FRONTLINE LTD.

INTERIM REPORT JULY - SEPTEMBER 2002

THIRD QUARTER AND NINE MONTH RESULTS

Frontline Ltd. reports earnings before interest, tax, depreciation, and amortisation including earnings from associated companies (EBITDA) of $26.6 million and a net loss of $37.2 million for the third quarter of 2002. The net loss figure includes losses of $15.4 million relating to the mark to market valuation adjustment of the Company's Equity Swap Line. The loss per share for the quarter was $0.49.

The average daily time charter equivalents ("TCEs") earned by VLCCs, Suezmax tankers, and Suezmax OBO carriers were $16,900, $14,300 and $13,400, respectively, compared with $18,600, $17,600 and $15,300, respectively in the immediately preceding quarter. These TCEs include vessels trading on the spot market and on time charters. Average daily ship operating expenses are in line with budget, reflecting drydocking of five vessels during the quarter.

Net interest expense for the quarter was $15.9 million compared to $19.7 million in the same period in 2001. This decrease reflects the reduction in interest rates in the period. At September 30, 2002 approximately 74 per cent of the Company's total debt is floating. Other financial items for the quarter were negative $17.1 million, which includes a $15.4 million charge for the market value adjustment on the Company's Equity Swap Line. The $ 15.4 million charged in the quarter includes a revaluation of 2,695,000 shares down to the market price at $ 3.82 per share at quarter end. The weakening of the Yen against the US Dollar in the third quarter of 2002 resulted in an unrealised foreign currency exchange gain of $4.1 million due to the revaluation of Yen debt in certain subsidiaries and a gain of $1.4 million included within the share of results from associated companies. At September 30, 2002 the Company has Yen debt and capital lease obligations (including our share of associated companies) of Yen 23.7 billion, decreased from Yen 26.1 billion at June 30, 2002.

For the first nine months of 2002, the Company had EBITDA of $121.6 million and reports a net loss of $54.1 million. Loss per share for the 2002 year to date is $0.71. This compares to EBITDA, net income and earnings per share of $459.3 million, $339.0 million and $4.41, respectively for the first nine months of 2001.

Net interest expense for the nine month period was $47.6 million (2001 - $60.8 million). The foreign exchange loss for the nine month period was $8.0 million

The Board has decided not to declare any dividend for the third quarter.

THE MARKET

The VLCC market was extremely weak throughout the third quarter with rates periodically dropping below $10,000 per day. The main contributing factor was a lack of demand for VLCC loadings out of the Middle East Gulf. Suezmax earnings were affected by the difficult situation for the larger vessels but in relative terms the Suezmaxes traded better in a flat market with earnings of about $14,000 per day through the quarter. After the end of the quarter the situation for both categories of vessels improved sharply.

The availability of crude oil tankers has been more or less unchanged in 2002. So far this year 36 VLCCs and 15 Suezmaxes have been scrapped or otherwise removed from the trading fleet whereas 32 VLCCs and 20 Suezmax newbuildings have been delivered from shipyards in the period. Order books currently stand at 66 VLCCs and 57 Suezmaxes for delivery into mid 2005. Ordering activity has been low for both categories of vessels in 2002. Newbuilding prices as well as second hand values have been stable during the quarter, however few contracts and transactions have taken place.

CORPORATE AND OTHER MATTERS

In July 2002, the Company sold its interests in two drybulk vessel joint ventures. The Company's interest in the drybulk segment has thereby been reduced to four remaining vessels, all of which are covered with medium to long term charter arrangements.

In the third quarter of 2002, the Company together with joint venture partners took delivery of one VLCC newbuilding, Hakata, in which the Company has a one third share. The Company also took delivery of a wholly-owned VLCC newbuilding, Front Stratus. In October 2002 the Company took delivery of a further two wholly-owned VLCC newbuildings, with delivery of these vessels financed through traditional bank financing. The Company now has one remaining newbuilding VLCC on order for delivery in 2003, and as per balance sheet date the remaining equity investment was estimated to be $19 million. Except for this the Company has no other material capital commitments.

The Board is pleased to announce that the banks in the largest syndicate have agreed to extend their loan for two years until November 2005. The loan originally had a bullet of $163 million due November next year. The extension also includes a right to defer two quarterly instalments equal to $15.7 million. The Board will continue to work with the target of lowering the cash break even rates, through similar agreements with other syndicates.

At September 30, 2002, and for the quarter then ended, 76,466,566 ordinary shares were outstanding. At September 30, 2002, the Bank of Nova Scotia Group had acquired 2,695,000 Frontline shares pursuant to the existing Equity Swap Line, of which 595,000 have been acquired in 2002. The facility has been extended to February 2004.

The VLCC chartering cargo agreement with BP has worked out to mutual satisfaction. Certain adjustments have been made to the initial agreement.

OUTLOOK

Tanker rates have improved considerably in the first half of the fourth quarter due to a seasonal demand increase, more stable Iraqian exports and more oil going west. Some oil company VLCCs have possibly been employed for floating storage, thereby reducing overall transportation capacity. Approximately 60 per cent and 75 per cent of Frontline’s Suezmax and VLCC fleet capacity respectively has been covered for the fourth quarter at rates of about $21,000 per day for Suezmaxes and $28,000 per day for VLCCs with earnings trending upwards as new fixtures are concluded at rates above the current average.

The Board expressed in the second quarter report comfort with the Company’s financial position. Based on the improved markets, the reduced cash breakeven rates (currently $ 22,100 per day for VLCCs and $ 14,200 per day for Suezmaxes), the new agreements with the banks and certain other measures under implementation, this comfort has increased further. The Board feels the Company is well positioned for future growth, but will remain cautious in its investment considerations.

Based on the rates achieved so far in the fourth quarter it is anticipated that the Company will generate a net income from ordinary operations in excess of $ 40 million. This number does not include effects from marked to market valuation of the Equity Swap Line, currency changes and interest rate swaps. Current rates for VLCCs and Suezmaxes are $ 50,000 and $ 30,000 per day respectively, which are rates significantly higher than the average fixed so far in quarter. Therefore, if these rates are maintained, the projected net income will be significantly higher.

FORWARD LOOKING STATEMENTS

This press release contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Frontline Management's examination of historical operating trends. Although Frontline believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, Frontline cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in this press release include the strength of world economies and currencies, general market conditions, including fluctuations in charter hire rates and vessel values, changes in demand in the tanker market, as a result of changes in OPEC's petroleum production levels and world wide oil consumption and storage, changes in the Company's operating expenses, including bunker prices, drydocking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports filed by the Company with the United States Securities and Exchange Commission.

November 17, 2002
The Board of Directors
Frontline Ltd.
Hamilton, Bermuda

FRONTLINE GROUP THIRD QUARTER REPORT (UNAUDITED)

2001 Jul-Sep	**2002 Jul-Sep**	**INCOME STATEMENT** *(in thousands of $)*	**2002 Jan-Sep**	**2001 Jan-Sep**	**2001 Jan-Dec** *(audited)*
132,406	**81,985**	**Net operating revenues**	**269,687**	**537,752**	**647,345**
18,822	(602)	Gain (loss) from sale of assets	(2,872)	34,839	35,620
32,240	29,021	Ship operating expenses	86,387	89,611	121,452
10,460	19,724	Charterhire expenses	39,269	31,516	41,858
1,767	4,657	Administrative expenses	9,734	8,126	13,176
106,761	**27,981**	**Operating income before depreciation and amortisation**	**131,425**	**443,338**	**506,479**
31,118	34,916	Depreciation and amortisation	103,643	89,264	121,725
75,643	**(6,935)**	**Operating income after depreciation and amortisation**	**27,782**	**354,074**	**384,754**
2,234	2,381	Interest income	7,812	10,115	12,953
(21,942)	(18,244)	Interest expense	(55,442)	(70,881)	(91,800)
684	(1,374)	Share of results from associated companies	(9,838)	15,953	22,317
(7,455)	(17,116)	Other financial items	(16,397)	(11,618)	(5,709)
(9,638)	4,118	Foreign currency exchange gain (loss)	(7,999)	9,328	28,318
39,526	**(37,170)**	**Income (loss) before taxes and minority interest**	**(54,082)**	**306,971**	**350,833**
271	1	Taxes	2	256	444
(31)	-	Minority interest	-	14	-
-	-	Cumulative effect of change in accounting principle	-	32,339	32,339
39,286	**(37,171)**	**Net income (loss)**	**(54,084)**	**339,040**	**382,728**
		Earnings (loss) Per Share Amounts ($)			
$0.51	**$(0.49)**	EPS before cumulative effect of change in accounting principle	**$(0.71)**	**$3.99**	**$4.57**
-	**-**	Cumulative effect of change in accounting principle	**-**	**$0.42**	**$0.42**
$0.51	**$(0.49)**	EPS	**$(0.71)**	**$4.41**	**$4.99**

		Income on timecharter basis ($ per day per ship)*			
30,800	16,900	VLCC	18,900	47,600	40,800
23,100	14,300	Suezmax	16,100	34,100	30,700
23,000	13,400	Suezmax OBO	15,500	31,900	28,900

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

BALANCE SHEET *(in thousands of $)*	**2002 Sep 30**	**2001 Sep 30**	**2001 Dec 31** *(audited)*
ASSETS			
Short term			
Cash and cash equivalents	84,841	117,351	189,277
Other current assets	91,086	96,879	88,641
Long term			
Newbuildings and vessel purchase options	65,236	100,968	102,781
Vessels and equipment, net	2,332,649	2,397,743	2,196,959
Vessels under capital lease, net	229,866	105,012	317,208
Investment in associated companies	110,262	98,565	109,898
Goodwill	11,891	14,224	14,049
Deferred charges and other long-term assets	6,027	16,867	14,961
Total assets	**2,931,858**	**2,947,609**	**3,033,774**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Short term interest bearing debt	212,951	223,930	227,597
Current portion of obligations under capital lease	12,511	7,782	17,127
Other current liabilities	59,868	62,706	70,332
Long term			
Long term interest bearing debt	1,218,106	1,331,107	1,164,354
Obligations under capital lease	217,959	89,524	283,663
Other long term liabilities	34,173	14,470	11,478
Minority interest	-	6,070	6,822
Stockholders' equity	1,176,290	1,212,020	1,252,401
Total liabilities and stockholders' equity	**2,931,858**	**2,947,609**	**3,033,774**

STATEMENT OF CASHFLOWS *(in thousands of $)*	2002 Jul-Sep	2002 Jan-Sep
OPERATING ACTIVITIES		
Net income (loss)	(37,171)	(54,084)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortisation	35,452	105,205
Unrealised foreign currency exchange (gain) loss	(1,962)	10,397
Gain or loss on sale of assets	602	2,871
Results from associated companies	1,374	9,838
Adjustment of financial derivatives to market value	5,551	6,459
Change in operating assets and liabilities	17,332	9,856
Net cash provided by operating activities	**21,178**	**90,542**
INVESTING ACTIVITIES		
Additions to newbuildings, vessels and equipment	(60,819)	(197,755)
Advances to associated companies, net	1,135	(10,067)
Purchase of minority interest	(166)	(4,665)
Proceeds from sale of assets	31,800	74,241
Net cash provided by (used in) investing activities	**(28,050)**	**(138,246)**
FINANCING ACTIVITIES		
Proceeds from long-term debt, net of fees paid	54,204	226,958
Repayments of long-term debt	(53,245)	(197,903)
Repayment of capital leases	(4,318)	(66,894)
Dividends paid	-	(19,116)
Issue of shares, net	-	223
Net cash used in financing activities	**(3,359)**	**(56,732)**
Net increase (decrease) in cash and cash equivalents	**(10,231)**	**(104,436)**
Cash and cash equivalents at start of period	**95,072**	**189,277**
Cash and cash equivalents at end of period	**84,841**	**84,841**