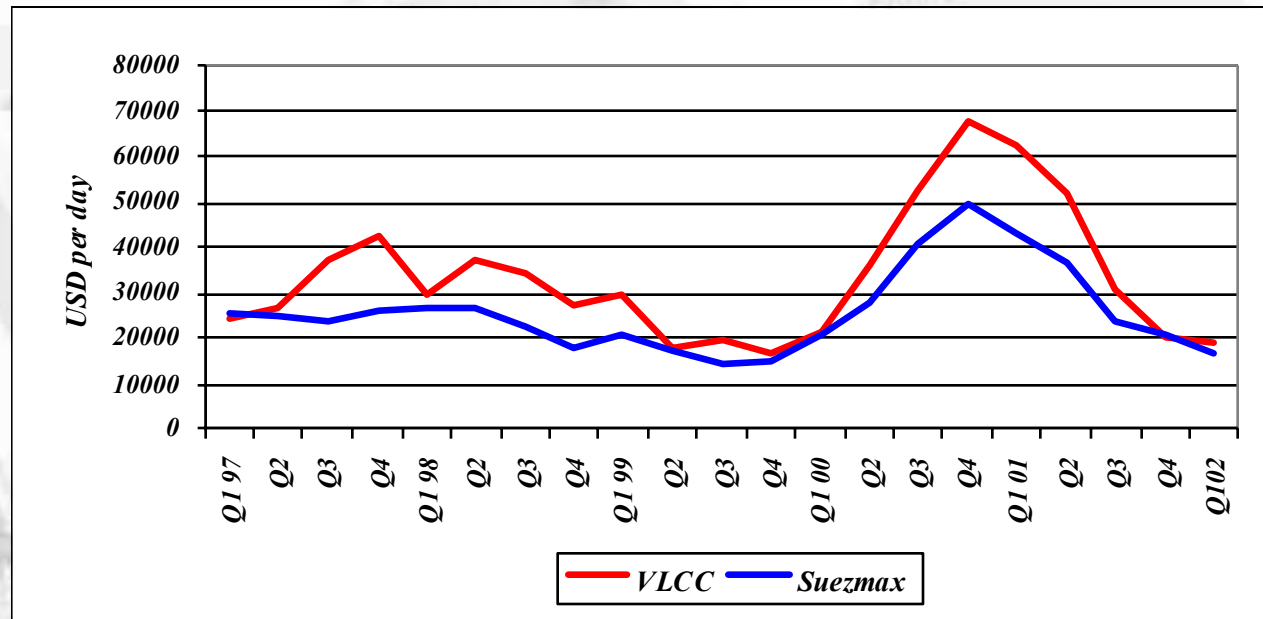
- Sold Mosocean and taken delivery of Front Eagle in early January, Tanabe in late February and Front Serenade in late March 2002.
- The delivery instalment for Front Serenade was financed out of cash with bank financing of \$50 million drawn down after quarter end.
- Acquired 125,000 shares under the Equity Swap Line in Q1 2002. In total 2,460,000 are acquired as per today at an average price of NOK 75.01.
- Frontline secured 5 year T/C agreement with Shell France for one VLCC.
- Dividend payout USD 0.20 for Q4 2001 in March 2002
- Four vessels were transferred from GOGI to Frontline late March 2002 and were refinanced from Yen denominated capital leases to \$47.25 million bank debt with a discount on the refinancing of \$6 million being recorded on the balance sheet.

Profit & Loss

USD million	Q1 02	Q1 01	2 001
Net operating revenues	94,9	219,1	647,3
Gain / loss on sale of vessels	0,0	0,7	35,6
Total expenses	39,1	38,3	176,5
Operating profit before depreciation (EBITDA)	55,8	181,5	506,5
Depreciation	34,0	28,9	121,7
Operating profit (EBIT)	21,8	152,6	384,8
Financial items	-7,0	7,3	-33,9
Net profit (loss) before min. & taxes	14,9	159,9	350,8
Taxes	0	0	0,4
Cum. effect of change in acc. principle	0	32,3	32,3
Net profit (loss)	14,9	192,3	382,7
EPS	0,19	2,49	4,99

Income on time charter basis

USD/day	Q1 02	Q1 01	2 001
VLCC, spot	18 900	62 100	40 800
VLCC, T/C and B/B vessels	28 300	-	-
Suezmax	16 500	43 000	30 700
Suezmax OBO	18 000	39 400	28 900
Drybulks	10 000	10 900	10 900



Ship operating expenses (USD/day)

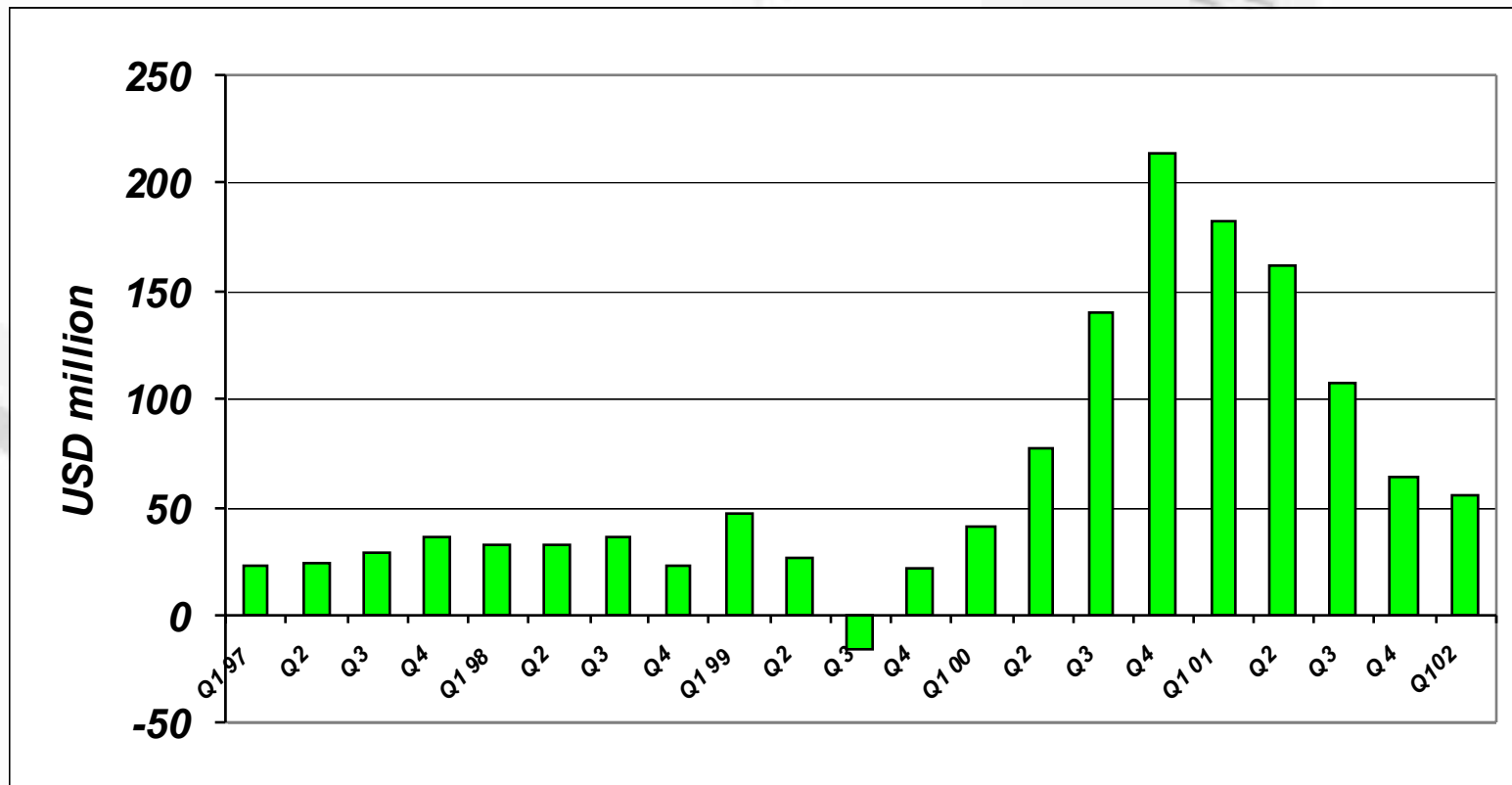
	Q1 02 Opex incl. d/d costs	Budget 2002	Total 2001 Opex incl. d/d costs	Total 2000	Total 1999
VLCC	6 916	6 283	6 339	6 940	6 828
Suezmax	4 701	5 560	5 706	5 476	5 976
Suezmax OBO	5 503	5 973	8 996	6 246	6 385

Number of vessels drydocked this quarter was 1

Coming quarter a number of 4 vessels are expected to be drydocked

Operating expenses are before G&A

EBITDA



Financial items

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Interest income	2,6	4,7
Interest expense	-17,8	-26,8
Share of results in assoc.	1,0	10,9
Other financial items	5,5	-4,2
Foreign currency gain	1,7	22,3

Associated companies

- Rasmussen K/S parts
- Front Tobago (40%) partners OSG and Euronav
- Ariake (33%), partner OSG and Euronav
- Sakura (33%), partner OSG and Euronav
- Ichiban (33%), partner OSG and Euronav
- Tanabe (33%), partner OSG and Euronav
- Hull 4983 (33%), partner OSG and Euronav
- Edinburgh (50,1%), partner OSG
- Dundee (50,1%), partner OSG
- Golden Fountain (50%) partner Euronav
- New Circassia (50%) partners Ropner and Runciman
- Pacific Lagoon (50%) partner Euronav
- Golden Daisy (50%) partner Samartzis
- Golden Rose (50%) partner Samartzis

*USD 144,3 million is Yen denominated,
our share is USD 72,1 million*

<u>Debt</u> <u>outstanding</u>	<u>Our</u> <u>share</u>	<u>Guarantee</u> <u>liability</u>
nil	nil	nil
15,6	6,3	2,4
53,3	17,7	4,8
53,3	17,7	4,8
50,3	16,7	5,6
52,5	17,3	5,8
nil	nil	nil
30,6	15,3	4,6
30,6	15,3	4,6
34,0	17,0	34,0
52,1	26,1	52,1
51,8	26,0	51,8
14,0	7,0	14,0
14,1	7,1	14,1
Total =	452,1	189,7
	198,6	

JPY exposure and interest exposure of short term + long term debt and capital leases

Yen denominated debt/capital leases	31.03.2002	31.12.2001	Change
Consolidated	128 822	196 272	-67 450
Associated companies, our share	72 118	74 566	-2 448
Total	200 940	270 838	-69 898
Floating debt	31.03.2002	31.12.2001	Change
Consolidated	1 069 818	996 782	73 036
Associated companies, our share	189 631	175 742	13 890
Total	1 259 450	1 172 524	86 926
Total debt/capital leases	31.03.2002	31.12.2001	Change
Consolidated	1 683 408	1 692 741	-9 333
Associated companies, our share	189 631	175 742	13 890
Total	1 873 039	1 868 483	4 556

Balance sheet - Assets

USD million

	Q1 02	Q1 01	2001
Short term			
Cash and Bank deposits	81,6	206,4	186,4
Marketable securities	1,1	0,8	1,2
Other current assets	95,1	123,9	90,4
Long term			
Newbuildings	62,1	57,7	102,8
Vessels and equipment, net	2 623,1	2 334,7	2 514,2
Associated companies	116,6	59,1	109,9
Goodwill	11,9	14,2	14,0
Def. charges and other assets	15,6	43,7	15,0
Total assets	3 007,1	2 840,6	3 033,8

The delivery instalment for Front Serenade was financed out of cash with bank financing of \$50 million drawn after quarter end

Trade rec./voyage in progress	58,1
Prepaym / inventory	19,4
Other	17,6

Oscilla	8.4
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Oscilla	8.9
Other	6.7

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FL	2 464,8
GOGL	158,4
FL Capital lease 209,3 includes 3 VLs	
GOGL includes 2 capes, 1 handy and 1 VL	
GOGL Capital lease	29,5
includes 1 cape	

Balance sheet - Liabilities

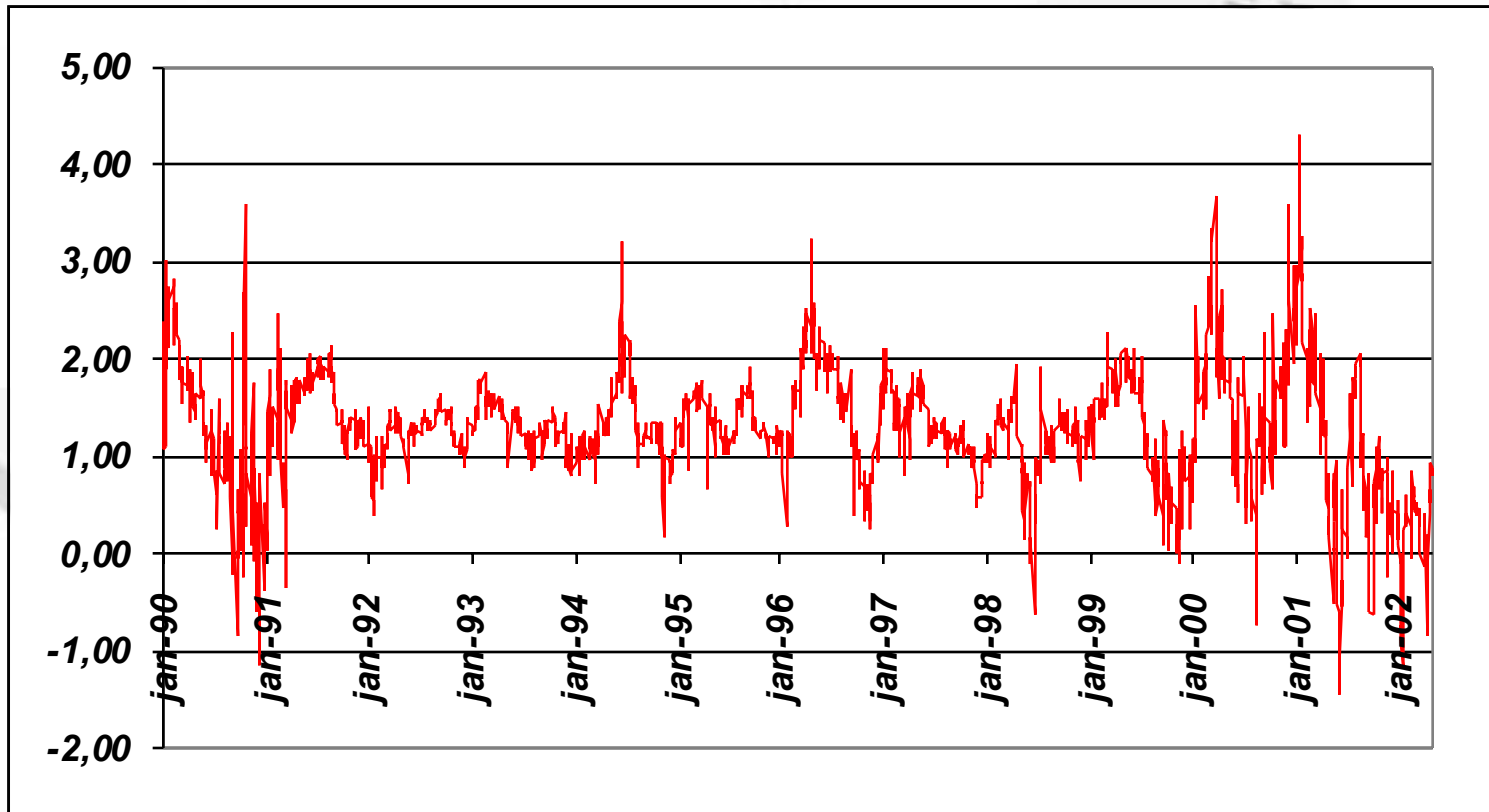
USD million	Q1 02	Q1 01	2001		
Short term					
Short term interest bearing debt	266,4	211,9	214,0	Corporate loans	4,5
Other current liabilities	55,1	57,5	87,5	Ship mort loans core FL	136,1
				Sh term loan dry bulks	47,3
				GOGL	53,6
				Cr.lines / comm.paper	25,0
Long term					
Long term interest bearing debt	1 182,4	1 270,0	1 177,9	Corporate loans	11,3
Other long term liabilities	248,7	92,5	295,1	Sh mort loans core FL	1 111,7
Minority	0,6	6,1	6,8	GOGL	59,5
Stockholder's equity	1 253,9	1 202,5	1 252,4	FL Capital lease	201,9
				GOGL cap lease	20,6
				Other	26,1
Total stockholders' equity and liab.	3 007,1	2 840,6	3 033,8		

Yen denominated debt 129 million

The macro trend

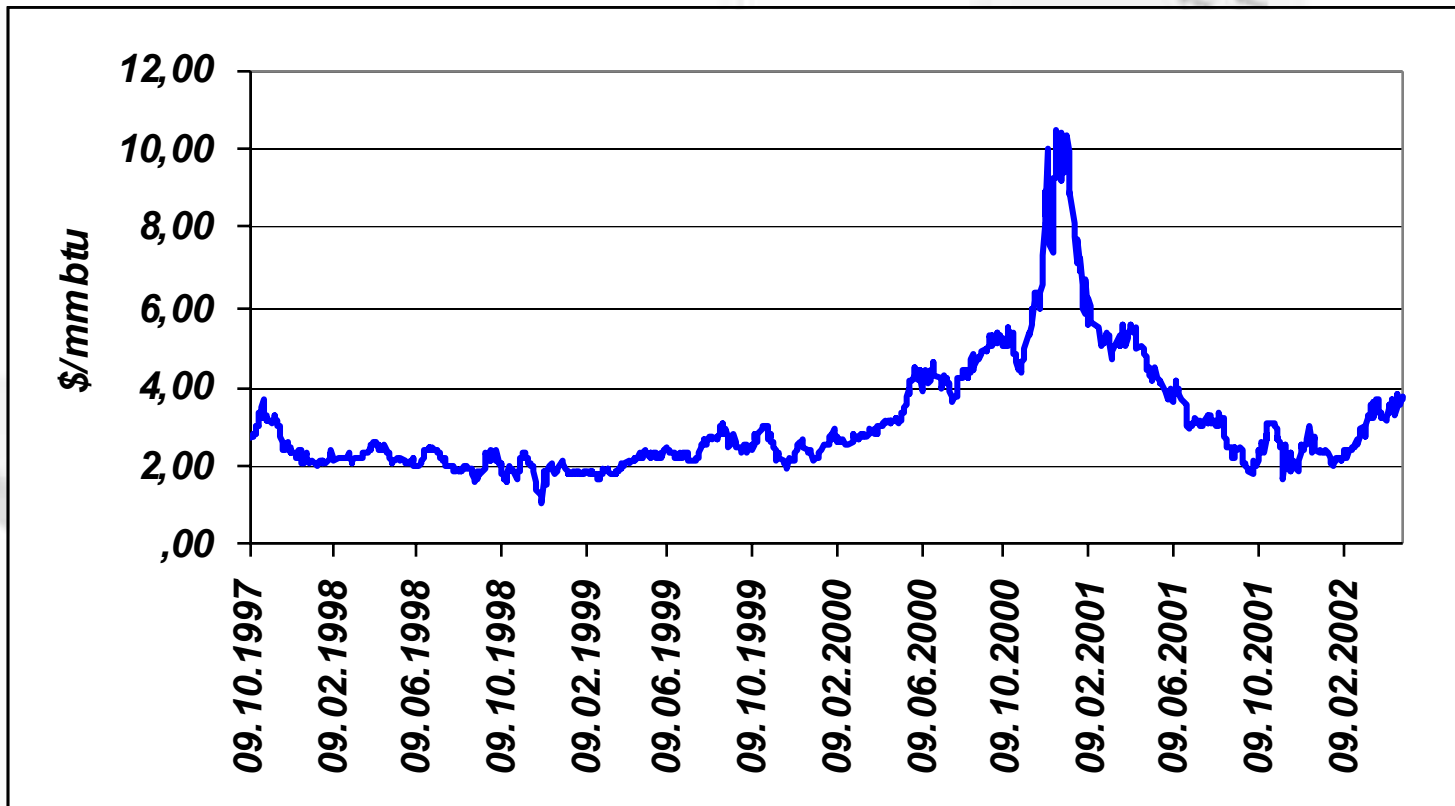
- Opec production is at 10-year low.
- Oil inventories are heading for new lows if Opec continues the low production level.
- World economic recovery is expected to come in second half of 2002.
- Oil demand forecasts are being raised in second half of 2002 in line with the world economic recovery.
- Opec will have to increase its production.
- The fleet balance is still reasonable and a modest demand increase will increase charter rates.
- Scrapping of old tonnage is continuing at a high level in current pessimistic rate environment.
- =>the above should lead to an increase in freight rates in second half of 2002

WTI-Brent



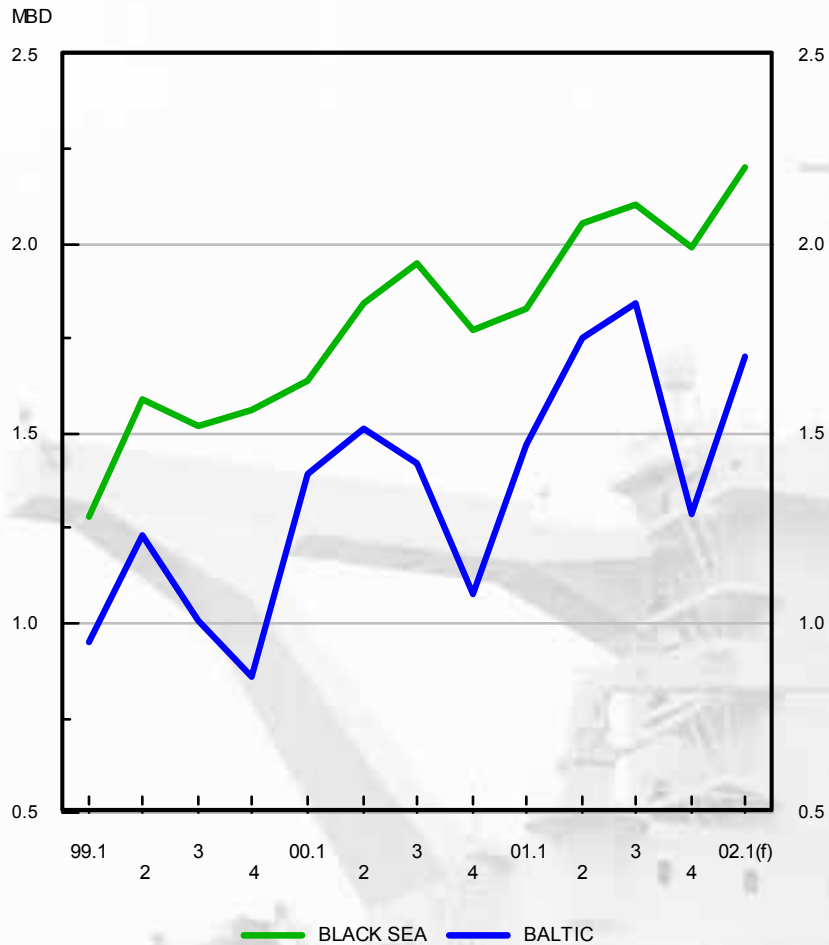
Source: J P Morgan

NYMEX Henry Hub natural gas

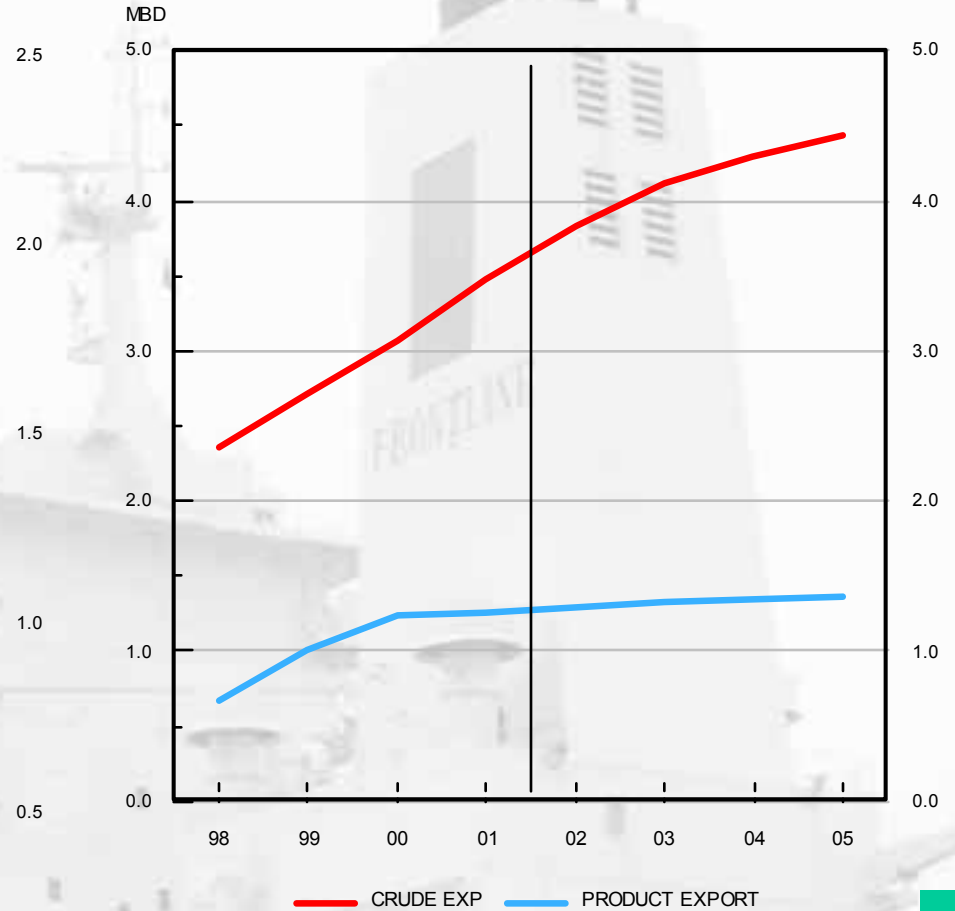


Source: J P Morgan

SEABORNE OIL EXPORTS FROM FSU QUARTERLY 1999-2002



FSU OIL EXPORTS 1998-2005

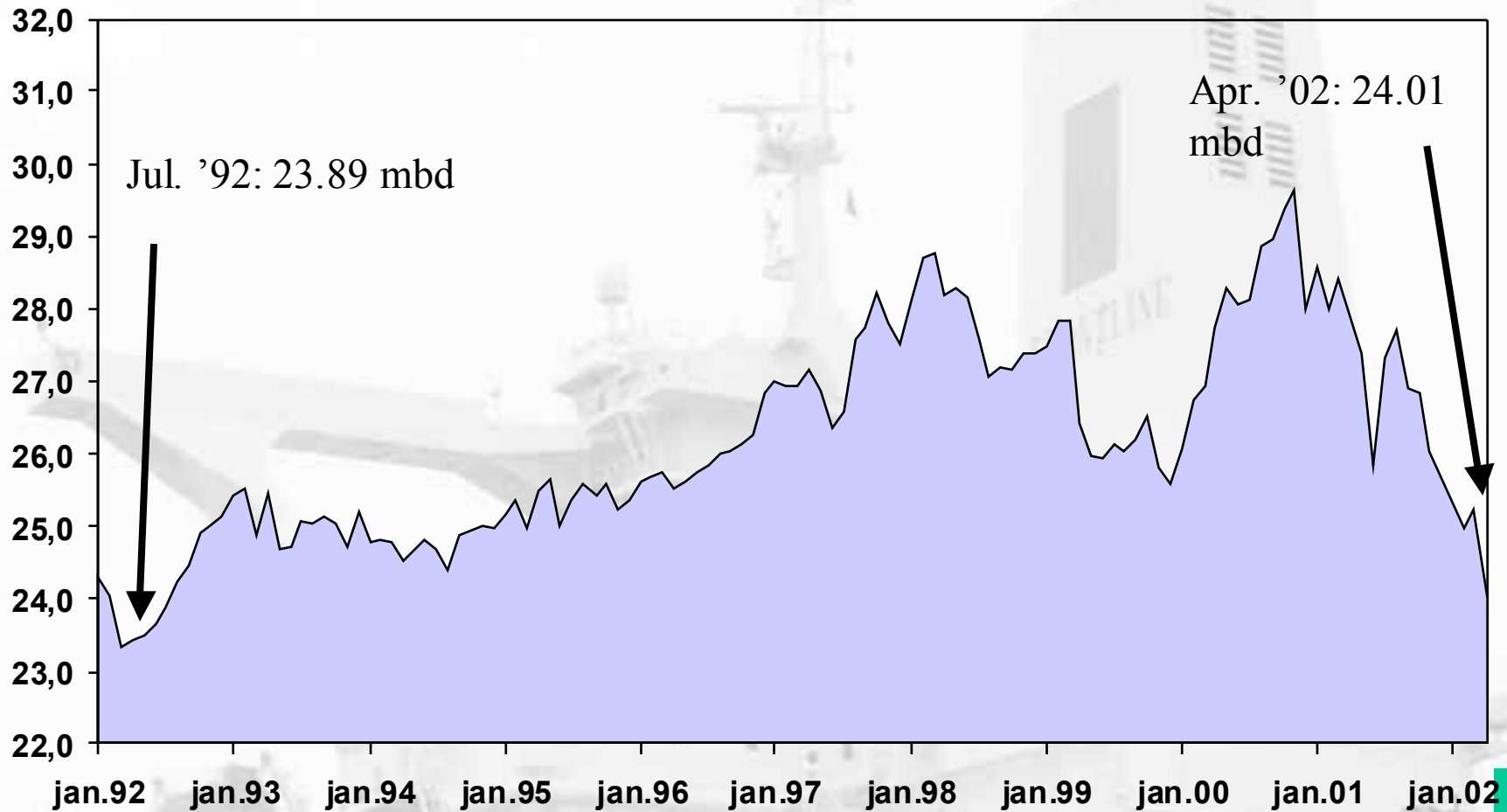


SOURCE: CREDIT SUISSE



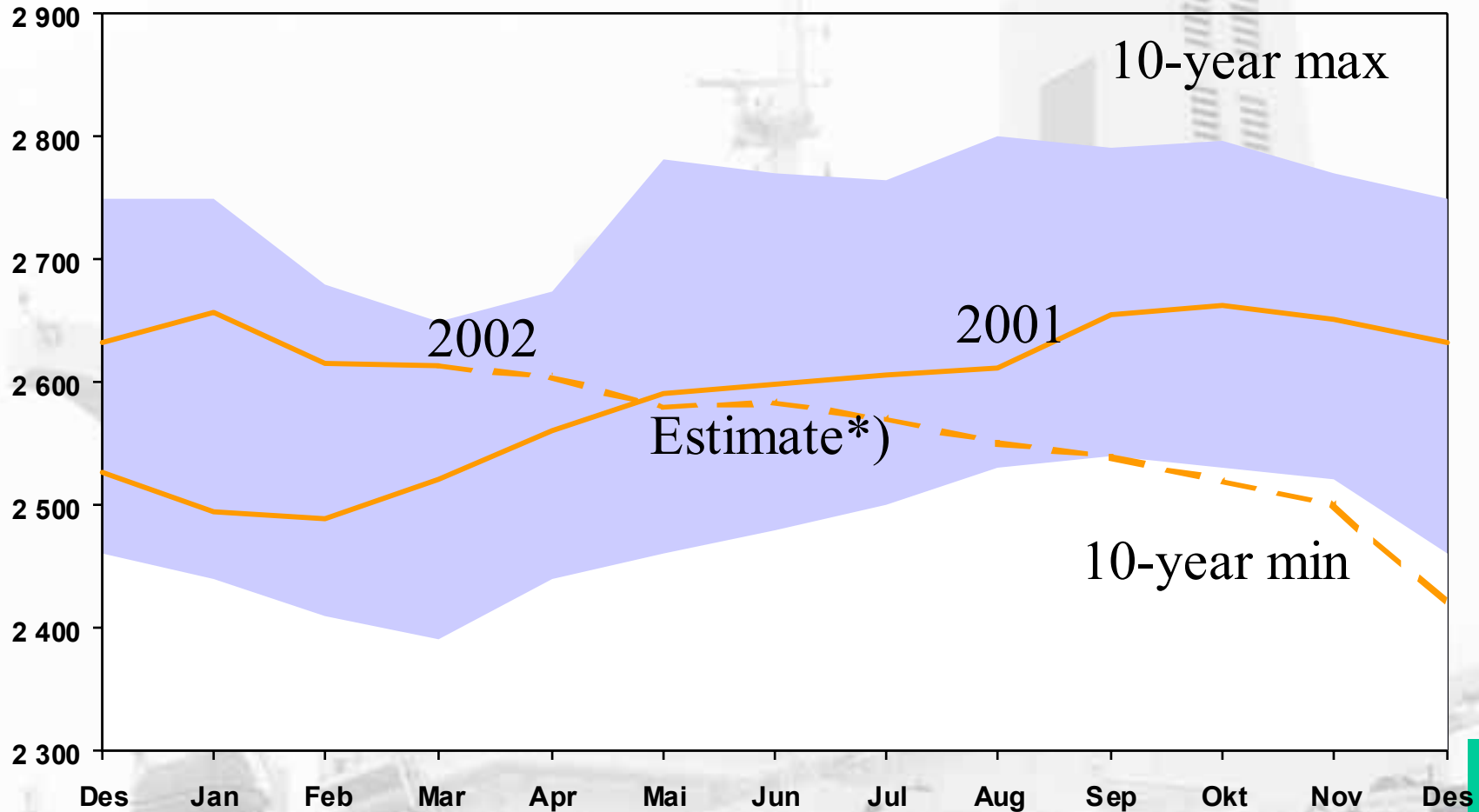
R.S. Platau
Economic Research & Consulting

Opec production, incl. Iraq (mbd)



Source: P F Bassøe

Commercial oil inventories, OECD, mb



Estimated call on OPEC 2002

	Avg. 01Q102	Q202	Q302	Q402	Avg. 02	
JP Morgan	26,7	26,1	25,7	27,1	27,7	26,7
IEA	26,3	25,2	24,8	25,8	26,6	25,6
US DOE	26,4	26,4	24,6	25,2	26,2	25,5

JP Morgan estimates as of May 15, 2002. IEA and DOE as of May, 2002.

Estimated call on OPEC 2003

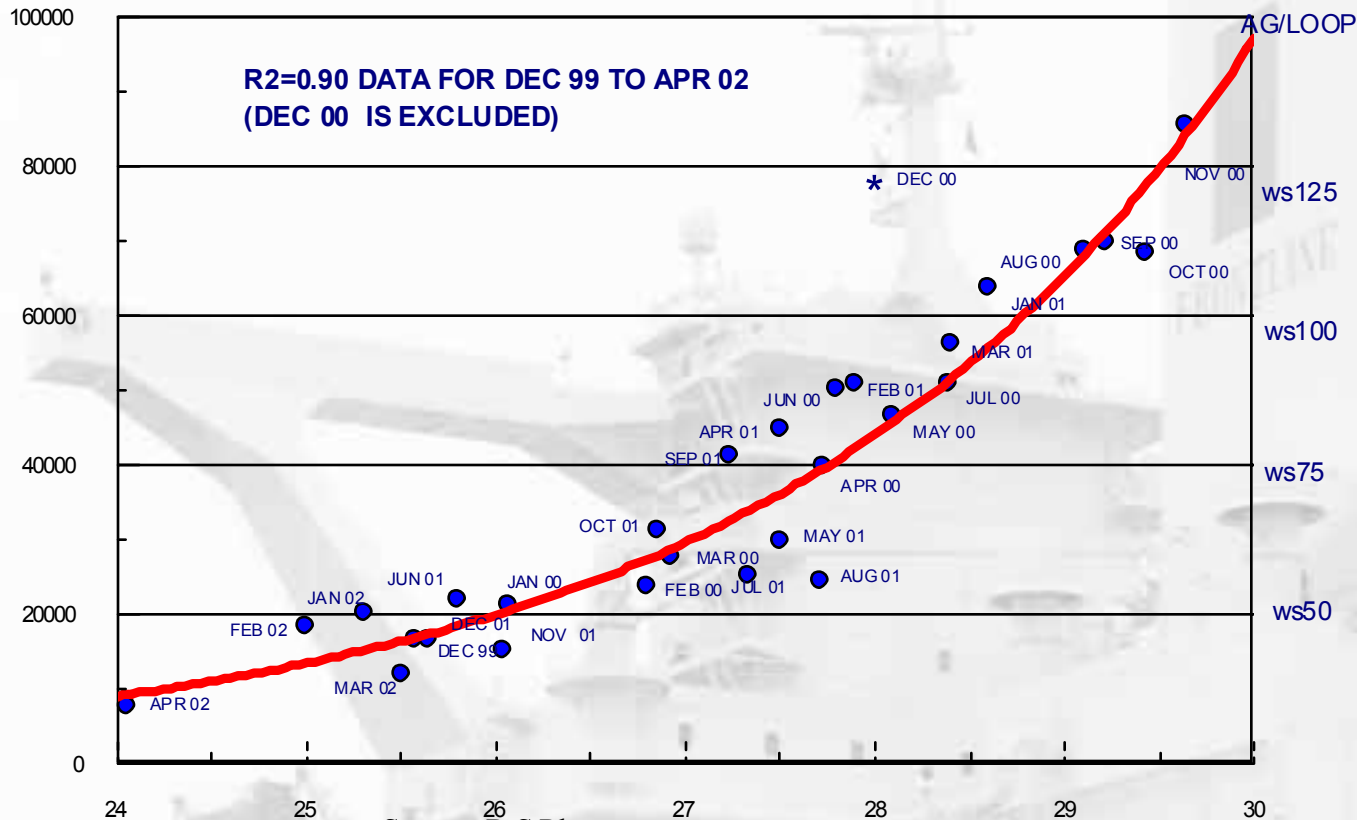
	Avg. 02Q103	Q203	Q303	Q403	Avg. 03	
JP Morgan	26,7	26,8	26,0	27,7	28,6	27,3
US DOE	25,5	26,9	24,6	25,3	26,3	25,8

IEA has not yet released projections for 2003.

OPEC DECIDES VLCC RATES

CORRELATION BETWEEN OPEC OUTPUT AND VLCC RATES MONTHLY DEC 1999 - APR 2002

VLCC SPOT RATES \$/DAY



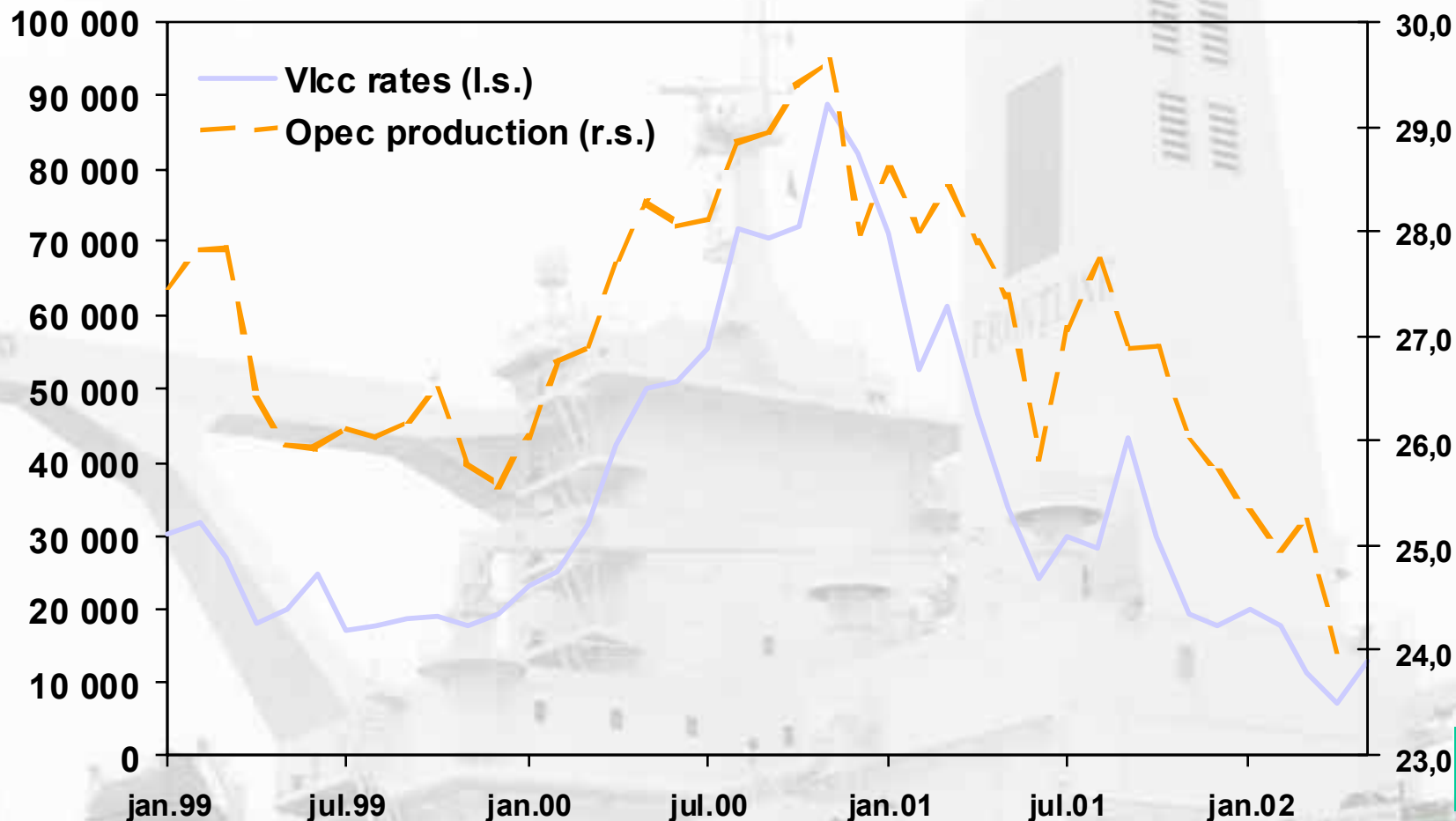
Source: R.S. Platou
OPEC CRUDE PRODUCTION IN MBD

OPEC OUTPUT FELL FROM 29.6 MBD IN NOV 2000 TO 24.9 MBD IN FEB 2002 - A COMBINATION OF CYCLICAL AND SEASONAL CORRECTIONS. IN APRIL OPEC PRODUCTION FELL FURTHER TO 24.0 MBD DUE TO IRAQI EXPORT EMBARGO.

AS A RESULT RATES DECLINED FROM \$85,000 TO LESS THAN \$20,000 PER DAY

THE ACTIVE VLCC FLEET WAS UNCHANGED IN THE SAME PERIOD.

Correlation between OPEC production and VLCC rates



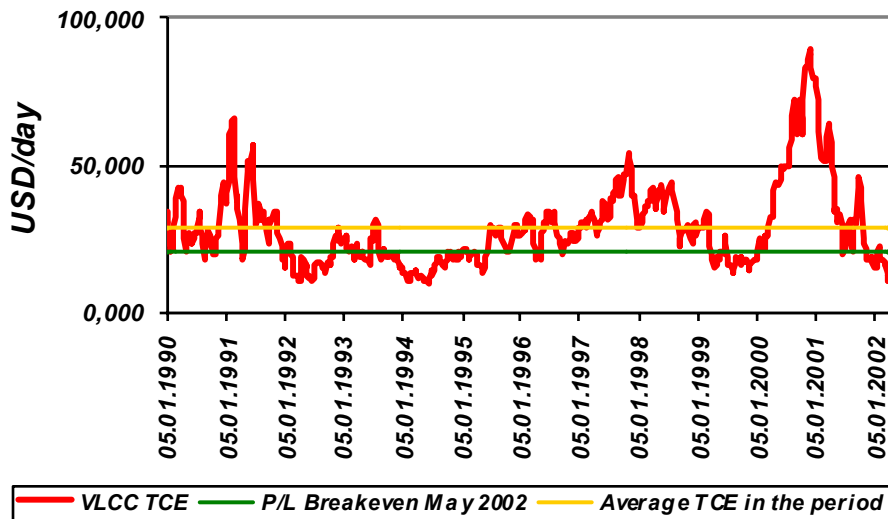
Source: Bassøe/IEA

Breakeven rates (USD / day)

	Cash Breakeven	P/L Breakeven
VLCC	22 350	20 850
Suezmax	14 840	13 400
Suezmax OBO	14 220	14 540

Breakeven requirements are very low

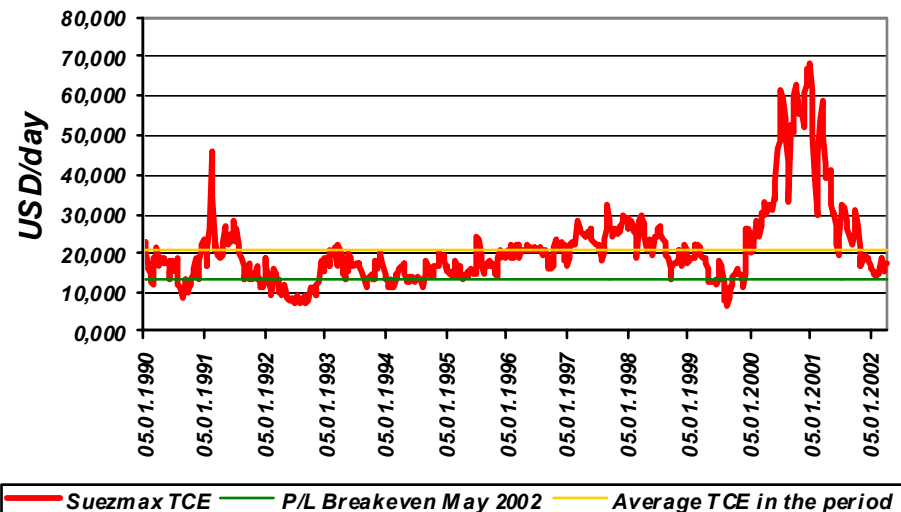
VLCC TCE versus P/L Breakeven



Average TCE VLCC's in the period 1990-10 May 2002 is USD 28,609 per day, as compared to P/L breakeven May 2002 of USD 20,850 per day and cash B/E of USD 22,350 per day.

Source: Clarkson Studies

Suezmax TCE versus P/L Breakeven



Average TCE Suezmax in the period 1990-10 May 2002 is USD 20,812 per day, as compared to P/L Breakeven May 2002 of USD 13,400 per day and cash B/E of USD 14,840 per day.

Supply VLCC's / Suezmaxes

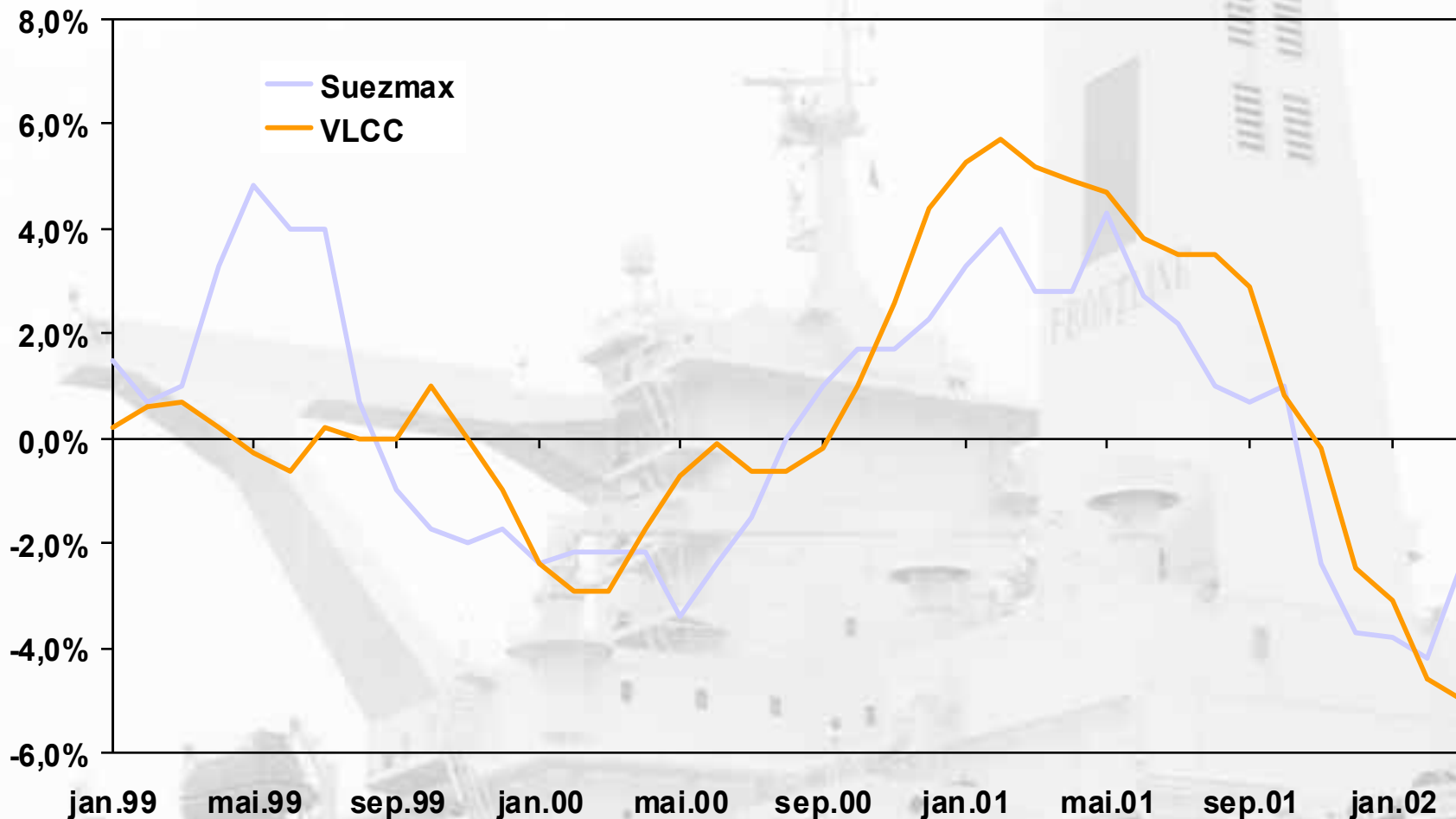
(No. of vessels)

Building year	Of which		
	VLCC's 200,00-320,000 dwt	ULCC's*) 320,000 + dwt	Suezmaxes 120,000-200,000 dwt
1973 or earlier	2		1
1974-75	15	2	14
1976-77	34	14	19
1978-80	13	8	17
1981 or later	351	5	226
Fleet as at May 14, 2002	415	29	277
On order			
2002	28	2	19
2003	35		31
2004+	16		12
Total on order 2001-2004	79	2	62

*) Each ULCC representing an average of 400,000 Dwt

Source: P.F.Bassøe

VLCC and Suezmax fleet development (year-on-year growth)



Source: P F Bassøe

Going forward

- Frontline will continue to develop it's position as the world leading tanker company with focus on modern Suezmax and VLCC tonnage.
- Frontline will continue to act as a consolidator within a highly fragmented industry.
- Frontline will continue focusing on having a cost effective operation.
- Frontline will take delivery of the remaining 5 N/B's under the N/B programme, 4 in 2002 and 1 in 2003.
- Pragmatic look at dividend / buy back / M&A activities.

Appendixes

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Income on time charter basis

USD'000s	Q1 02	Q1 01	2001
VLCC, spot	27 896	92 907	243 886
VLCC, T/C vessels	7 532	-	-
VLCC, B/B vessels T/C equivalent	9 483	-	-
Suezmax	30 975	75 577	220 787
Suezmax OBO	12 524	27 281	79 435

Trading days minus off hire	Q1 02	Q1 01	2001
VLCC, spot	1 477	1 439	5 973
VLCC, T/C vessels	242	-	-
VLCC, B/B vessels	360	-	-
Suezmax	1 881	1 758	7 195
Suezmax OBO	695	693	2 746

Total expenses

USD million	Q1 02	Q1 01	2001
Ship oper. exp.	26,9	26,1	121,5
Charterhire exp.	9,8	10,6	41,9
Adm. exp.	2,4	3,5	13,2

Off balance sheet vessels

- Front Century
- Front Champion
- Front Warrior
- Kim Jacob (t/c until Dec. 2002)
- Golden Victory

Estimated oil demand/supply 2002

	Avg. 01	Q102	Q202	Q302	Q402	Avg. 02
Demand*	76.2	76.7	75.6	77.5	78.7	77.1
Supply*	76.7	75.9	74.6	76.5	77.7	76.1

***)Based on JP Morgan estimates as of May 15, 2002**

Oil production

	2000	2001	2002	Change 2000 - 2002
Canada	2,68	2,74	2,87	0,19
Mexico	3,45	3,56	3,61	0,16
USA	8,11	8,10	8,11	
Argentina	0,82	0,84	0,81	
Brazil	1,50	1,61	1,72	0,22
Colombia	0,71	0,62	0,58	-0,13
Ecuador	0,41	0,42	0,42	
Denmark	0,37	0,35	0,34	
Norway	3,35	3,42	3,39	
UK	2,60	2,44	2,46	-0,14
Oman	0,96	0,98	0,96	
Syria	0,54	0,54	0,52	
Yemen	0,54	0,54	0,52	
Australia	0,82	0,72	0,69	-0,13
Brunei	0,20	0,19	0,18	
China	3,25	3,30	3,32	
India	0,79	0,78	0,77	
Malaysia	0,81	0,77	0,77	
Vietnam	0,32	0,32	0,33	
Angola	0,75	0,74	0,87	
Egypt	0,80	0,72	0,69	-0,11
Gabon	0,33	0,30	0,29	
Total	34,11	34,00	34,22	
Other / smaller prod		2,00	2,05	
Refinery proc gain		1,90	2,00	
Non OPEC supply ex FSU		37,90	38,20	

Source: JP Morgan

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Oil production

	2000	2001	2002	Change 2000 - 2002
Russia	6,54	7,11	7,46	0,92
Kazakhstan	0,75	0,80	0,90	0,15
Other FSU	0,75	0,80	0,83	
FSU	8,04	8,71	9,19	
OPEC NGL / Condensate		3,00	3,00	
Call on OPEC crude		26,70	26,80	
Stockbuild		0,40	-0,80	
OPEC crude		27,20	25,70	

Source: JP Morgan

Difference in TCE – old/modern VLCCs

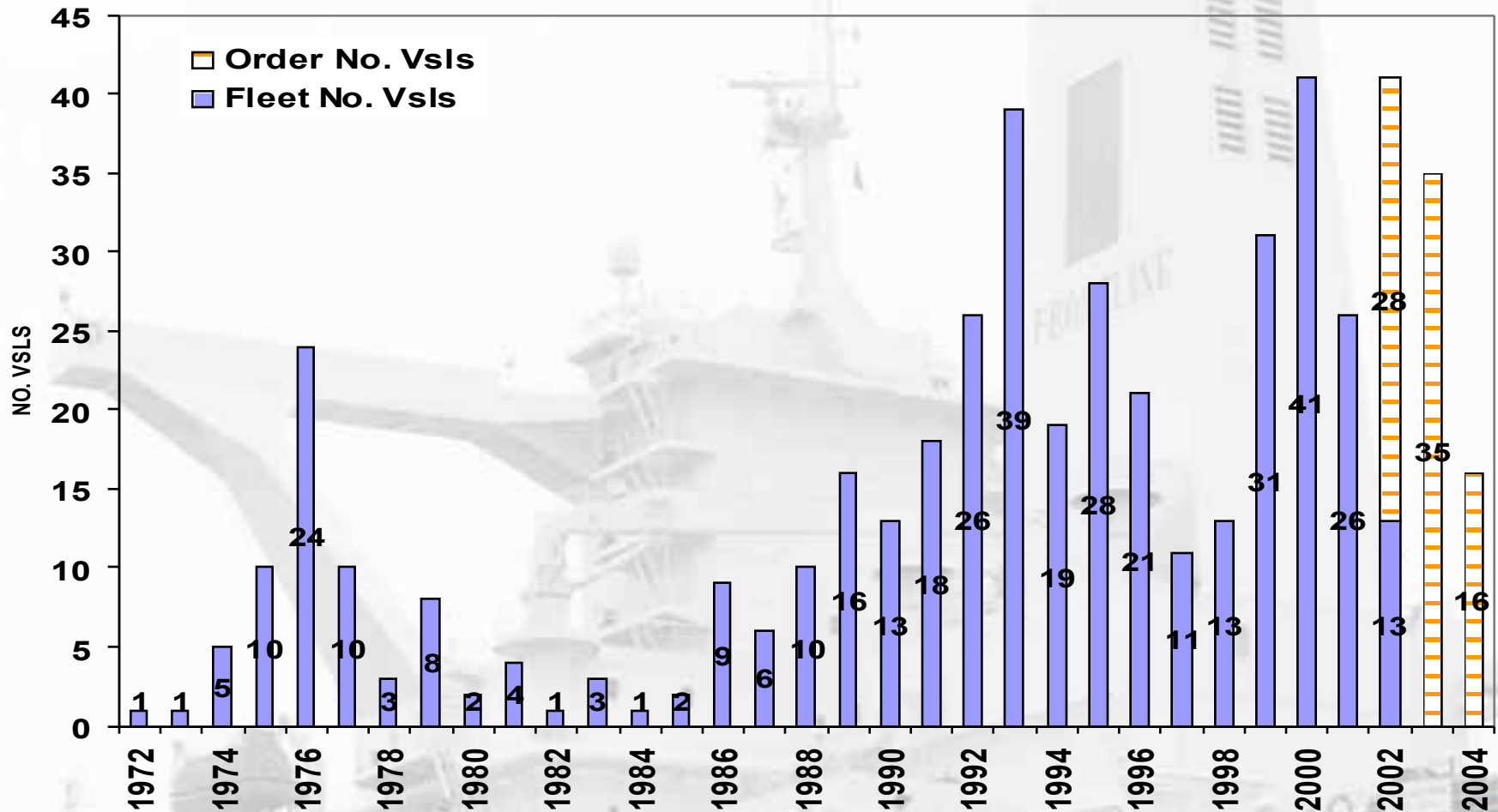
Needed daily cash to cover expenses:

Daily op ex	8000
D/D res / upgrading (USD 2 million per 2.5 years)	2200
Cash cover	<u>10200</u>

TC modern VLCC	21000
- difference extra speed / consumption TT	-9000
- tech offhire 20 days extra	-700
- commercial offhire 50 days	-1700
Effective TC old TT	<u>9600</u>

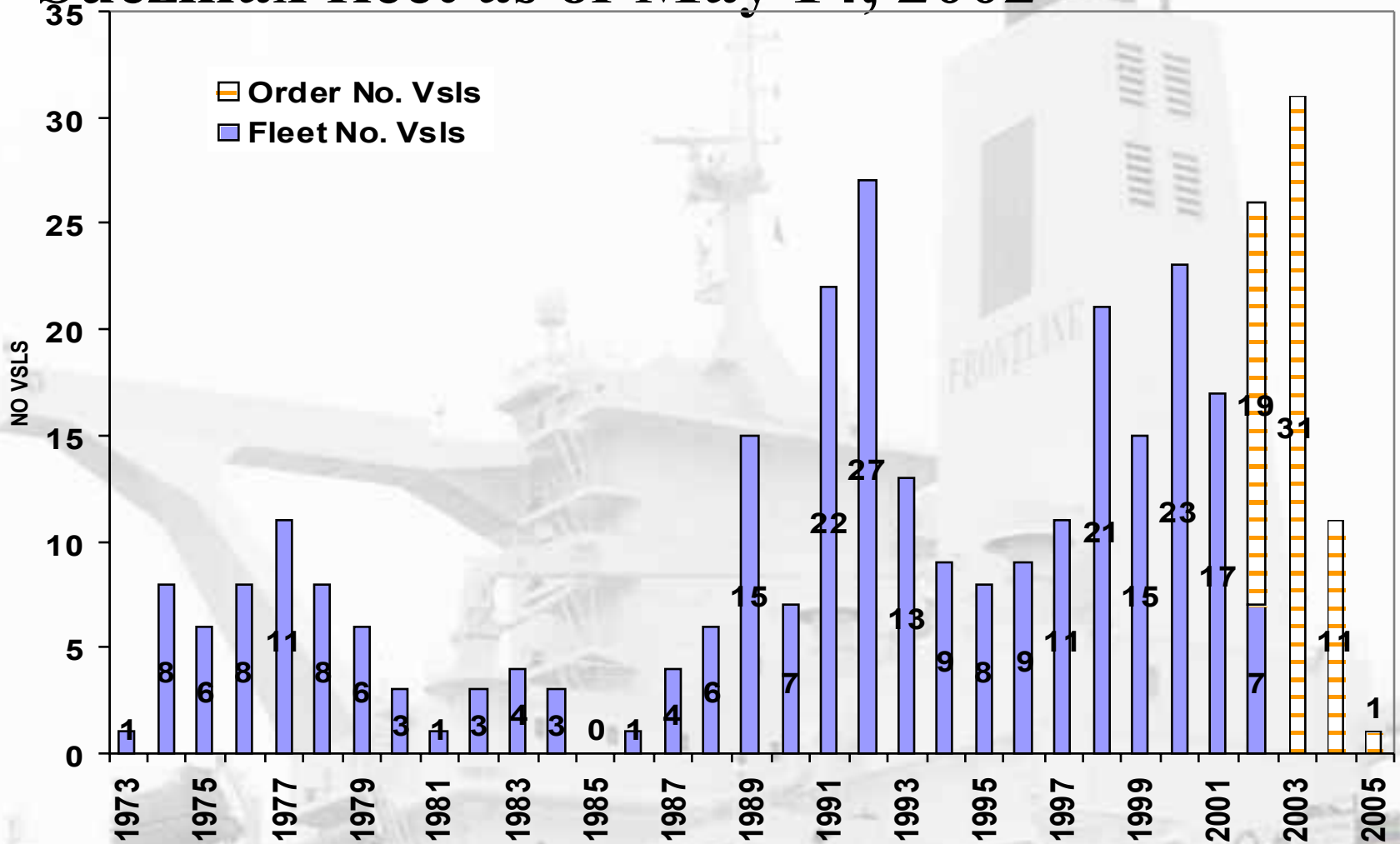
Newbuildings versus scrapping candidates

VL/ULCC fleet as of May 14, 2002



Newbuildings versus scrapping candidates

Suezmax fleet as of May 14, 2002



Source: P.F. Bassøe