

**Preliminary Q4 2002 and
Financial Year 2002
results, February 24, 2003**



Agenda

- **Introduction**
- **Market update – outlook**
- **Corporate financial status**
- **Other**

The Fleet

40 + 1 N/B VLCCs incl. 11 J/V
Equals 34.6 vessels on a 100% basis



23 Suezmaxes



Oldest ship from 1990

Average age: 6.8 years - Industry average 10.5 years

Double hull tonnage: 71 % -
Industry average 52 %



8 Suezmax OBOs

= 17.2 million dwt. or approximately 118 million barrels transport capacity.

Main events 2002 – Q4

- **Frontline took delivery of Front Falcon and Front Page in beginning of October,**
- **Frontline has secured committed financing for the last remaining newbuilding, a VLCC due for delivery in June 2003,**
- **Golden Stream has been restructured and refinanced,**
- **Frontline sold a VLCC, Front Eagle to a German KG in December, raising USD 27 million in cash,**
- **Golden Ocean has sold the capesize Channel Poterne, reducing the JPY debt by an amount equal to USD 24 million,**
- **Frontline has extended the targets facility with USD 194 million outstanding until November 2005**

Supply VLCC's / Suezmaxes

(No. of vessels)

Building year	VLCC's	Of which	
	200,000+ dwt	ULCC's*) 320,000 + dwt	Suezmaxes 120,000-200,000 dwt
1973 or earlier	2		0
1974-75	12	2	10
1976-77	28	9	15
1978-80	11	8	17
1981 or later	380	6	243
Fleet as at February 14, 2002	433	25	285
<u>On order</u>			
2003	35	1	29
2004	29		24
2005+	12		10
Total on order 2001-2006	76	1	63

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

Source: P.F.Bassøe

The macro trend

-Once the Venezuelan strike is over it will take time to rebuild Exports. Stockdraws in the consumption areas will need to be reversed and stocks rebuilt.

-The legislation suggested by the EU following the Prestige accident should lead to vessel scrapping and trading restrictions which would benefit the tanker market generally and especially the Company's modern fleet.

Estimated oil demand/supply 2003

	Avg. 02	Q103	Q203	Q303	Q403	Avg. 03
Demand*	76,8	78,4	76,3	77,8	79,2	77,9
Supply*	76,3	77,2	77,2	78,4	78,9	77,9

***)Based on JP Morgan estimates as of February 20, 2003**

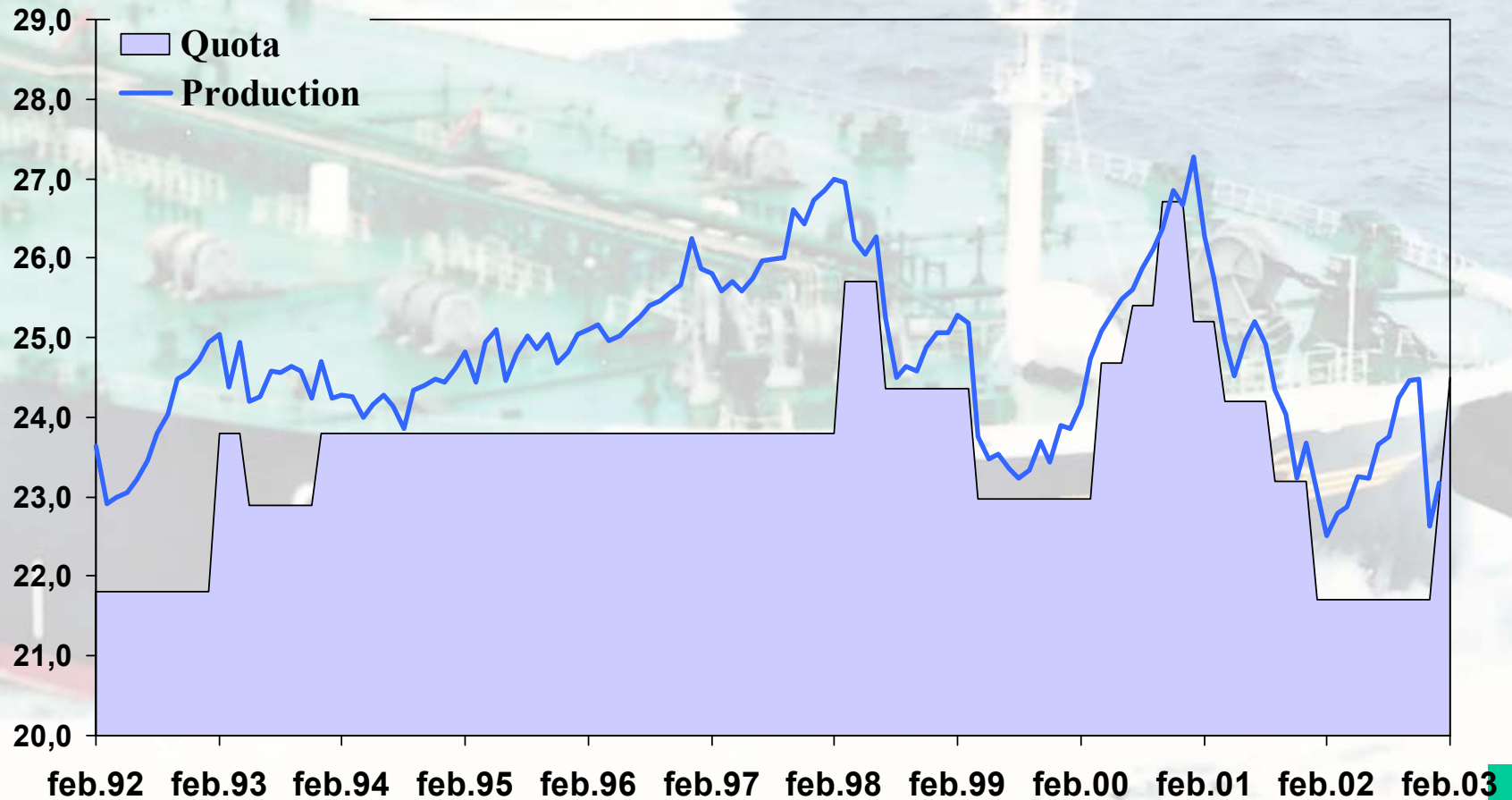
Oil production

	2000	2001	2002	2003	Change 2000 - 2003
Canada	2,68	2,74	2,87	2,96	0,28
Mexico	3,45	3,56	3,59	3,65	0,20
USA	8,11	8,05	8,12	8,12	
Argentina	0,82	0,82	0,80	0,77	
Brazil	1,50	1,58	1,75	1,80	0,30
Colombia	0,71	0,63	0,59	0,55	-0,16
Ecuador	0,41	0,42	0,39	0,39	
Denmark	0,37	0,35	0,37	0,36	
Norway	3,35	3,42	3,33	3,25	-0,10
UK	2,60	2,45	2,43	2,31	-0,29
Oman	0,96	0,96	0,90	0,87	
Syria	0,54	0,55	0,53	0,52	
Yemen	0,54	0,46	0,46	0,46	
Australia	0,82	0,73	0,73	0,69	-0,13
Brunei	0,20	0,20	0,19	0,19	
China	3,25	3,31	3,38	3,39	0,14
India	0,79	0,78	0,76	0,77	
Malaysia	0,81	0,79	0,80	0,80	
Vietnam	0,32	0,35	0,32	0,30	
Angola	0,75	0,73	0,87	0,92	0,17
Egypt	0,80	0,76	0,73	0,72	
Gabon	0,33	0,30	0,29	0,28	
Total	34,11	33,94	34,20	34,07	
Other / smaller prod		2,43	2,49	2,51	
Refinery proc gain		1,76	1,79	1,83	
Non OPEC supply ex FSU		38,13	38,48	38,41	

Oil production

	2000	2001	2002	2003	Change 2000 - 2003
Russia	6,54	7,05	7,65	8,08	1,54
Kazakhstan	0,75	0,83	0,95	1,03	0,28
Other FSU	0,75	0,77	0,79	0,81	
FSU	8,04	8,65	9,39	9,92	
OPEC NGL / Condensate		2,90	3,00	3,2	
Call on OPEC crude		26,70	25,90	26,4	
Stockbuild		0,50	-0,50	0	
OPEC crude		27,20	25,40	26,40	

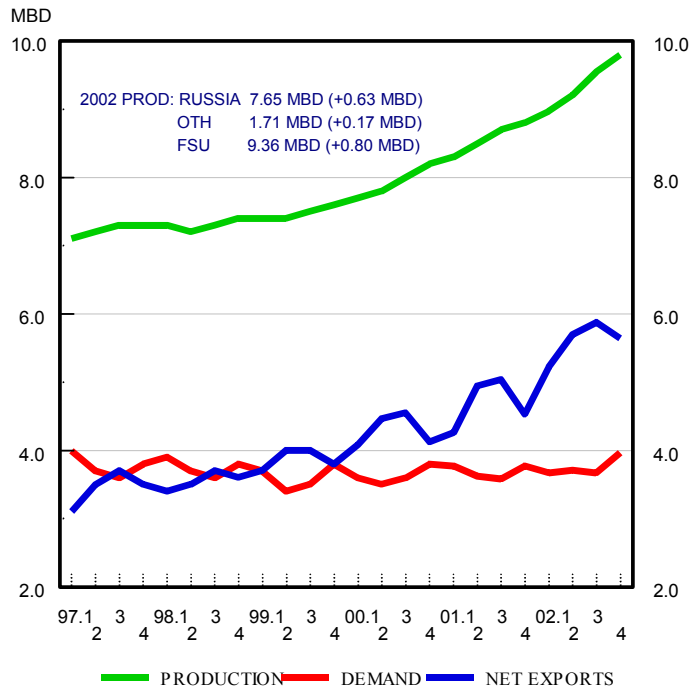
OPEC-10: Production vs. quotas (mbd)



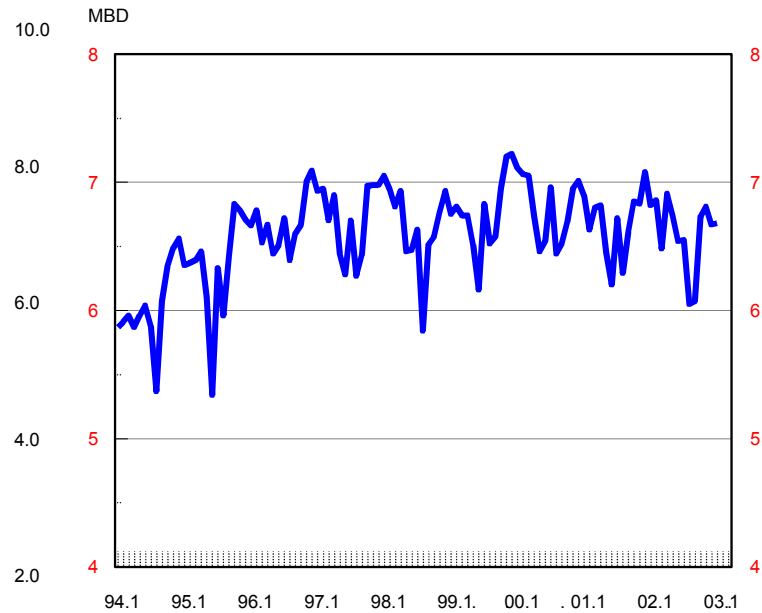
Source: P.F. Bassøe / IEA

OIL PRODUCTION: FSU & NORTH SEA

FSU OIL MARKET
QUARTERLY 1997-2002



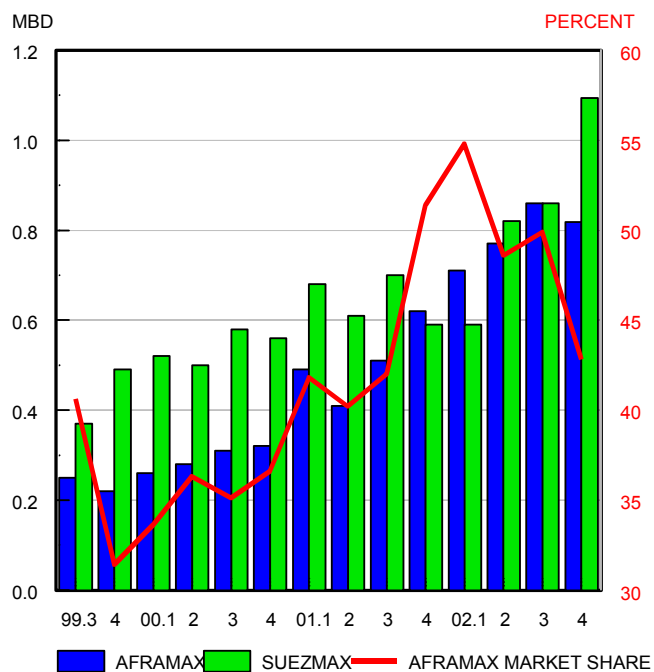
NORTH SEA OIL PRODUCTION
MONTHLY 1994-2002



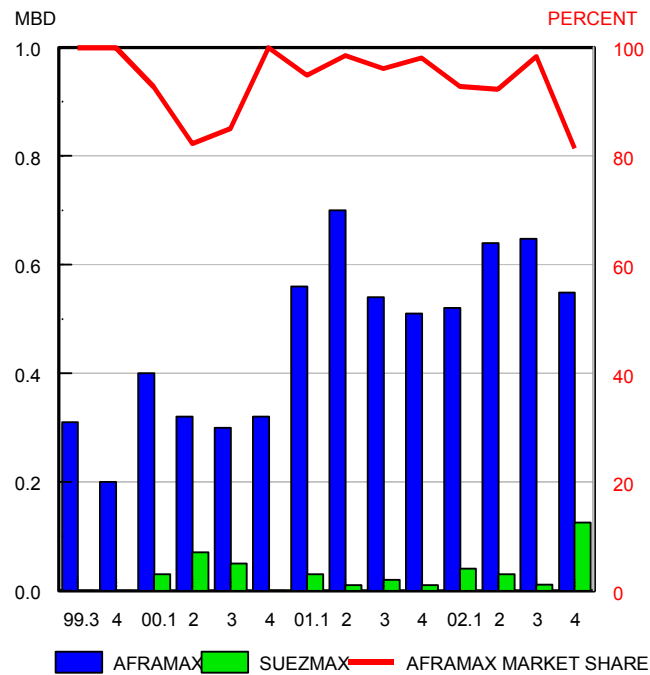
Printingdate:21/02/2003

SPOT MARKET VOLUMES: BLACK SEA & BALTIC

SPOT MARKET VOLUMES OUT OF THE BLACK SEA
QUARTERLY BY TANKER TYPE



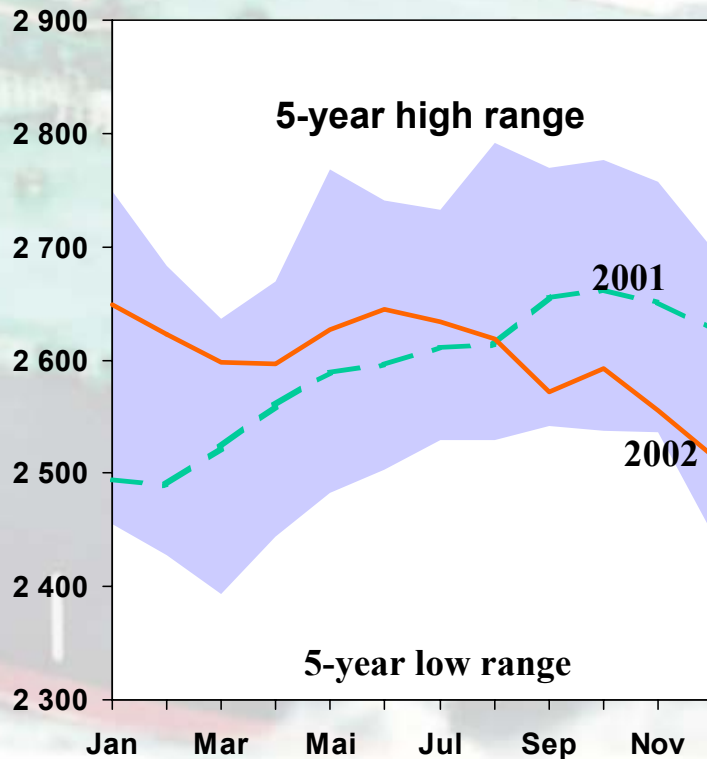
SPOT MARKET VOLUMES OUT OF BALTIC
QUARTERLY BY TANKER TYPE



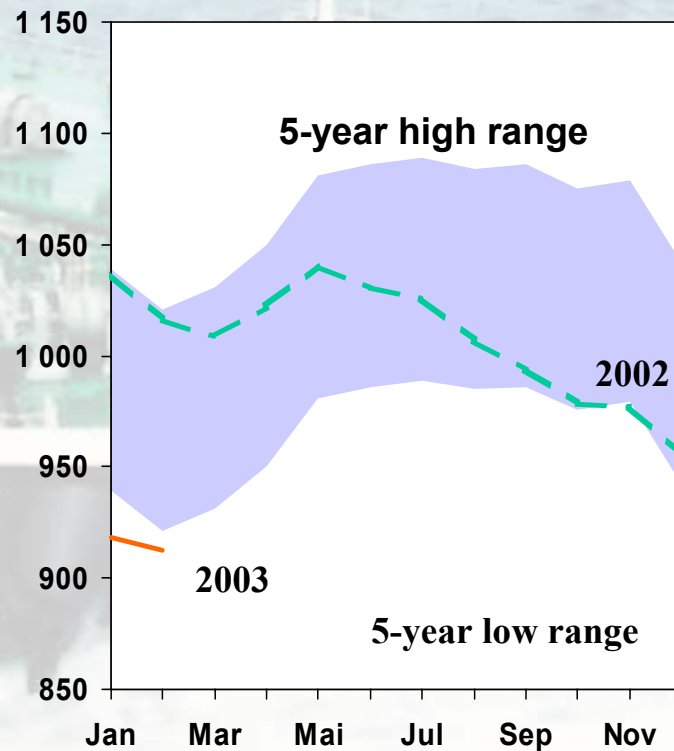
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Oil inventories, OECD and US, mb

Commercial inventories, OECD



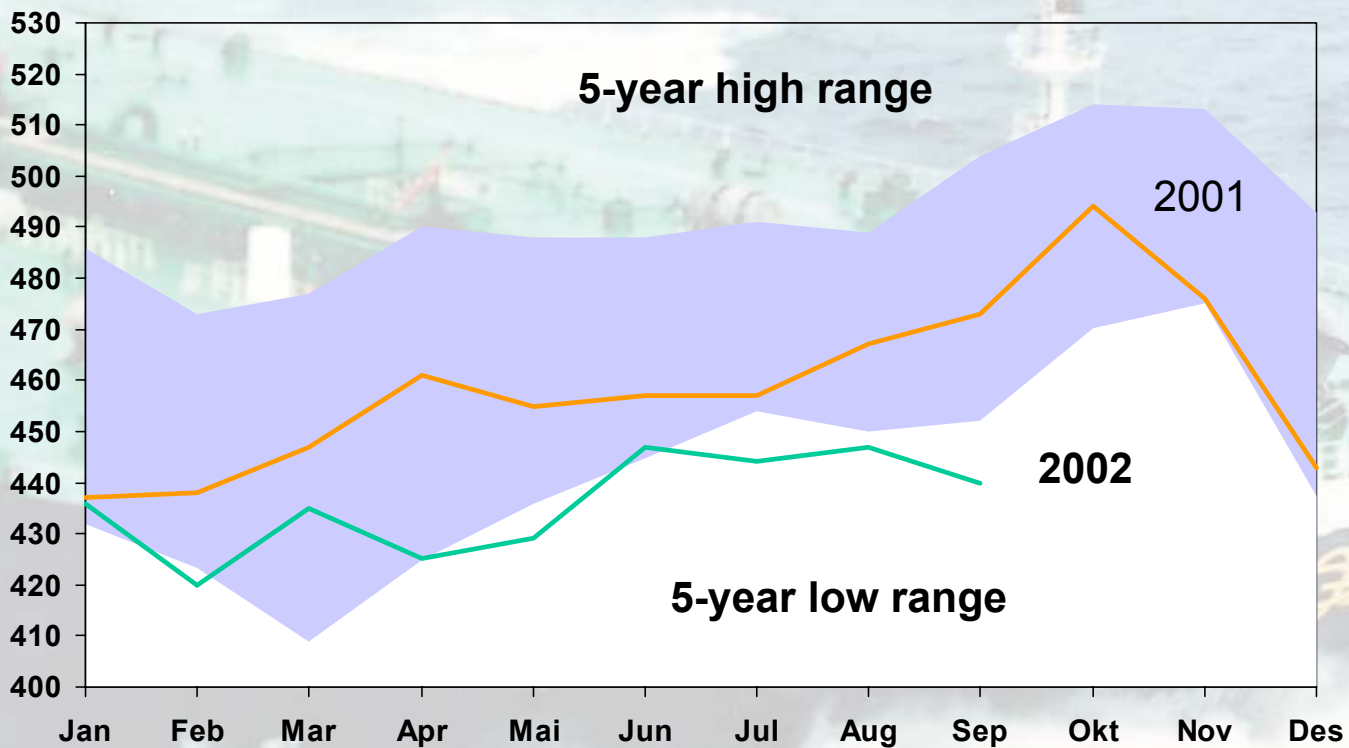
Commercial inventories, US



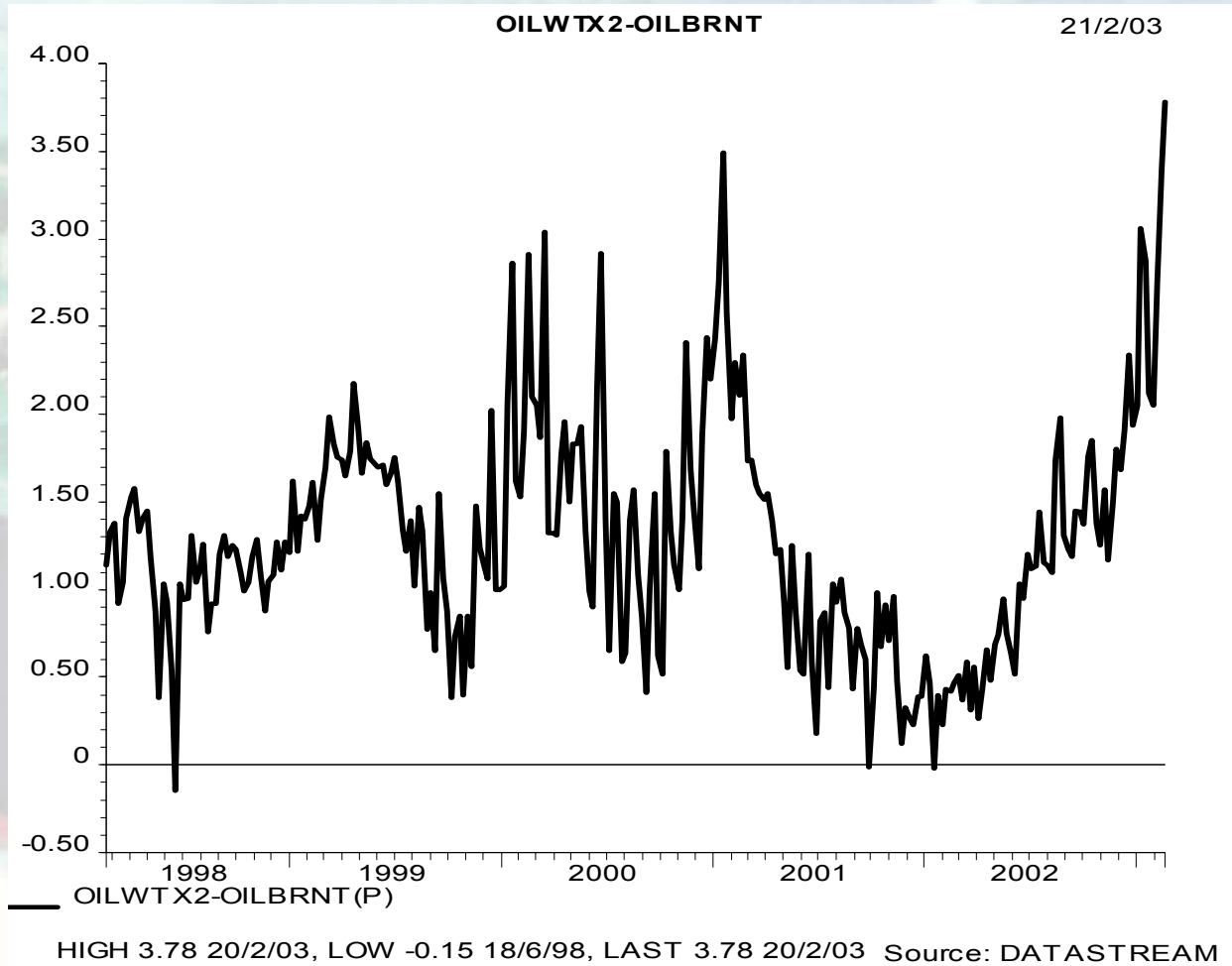
Oil inventories, Europe, mb



Oil inventories, Asia, mb



WTI-Brent Blend



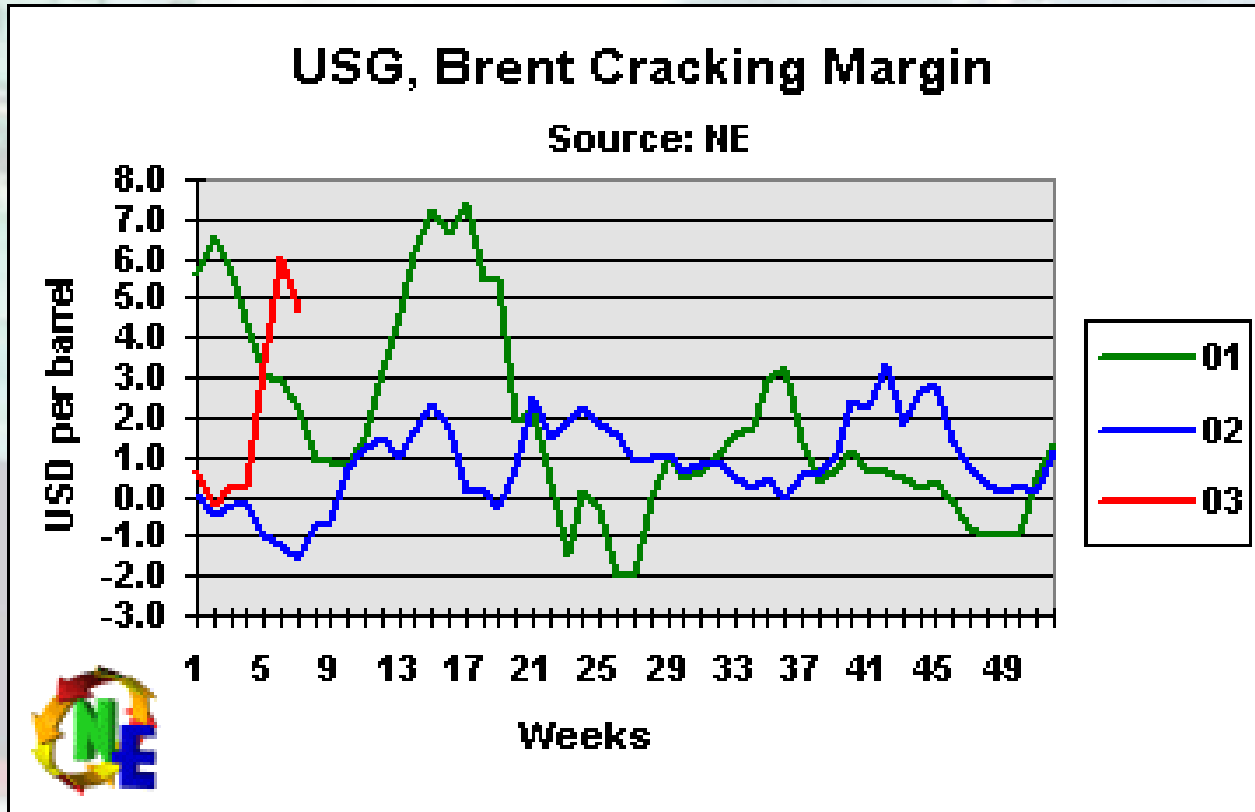
Natural gas -5Y

Natural Gas, Henry Hub \$/MMBTU
FROM 19/2/98 TO 20/2/03 WEEKLY

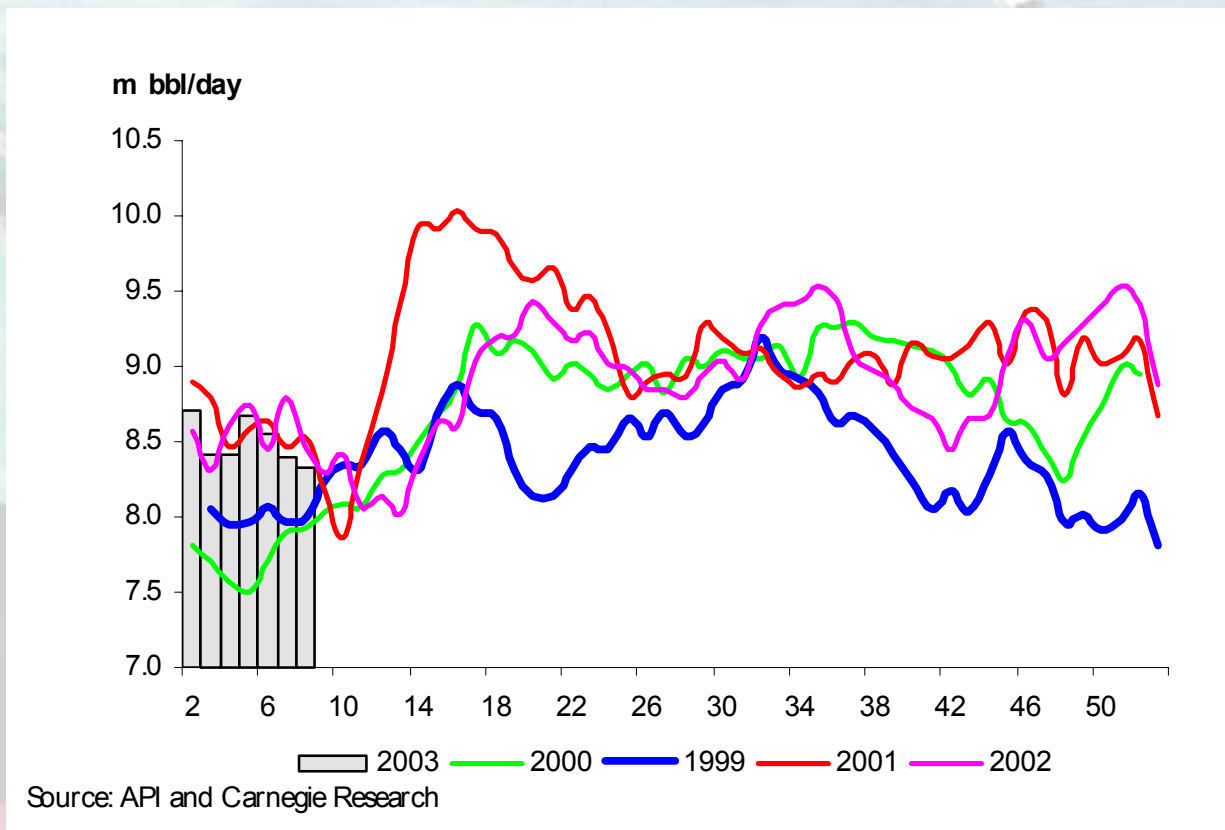


HIGH 10.5000 21/12/00 LOW 1.1900 3/12/98 LAST 6.5000 Source: DATASTREAM

Crack spread



US Crude oil imports R4W

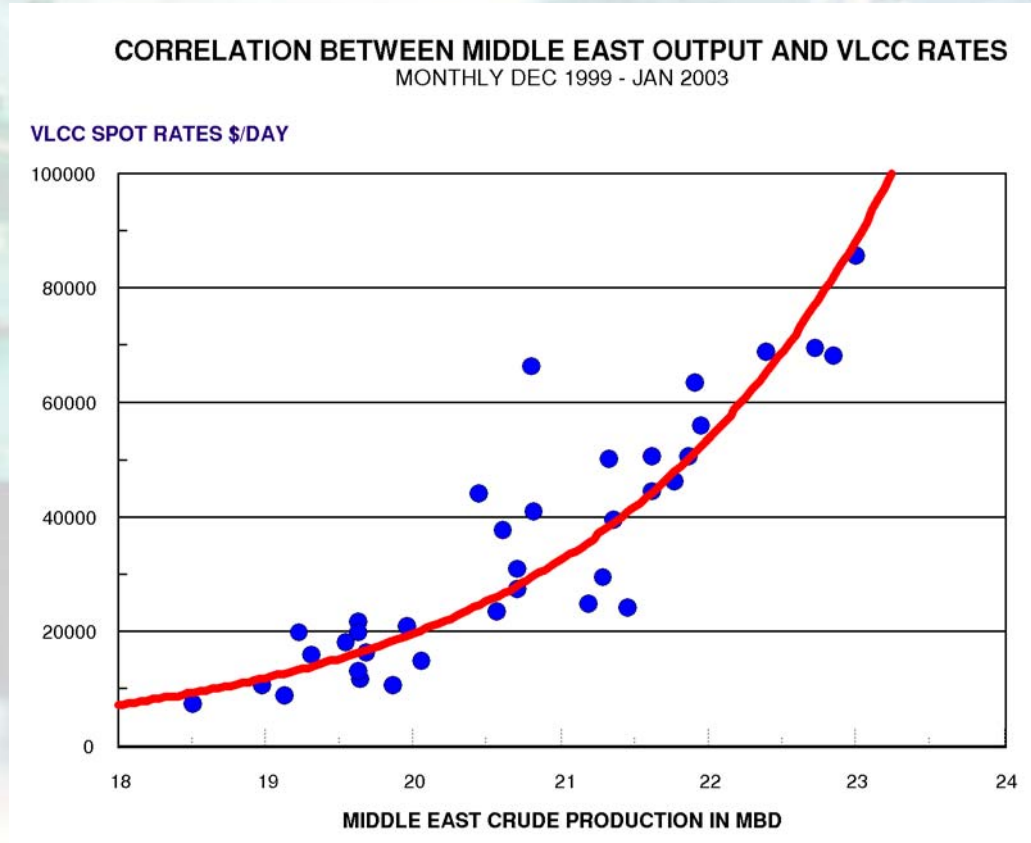


Estimated call on OPEC 2003

	Avg.02	Q103	Q203	Q303	Q403	Avg. 03
JP Morgan	25,9	26,8	24,9	26,4	27,4	26,4
IEA	25,4	25,9	23,9	24,6	25,4	25,0
US DOE	25,6	26,3	24,1	24,7	25,7	25,3

JP Morgan estimates as of February 20, 2003. IEA and DOE as of February 2003.

Correlation between Middle East production and VLCC rates

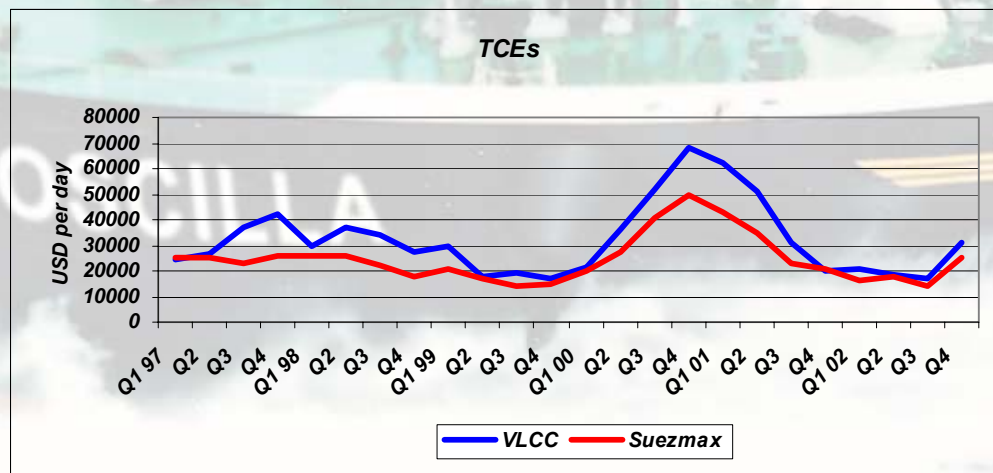


Profit & Loss

Q4 01	Q4 02	USD million	2 002	2001
109,6	159,4	Net operating revenues	429,0	647,3
0,8	-1,5	Gain / loss on sale of vessels	-4,3	35,6
47,2	51,7	Total expenses	187,1	176,5
63,1	106,1	Operating profit before depreciation (EBITDA)	237,6	506,5
32,5	36,2	Depreciation	139,9	121,7
30,7	69,9	Operating profit (EBIT)	97,7	384,8
13,2	-2,9	Financial items	-90,5	-33,9
43,9	67,0	Net profit (loss) before min. & taxes	7,2	350,8
0,2	0,0	Taxes	0,0	0,4
0,0	0,0	Cumulative effect of change in accounting principle	-14,1	32,3
43,7	67,1	Net profit (loss)	-6,9	382,7
0,57	0,88	EPS before cumulative effect of change in accounting principle	0,09	4,57
		Cumulative effect of change in accounting principle	-0,18	0,42
0,57	0,88	EPS	-0,09	4,99

Income on time charter basis

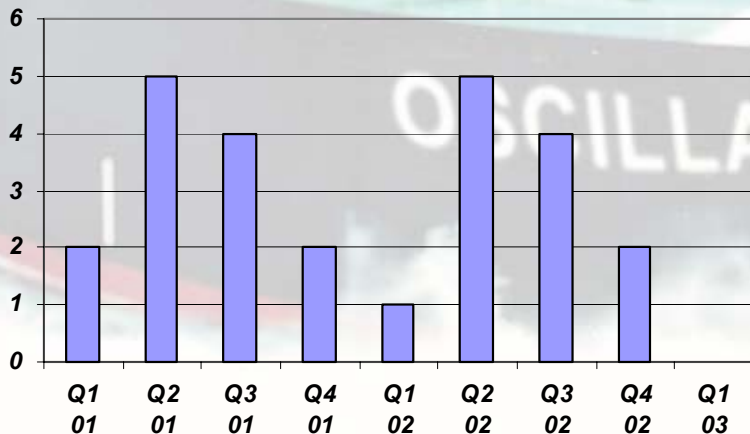
Q4 01	Q4 02		2002	2001
19 900	30 900	VLCC, spot , T/C and B/B vessels	22 500	40 800
	31 400	VLCC, spot	21 000	-
	28 600	VLCC, T/C and B/B vessels	27 900	
20 600	25 300	Suezmax	18 400	30 700
20 300	24 200	Suezmax OBO	17 700	28 900



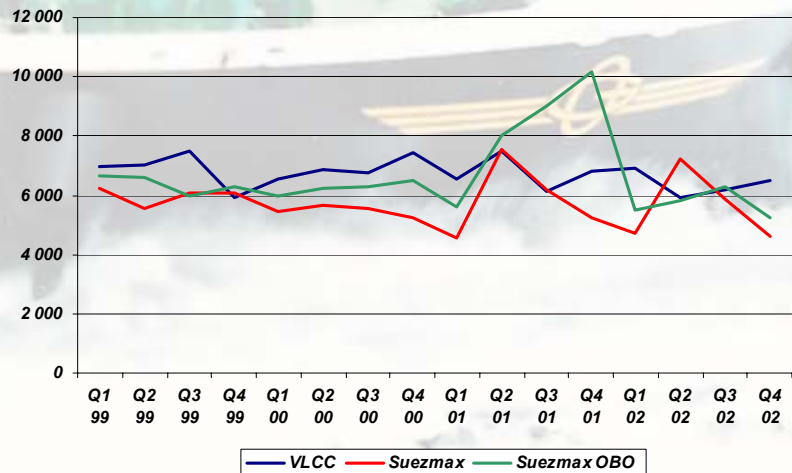
Ship operating expenses (USD/day)

	Q4 2002	2002	2001	2000	1999
VLCC	6 509	6 311	6 339	6 940	6 828
Suezmax	4 591	5 597	5 706	5 476	5 976
Suezmax OBO	5 248	5 711	8 996	6 246	6 385
Drybulk	4 337	4 053			

No. of vessels drydocked or expected to be



Ship operating expenses

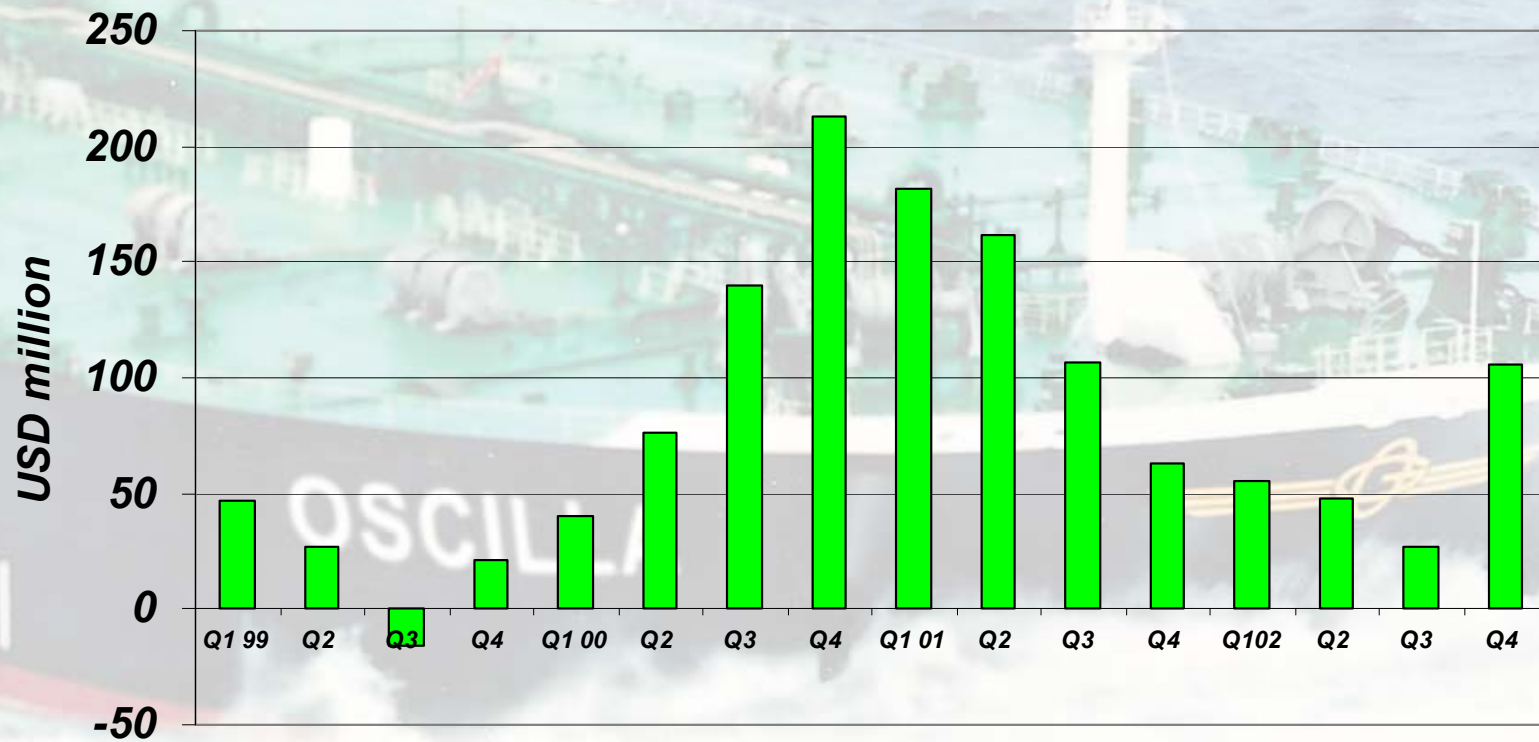


Total expenses

Q4 2001	Q4 2002	USD million	2002	2001
31,8	27,2	Ship operating expenses	113,6	121,5
10,3	21,4	Charterhire expenses	60,6	41,9
5,1	3,2	Administrative expenses	12,9	13,2

Increased with 4 BP vessels from Q302

EBITDA



Financial items

Q4 2001	Q4 2002	USD million	2 002	2001
109,6	159,4	Net operating revenues	429,0	647,3
0,8	-1,5	Gain / loss on sale of vessels	-4,3	35,6
47,2	51,7	Total expenses	187,1	176,5
63,1	106,1	Operating profit before depreciation (EBITDA)	237,6	506,5
32,5	36,2	Depreciation	139,9	121,7
30,7	69,9	Operating profit (EBIT)	97,7	384,8
13,2	-2,9	Financial items	-90,5	-33,9
43,9	67,0	Net profit (loss) before min. & taxes	7,2	350,8
0,2	0,0	Taxes	0,0	0,4
-	0,0	Cumulative effect of change in accounting principle	-14,1	32,3
43,7	67,1	Net profit (loss)	-6,9	382,7

FXloss 2,0	5,2	Interest income	13,1
	-17,5	Interest expense	-72,9
ESL 13,6	-0,9	Share of result in assoc	-10,7
Other 0,9	14,5	Other financial items	-6,6
	-4,3	Foreign currency gain / loss	-13,3

Associated companies

As at 31.12.02

	Debt outstanding	Our share	Guarantee liability
•Rasmussen K/S parts	nil	nil	nil
•Front Tobago (40%) partners OSG and Euronav	13,3	5,3	2,4
•Ariake (33%), partners OSG and Euronav	50,4	16,8	4,6
•Sakura (33%), partners OSG and Euronav	50,4	16,8	4,6
•Ichiban (33%), partners OSG and Euronav	46,7	15,6	5,2
•Tanabe (33%), partners OSG and Euronav	49,1	16,4	5,5
•Hakata (33%), partners OSG and Euronav	51,4	17,1	5,7
•Edinburgh (50,1%), partner OSG	26,6	13,3	4,0
•Dundee (50,1%), partner OSG	26,6	13,3	4,0
•Golden Fountain (50%) partner Euronav	30,9	15,5	30,9
•New Circassia (50%) partners Ropner and Runciman	55,0	27,5	55,0
•Pacific Lagoon (50%) partner Euronav	54,5	27,3	54,5
Total =	454,9	184,8	176,4

Yen denominated debt

121,0

Our share

60,5

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

Yen denominated debt/capital leases	31.12.2002	30.09.2002
Consolidated	110 718	133 091
Associated companies, our share	60 511	59 970
Total	171 229	193 062
Floating debt	31.12.2002	30.09.2002
Consolidated	1 078 584	1 059 323
Associated companies, our share	184 828	187 828
Total	1 263 412	1 247 151
Total debt/capital leases	31.12.2002	30.09.2002
Consolidated	1 718 166	1 661 526
Associated companies, our share	184 828	187 828
Total	1 902 994	1 849 354

Balance sheet - Assets

USD million	2002	2 001
Short term		
Cash and Bank deposits	100,3	189,3
Marketable securities	0,3	1,2
Other current assets	132,8	87,5
Long term		
Newbuildings	27,4	102,8
Vessels and equipment, net	2 638,1	2 514,2
Associated companies	119,3	109,9
Goodwill	0,0	14,0
Deferred charges and other assets	17,7	15,0
Total assets	3 035,9	3 033,8

Trade rec./	
Voyages in progress	86.3
Prepayment/inventory	35.1
Other	10.9

Front Hawk	19.0
Oscilla	8.4

Balance sheet - Assets

USD million	2002	2 001
Short term		
Cash and cash equivalents	100,3	189,3
Marketable securities	0,3	1,2
Other current assets	132,8	87,5
Long term		
Newbuildings and vessel purchase options	27,4	102,8
Vessels and equipment, net	2 638,1	2 514,2
Investment in associated companies	119,3	109,9
Goodwill	0,0	14,0
Deferred charges and other long-term assets	17,7	15,0
Total assets	3 035,9	3 033,8

FL	2,573.2
GOTL	71.1

GOTL includes 2 capes and 1 handy

FL Capital lease 264.9 includes 4 VLs

Balance sheet - Liabilities

USD million	2002	2 001	
Short term			
Short term interest bearing debt	167,8	227,6	Corp loans / cr. lines 12.5
Other current liabilities	74,6	87,5	Ship mort loans core FL 149.0
			GOGL 6.3
Long term			
Long term interest bearing debt	1 277,7	1 164,4	Corporate loans 15.4
Other long term liabilities	287,7	295,1	Ship mort loans core FL 1,200.9
Minority		6,8	GOGL 61.4
Stockholder's equity	1 228,2	1 252,4	FL capital lease 259.5
			Other 28.2
Total stockholders' equity and liab.	3 035,9	3 033,8	

Off balance sheet vessels

- Front Century
- Front Champion
- Front Warrior
- Golden Victory

Remaining N/B commitments

	Q1 03	Q2 03
Gross cap. ex	7	52
Bank loan	0	47
Equity financing	7	5

OSCILLA

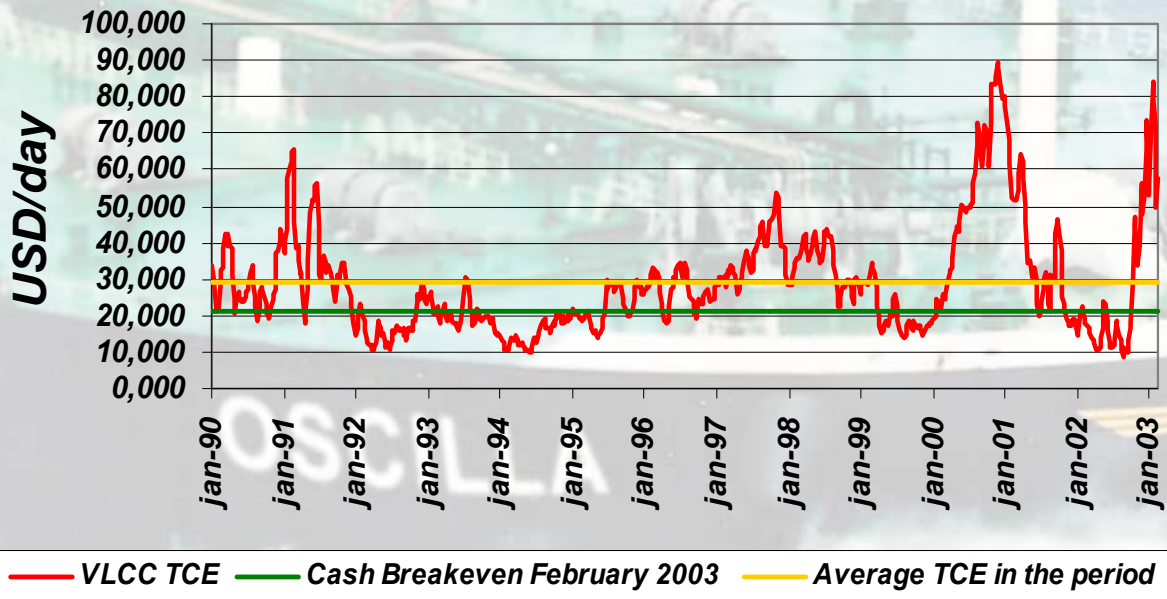
Breakeven rates (USD / day)

	Cash Breakeven	P/L Breakeven
VLCC	20 916	20 124
Suezmax	13 658	12 536
Suezmax OBO	13 418	13 734

OSCILLA

Breakeven requirements are very low

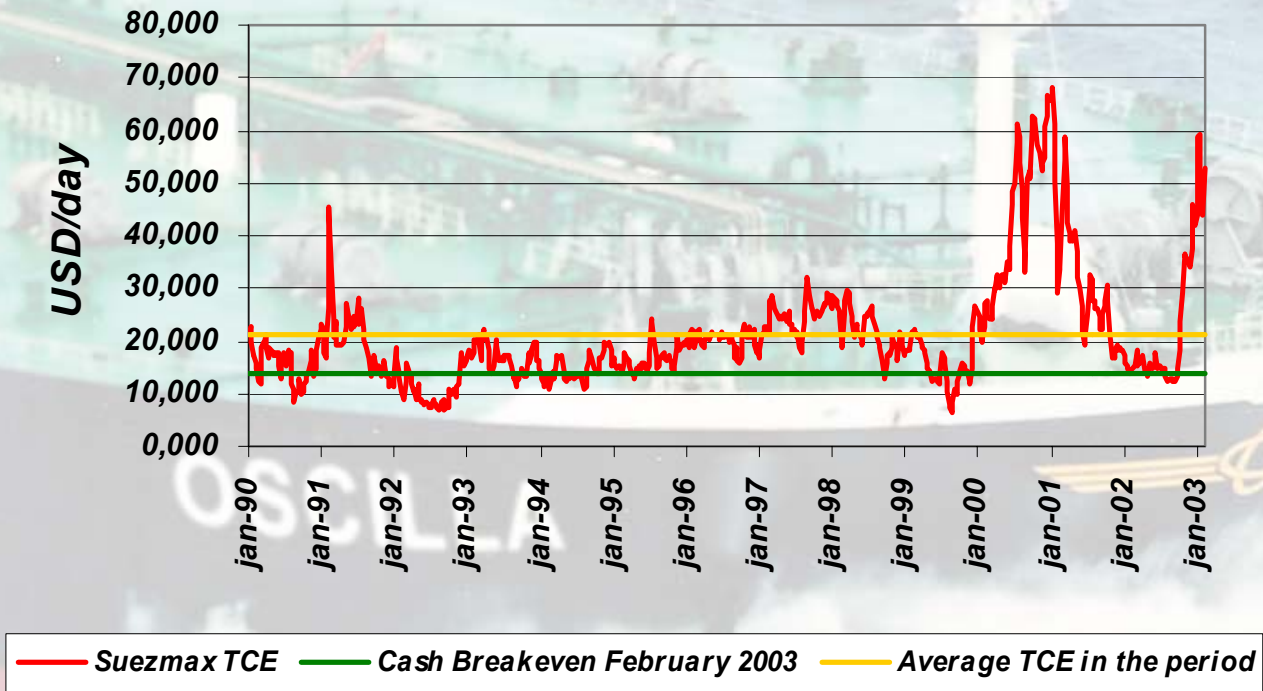
**VLCC TCE versus Cash
Breakeven**



Average TCE VLCC's in the period 1990- February 2003 is USD 28,945 per day, as compared to P/L breakeven February 2003 of USD 20,124 per day and cash B/E of USD 20,916 per day.

Breakeven requirements are very low

Suezmax TCE versus Cash Breakeven



Average TCE Suezmax in the period 1990- February 2003 is USD 21,211 per day, as compared to P/L Breakeven February 2003 of USD 12,536 per day and cash B/E of USD 13,658 per day.

Appendixes

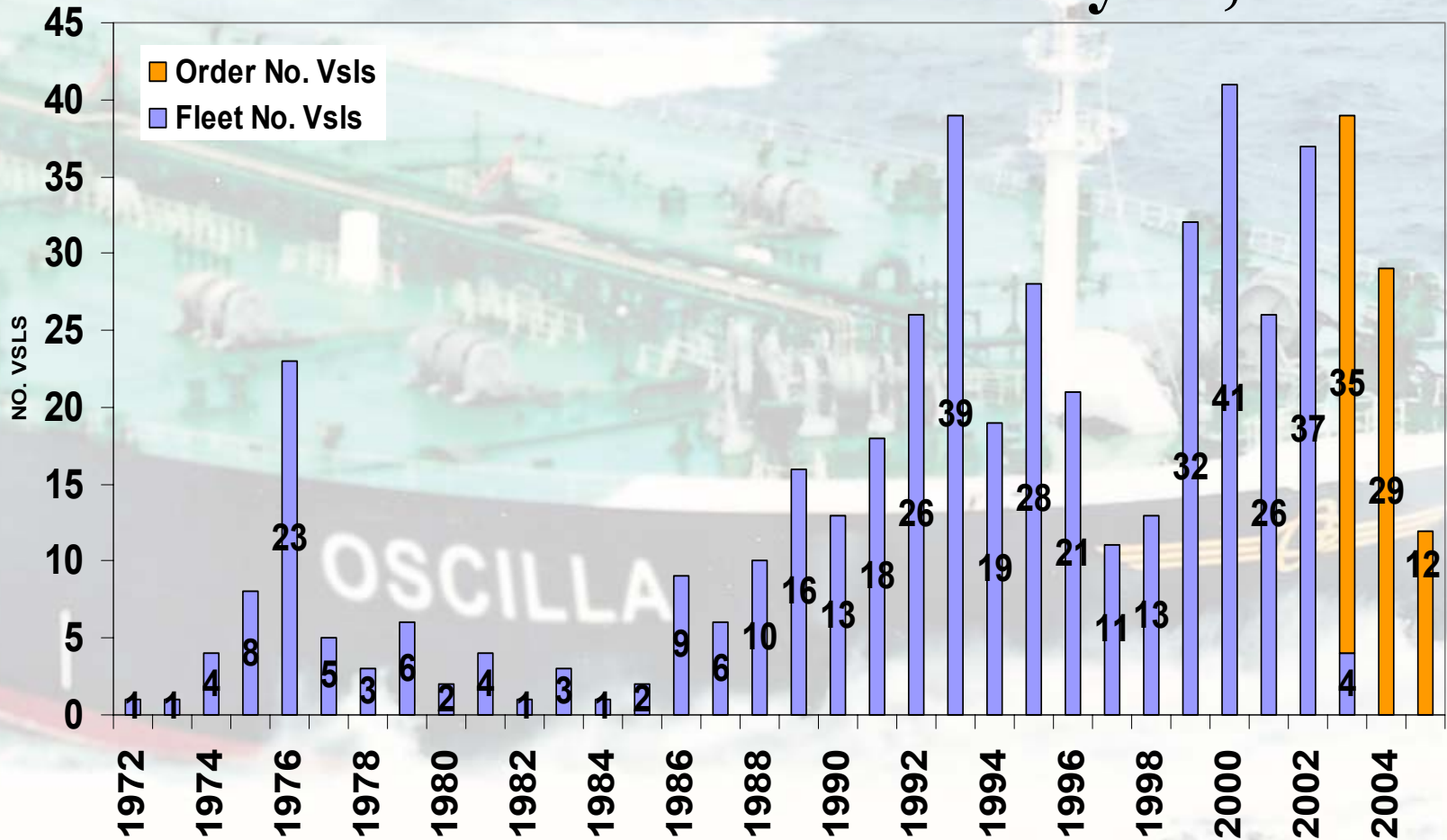


Income on time charter basis

Q4 01	Q4 02	USD'000s	2 002	2 001
30 849	75 111	VLCC, spot	159 679	243 886
	13 349	VLCC, T/C and B/B vessels	57 889	-
39 197	48 572	Suezmax	137 974	220 787
14 062	17 739	Suezmax OBO	51 029	79 435
Q4 01	Q4 02	Trading days minus off hire	2 002	2 001
1 548	2 393	VLCC, spot	7 586	5 973
	466	VLCC, T/C and B/B vessels	2 078	-
1 905	1 921	Suezmax	7 480	7 195
694	734	Suezmax OBO	2 875	2 746

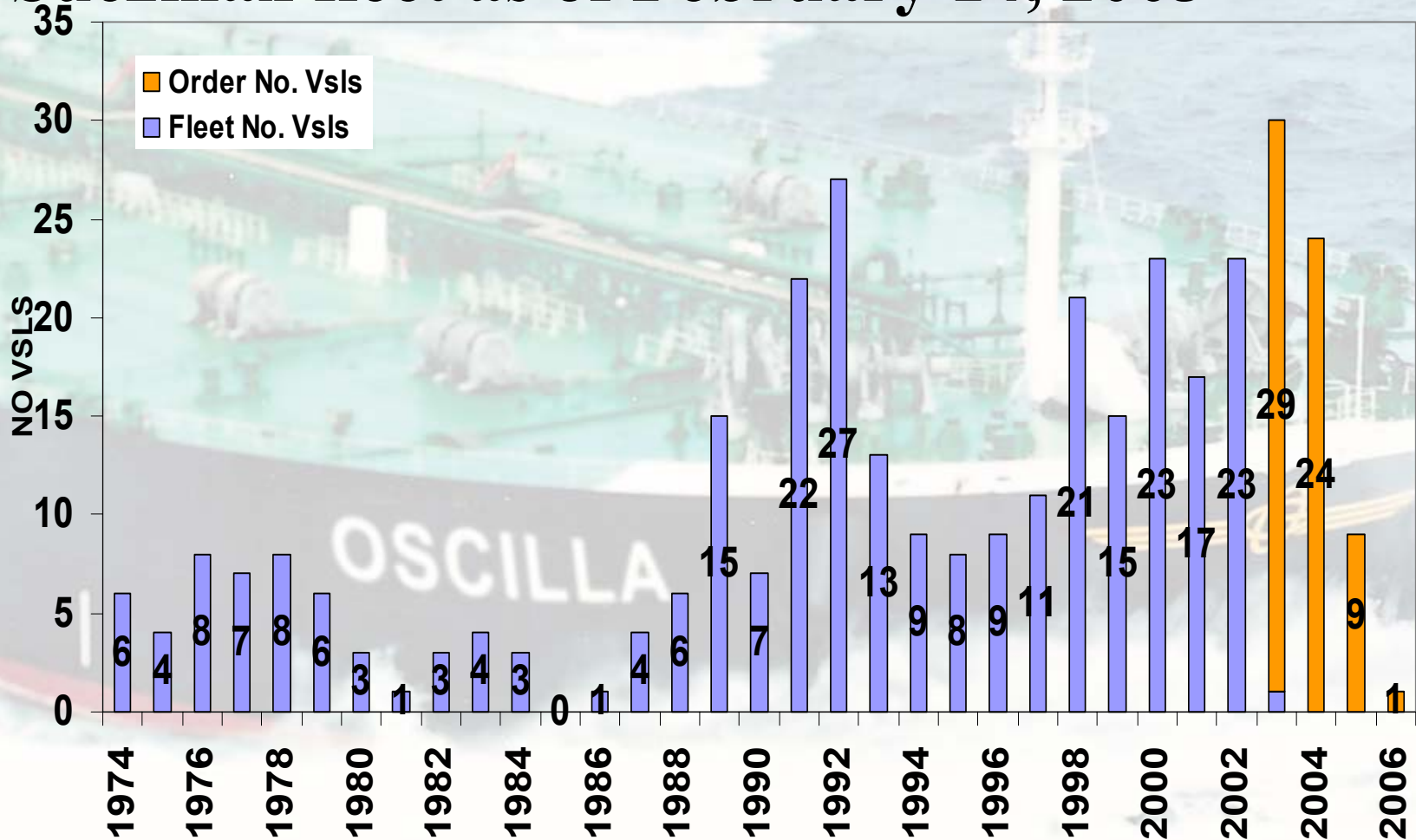
Newbuildings versus scrapping candidates

VL/ULCC fleet as of February 14, 2003



Newbuildings versus scrapping candidates

Suezmax fleet as of February 14, 2003



Source: P.F. Bassøe

Difference in TCE – old/modern VLCCs

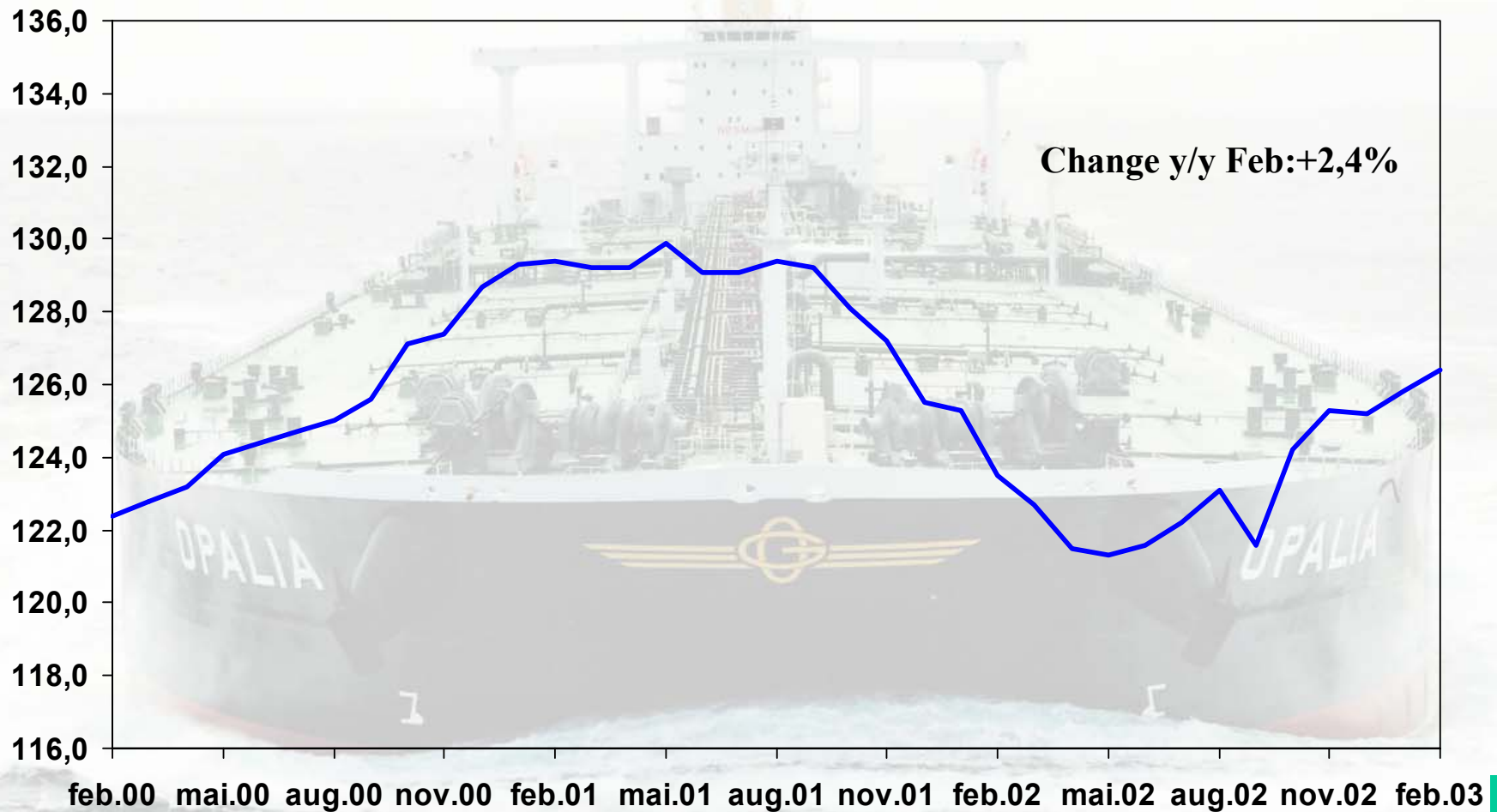
Needed daily cash to cover expenses:

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>

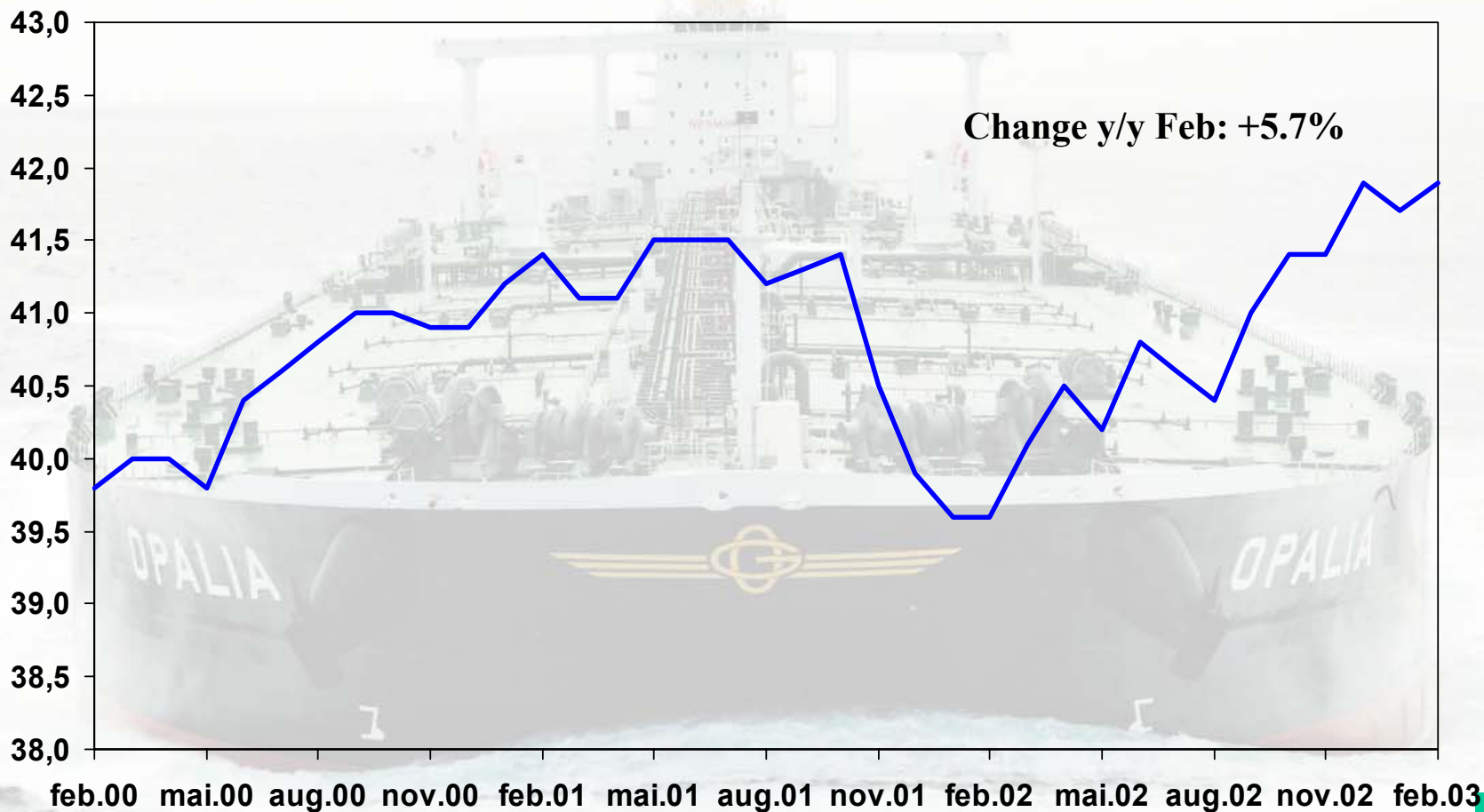
VLCC/ULCC fleet development

Mill. dwt



Suezmax fleet development

Mill. dwt



Source: P.F. Bassøe