

**“A Company that Makes
Real Cash in Rough Times”**

Frontline Presentation

NYSE : FRO

OSE : FRO

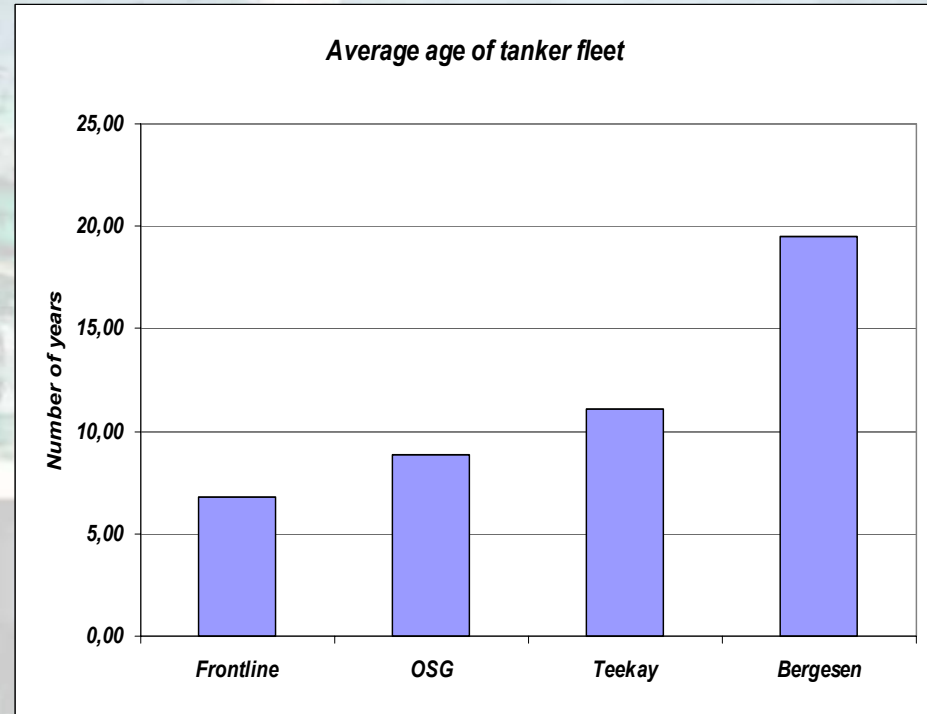
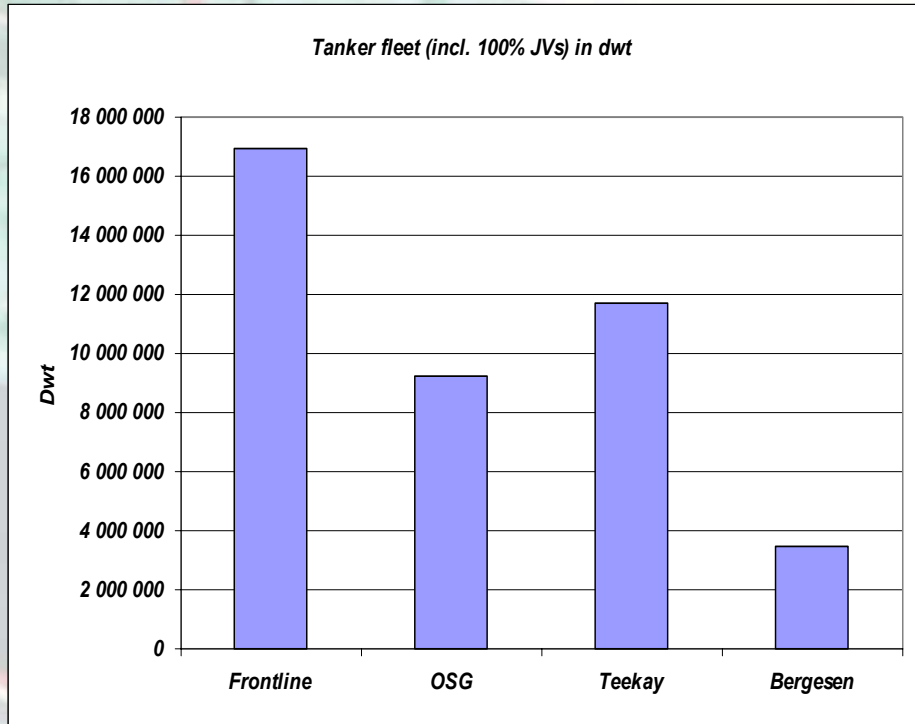
US Investor Presentation

April 2003

The Frontline Story

Year	Party	Acquired	Oil Tankers	Shares	Value USD Mill.
1996	Frontline AB	7			
1996	Goldtech	1	Yes	Yes	49
1996	Bilspedition	1	Yes	Yes	49
1996	Seatankers	6			357
1997	Hyundai New buildings	10			650
1997	London Overseas Freighters	3	Yes	Yes	155
1998	Seatankers	1		Yes	42
1998	Alliance Chartering				
1998	Independent Tankers	10			770
1999	ICB Shipping	8	Yes	Yes	260
1999	Mosvold Farsund	1	Yes	Yes	45
2000	Wilh. Wilhelmsen	2	Yes	Yes	90
2000	NYK Front Tobago	1		Yes	37
2000	Golden Ocean Front Tina	1		Yes	74
2000	Euronav	2		Yes	95
2000	Golden Ocean Ltd.	13	Yes	Yes	990
2001	Sasebo New buildings	2			106
2001	Hitachi New buildings	3			224
2001	Mosvold Shipping	3	Yes	Yes	244
2001	Bergesen Ships	5			399
	Total Ships	80			4 636

A unique fleet in size and age



This is what you get I

Suezmax fleet = 1 million barrels fleet

<i>Vessel</i>	<i>Built</i>	<i>Dwt</i>	<i>Yard</i>	<i>DH dwt</i>
<i>Suezmax Tankers</i>				
Front Birch	1991	152 000	Daewoo	SH
Front Maple	1991	152 000	Daewoo	SH
Front Granite	1991	142 031	Split	SH
Front Lillo	1991	147 143	AESA	SH
Front Emperor	1992	147 273	AESA	SH
Front Sunda	1992	142 031	Split	SH
*Marble (0%)	1992	142 031	Split	SH
Front Comor	1993	142 031	Split	SH
Front Spirit	1993	147 273	AESA	SH
Front Pride	1993	149 686	Mitsui	DH
Front Splendour	1995	149 745	Mitsui	DH
Front Glory	1995	149 834	Mitsui	DH
Front Ardenne	1997	153 000	Hyundai	DH
Front Brabant	1998	153 000	Hyundai	DH
Front Fighter	1998	153 328	Hyundai	DH
Front Hunter	1998	153 344	Hyundai	DH
Front Warrior (0%, t/c)	1998	153 409	Hyundai	DH
Mindanao	1998	158 000	Daewoo	DH
Front Sky	2000	159 999	Hyundai	DH
Front Sun	2000	159 998	Hyundai	DH
*Sonangol Girassol (0%)	2000	159 057	Daewoo	DH
*Sonangol Luanda (0%)	2000	159 178	Daewoo	DH
*Sonangol Kizomba (0%)	2001	159 165	Daewoo	DH
Front Melody	2001	150 500	Sasebo	DH
Front Symphony	2001	150 000	Sasebo	DH
<i>Suezmax OBos</i>				
Front Breaker	1991	169 381	Daewoo	DH
Front Climber	1991	169 178	Hyundai	DH
Front Driver	1991	169 177	Hyundai	DH
Front Guider	1991	169 142	Daewoo	DH
Front Leader	1991	169 381	Daewoo	DH
Front Rider	1992	169 718	Hyundai	DH
Front Striver	1992	169 204	Daewoo	DH
Front Viewer	1992	169 381	Daewoo	DH

This is what you get II

VLCC fleet = 2 million barrels fleet

<i>Vessel</i>	<i>Built</i>	<i>Dwt</i>	<i>Yard</i>	<i>DH dwt</i>
VLCCs				
Front Sabang	1990	285 715	Daewoo	SH
Front Vanadis	1990	285 782	Daewoo	SH
Front Highness	1991	284 420	Hyundai	SH
Front Lady	1991	284 420	Hyundai	SH
Front Lord	1991	284 420	Hyundai	SH
Front Duke	1992	284 420	Hyundai	SH
Front Duchess	1993	284 480	Hyundai	SH
Front Ace	1993	275 546	Hitachi	SH
Front Tobago (40%)	1993	260 619	IHI	SH
Dundee (50.1%)	1993	302 432	Daewoo	DH
Edinburgh (50.1%)	1993	302 493	Daewoo	DH
Golden Stream	1995	275 616	Hitachi	SH
Golden Fountain (50%)	1995	301 665	Hitachi	SH
Navix Astral	1996	275 644	Hitachi	SH
New Vanguard	1998	300 058	Hitachi	DH
Front Century (0%, t/c)	1998	311 189	Hyundai	DH
New Vista	1998	300 149	Hitachi	DH
Front Champion (0%, t/c)	1998	311 286	Hyundai	DH
Front Chief (0%, t/c)	1999	311 224	Hyundai	DH
New Circassia (50%)	1999	306 009	MHI	DH
Pacific Lagoon (50%)	1999	305 839	MHI	DH
Front Commander (0%, t/c)	1999	311 168	Hyundai	DH
Front Crown (0%, t/c)	1999	311 176	Hyundai	DH
Opalia	1999	302 193	Kawasaki	DH
Front Commerce	1999	300 144	Hitachi	DH
Front Comanche	1999	300 133	Hitachi	DH
Front Commodore	2000	298 620	Hitachi	DH
Oscilla	2000	302 193	Kawasaki	DH
Front Tina	2000	298 500	Kawasaki	DH
Ichiban (33.3%)	2000	298 552	Hitachi	DH
British Pioneer (0%, t/c)	2000	307 000	Samsung	DH
British Progress (0%, t/c)	2000	307 000	Samsung	DH
British Purpose (0&, t/c)	2000	307 000	Samsung	DH
British Pride (0%, t/c)	2000	307 000	Samsung	DH
Ariake (33.3%)	2001	298 530	Hitachi	DH
Sakura I (33.3%)	2001	298 530	Hitachi	DH
Front Eagle	2002	309 064	Samsung	DH
Tanabe (33.3%)	2002	296 000	Hitachi	DH
Front Serenade	2002	299 152	Hitachi	DH
Hakata (33.3%)	2002	296 000	Hitachi	DH
Front Stratus	2002	298 500	Hitachi	DH
Front Falcon	2002	308 000	Samsung	DH
Front Page	2002	298 500	Hitachi	DH
Hull No. 1412 tbn Front Hawk	July 2003	308 000	Samsung	DH

How are we different ?

- The largest and most modern fleet
- Pure crude oil exposure
- The lowest operating cost
- The lowest administration cost
- The highest share liquidity
- Pioneer attitude (Alliance , Tankers , Golden Ocean, BP)
- Focus around ROE – Aggressive use of debt.
- The highest payout ratio.
- Insiders own approximately 50% of the Company.

Profit & Loss 2002

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

Balance Sheet

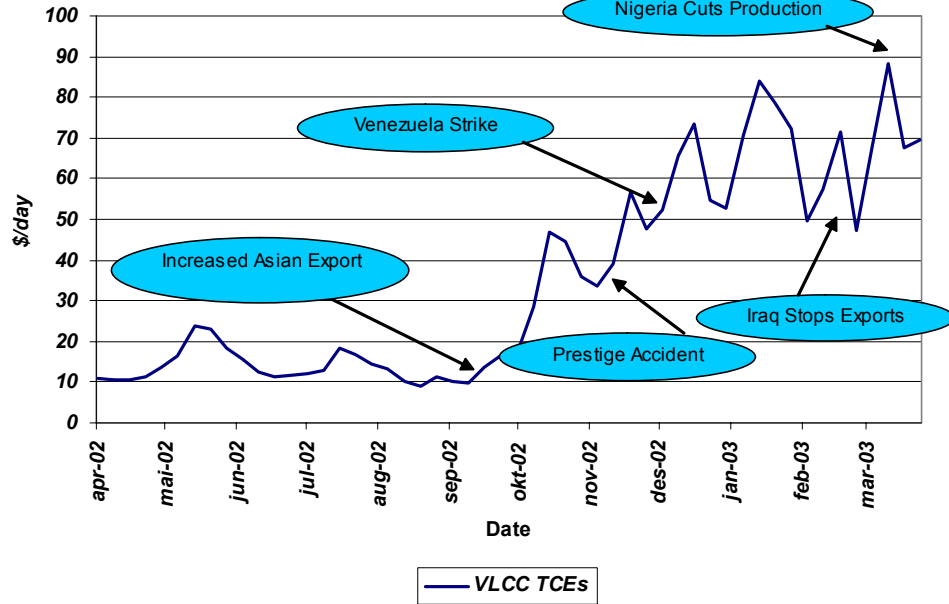
Assets	2002	2 001	Liabilities/Equity	2002
<i>USD million</i>				
Short term			Short term	
Cash and Bank deposits	100,3	189,3	Short term interest bearing debt	167,8
Marketable securities	0,3	1,2	Other current liabilities	74,6
Other current assets	132,8	87,5		
Long term			Long term	
Newbuildings	27,4	102,8	Long term interest bearing debt	1 277,7
Vessels and equipment, net	2 638,1	2 514,2	Other long term liabilities	287,7
Associated companies	119,3	109,9	Minority	0,0
Goodwill	0,0	14,0	Stockholder's equity	1 228,2
Deferred charges and other assets	17,7	15,0		
Total assets	3 035,9	3 033,8	Total stockholders' equity and liab.	3 035,9

The Market

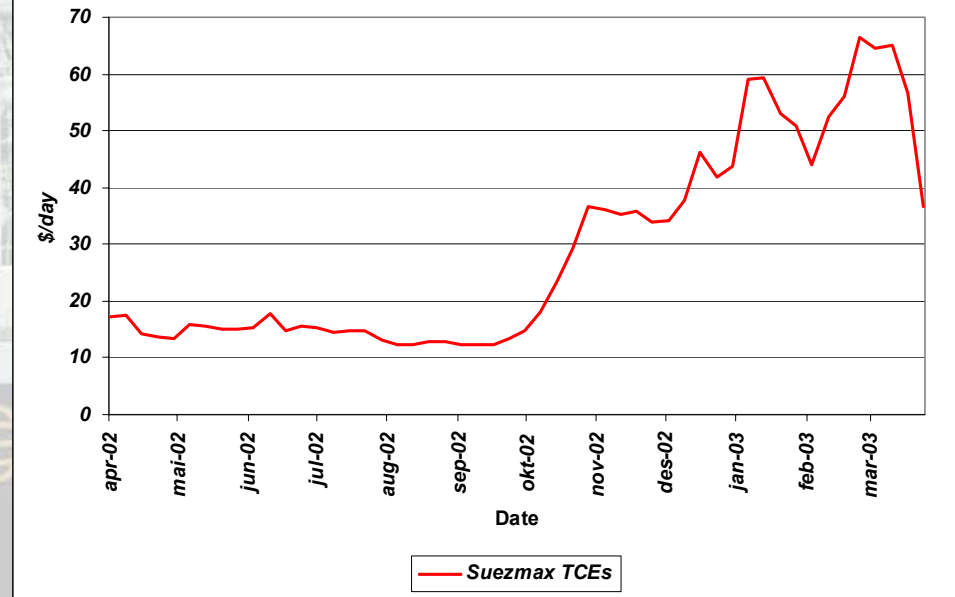


The Recent Developments

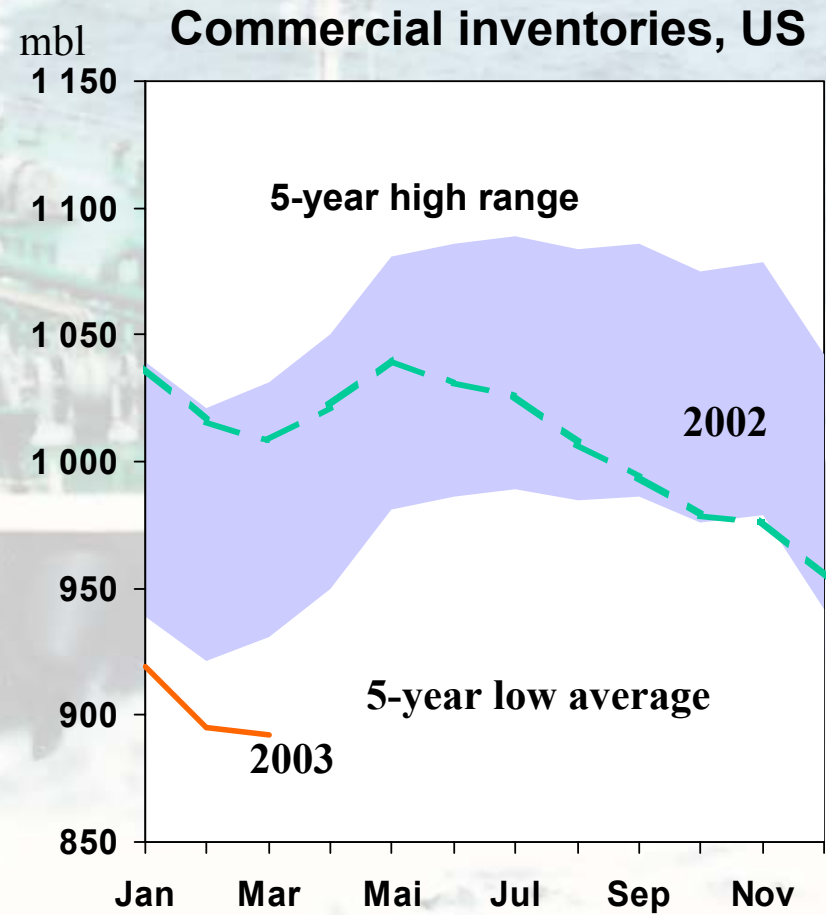
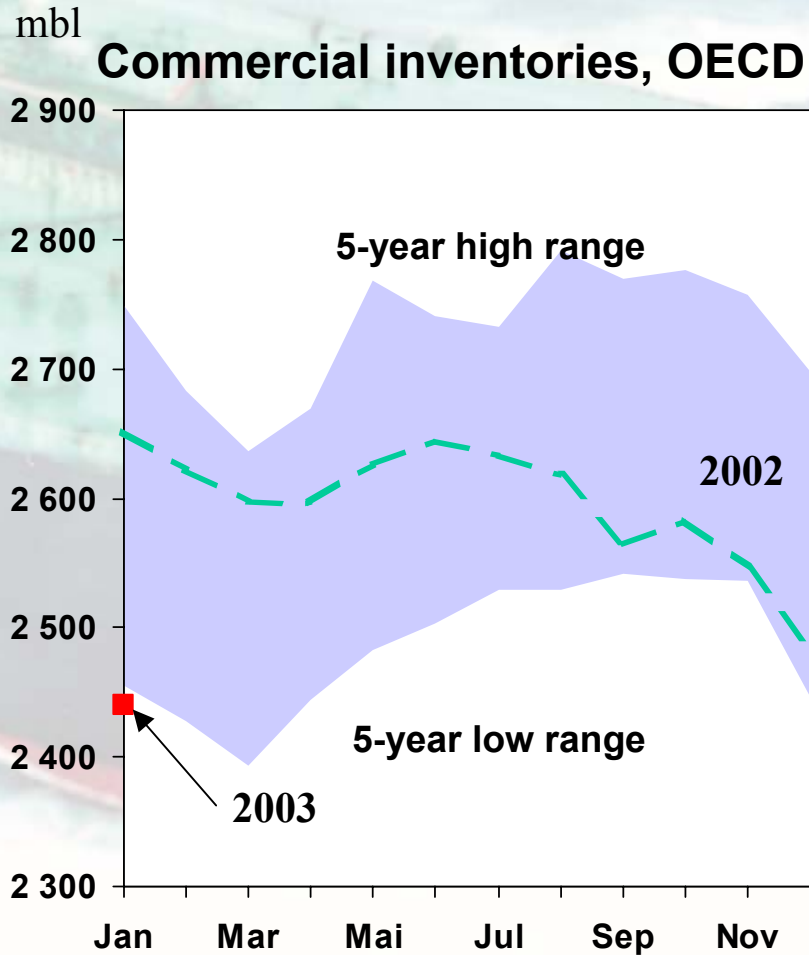
VLCC TCEs



Suezmax TCEs

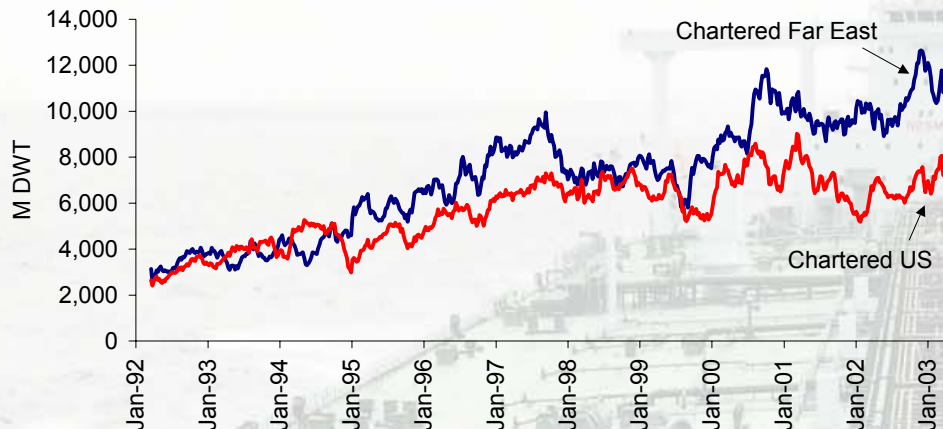


Oil Inventories – Very Low



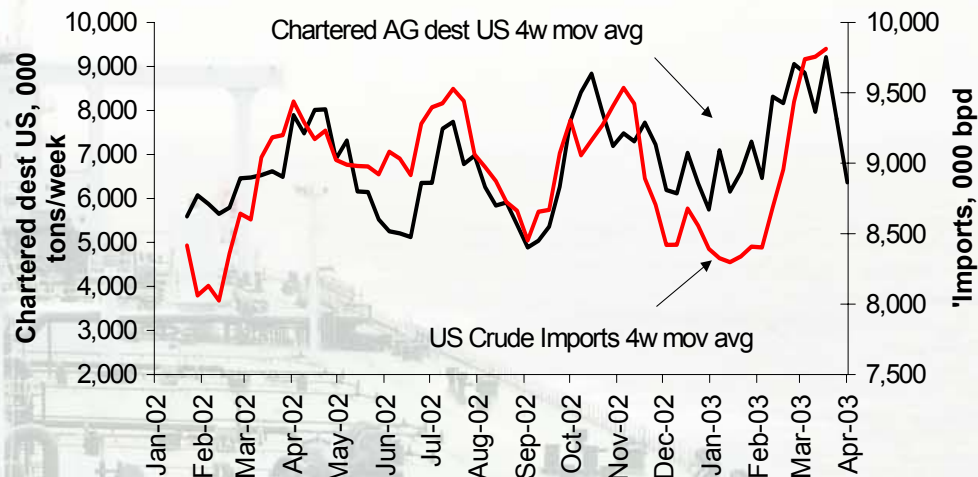
FRONTLINE The triggers that started the recovery

Chartered destination Far East vs US
(3m rolling averages)



Source: Bloomberg, ABG Sundal Collier

Chartered destination US vs Imported Crude US (API figures) (6W lag)



Source: Bloomberg, ABG Sundal Collier

<i>FRO VLCC Spot Index :</i>	<i>VLCC Out AG</i>	<i>To US</i>
Jan	88	19
Feb	99	23
Mar	101	18
Apr	83	10

Source: ABG Sundal Collier

FRONTLINE Fleet VLCCs / Suezmaxes

<u>Building year</u>	VLCC's	Of which	
	200,000+ dw t	ULCC's*)	Suezmaxes
		320,000 + dw t	120,000-200,000 dw t
1973 or earlier	2		0
1974-75	12	2	10
1976-77	28	9	14
1978-80	11	8	17
1981 or later	387	6	247
Fleet as at April 4, 2003	440	25	288
<u>On order</u>			
2003	31	1	25
2004	31		24
2005+	17		11
Total on order 2003-2006	79	1	60

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

Source: P.F.Bassøe

- After the Erika accident new age rules were enforced by IMO.
- After the Prestige accident EU is approving new rules which is likely to ban single-hull oil tankers of Erika and Prestige type aged more than 23 years from the Union. The rules will also accelerate farm-out of more modern single hull ships.
- The new rules are expected to come into effect in July 2003 and will immediately ban
 - Aframax 100 ships of 632 15.8 %
 - Suezmax 47 ships of 296 15.9 %
 - VLCC 53 ships of 436 12.2 %
- There is currently large pressure on IMO to accept the same rules for world wide trading.
- Most important the charterers' attitude towards old tonnage is changing.

The Frontline Arguments



1. Demand

- Main variables :
 - Estimated world wide oil demand growth 1.5 %.
 - Storage has to be rebuilt.
 - Falling production in North Sea / US.
 - FSU continues production growth.
 - Lower oil prices, continued Japan nuclear shutdown, strong growth in China and India, and high US gas prices can lead to positive demand surprise.
 - Expect production disruptions (Nigeria, Venezuela)
 - We are currently passing the low demand season.
 - Most important – after the war we are likely to have a return to MEG effect - including stable and significantly increased Iraqi production. Stimulates ton miles demand.

2. Supply

- The expected delivery of 25 – 30 VLCCs and the same number of Suezmaxes during the next twelve months are likely to be compensated by the removal of up to 53 VLCCs and 41 Suezmaxes built before 1980.
- The speed of the farm-out will depend on IMO's ability to approve the new EU rules.

3. The Current Market

Voyage Estimate

Front Pride

Phila-Bonny-Phila

Cargo: 135000 mts Crude

WS: 125

T/C per day 31,500

Total Days: 35

USD 31,500

Voyage Estimate

British Progress

Sidi-Rotterdam-Sidi

Cargo: 280000 mts Crude

WS: 105

T/C per day: 63,000

Total Days: 26

USD 63,000

Voyage Estimate

Front Commander

Ain Sukhna-Ras Tan-Ain Sukhna

Cargo: 280000 mts Crude

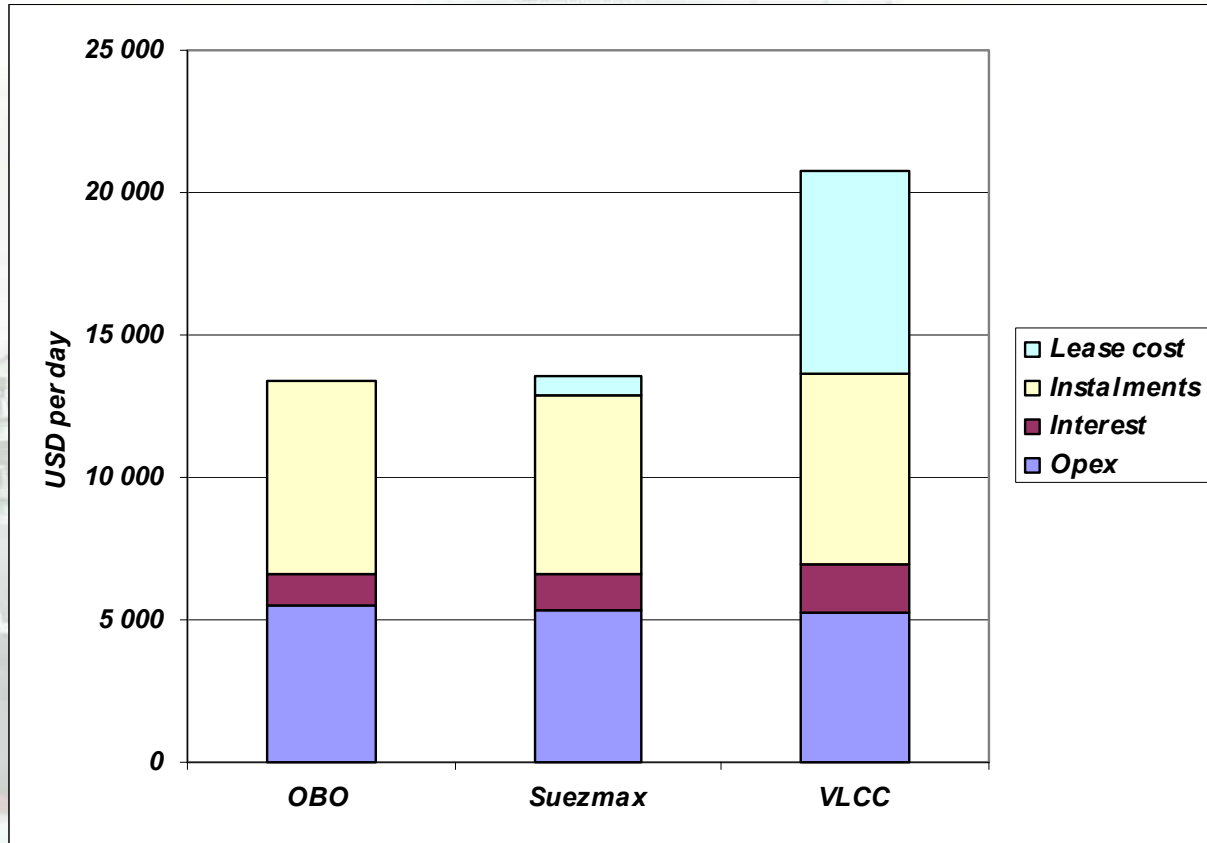
WS: 117.5

T/C per day: 61,000

Total days:28

USD 61,000

4. Low Cash Break Even



5. The Exposure

NAV Development

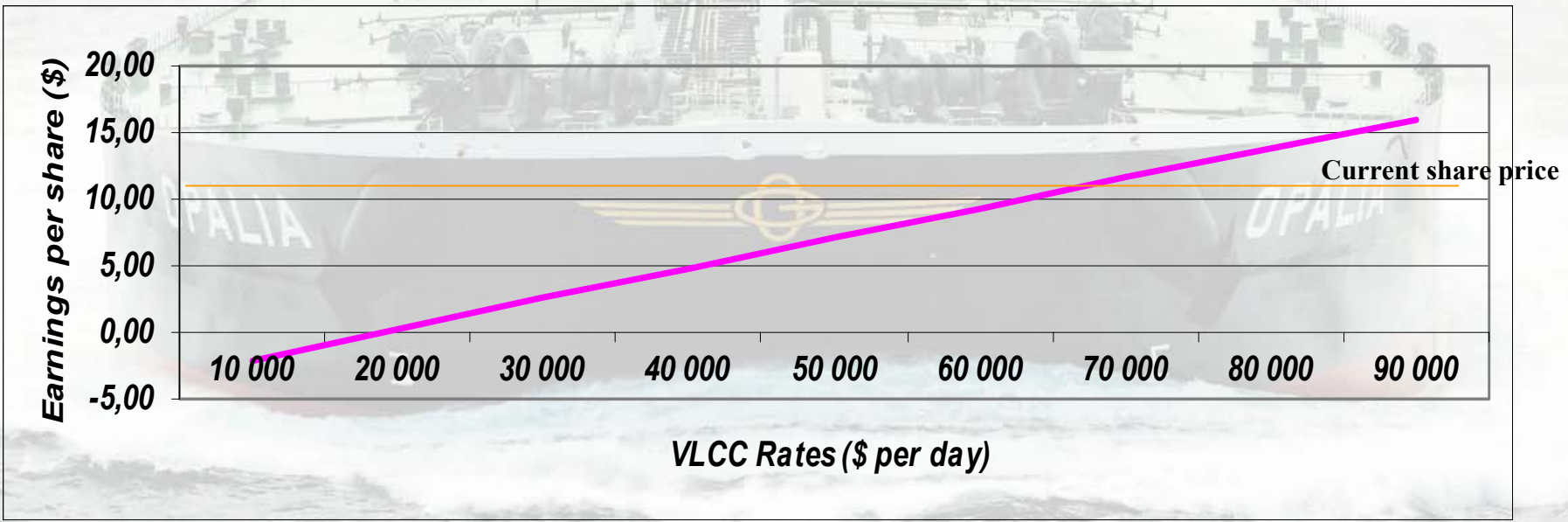
+/- 10 % in ship prices

+/- USD 4 per share

One Quarter TCE 55’/40’

+ USD 3 per share

The Earnings Sensitivity



6. A Changed Company



	2000- 2002	2003
Vessels	38	72
Cash (\$ mill.)	65	160
Cap.Ex (\$ mill.)	1,700	59
Net Cap Ex. (\$ mill.)	700	2
Corporate debt (\$ mill.)	150	0
VLCC B/E (\$/day)	24,100	20,700
Suezmax B/E (\$/day)	18,200	13,600
Market Cap (\$ mill)	1,900*	870

*) May 2001

7. The Graham & Todd Argument - A Dividend Story

- Frontline has a minimum cash requirement in the loan agreements of approximately USD 80 million.
- The management feels that financial flexibility is achieved with a cash position of between USD 150 - 200 million.
- This position is reached in the Q1 -2003.
- Total net committed future Cap ex as of 31.03.03 is USD 2 million.
- All excess cash flow can be freely distributed to shareholders.
- To achieve a 10 % direct yield on the existing market cap Frontline will need VLCC rates of \$24,600, and Suezmax rates of \$17,300.
- A 20 % yield can be supported with VLCC rates of \$28,300 and Suezmax rates of \$21,000.
- Remember historic 12 year average T/C rates VLCC 29,250, Suezmax 21,470.

8. A Cheap Industry

– A Cheap Company

	OSG	OMI	TK	GMR	FRO
Shareprice	16,90	4,70	39,00	8,90	11,05
P/NAV	0,8	1,3	1,2	1,0	0,7
P/E 03E	6,2	5,2	6,0	4,0	2,3

9. Future market indicates that earnings revisions are likely

	VLCC estimate from Orkla	VLCC estimate from Sundal	VLCC estimate from Carnegie	VLCC estimate from Jefferies	IMAREX	1 year t/c
Q2 03	36 300	40 000	40 000	45 000	44 000	40 000
Q3 03	19 000	34 000	20 000	25 000	32 000	
Q4 03	23 000	28 000	25 000	35 000	32 000	
	Suezmax estimate from Orkla	Suezmax estimate from Sundal	Suezmax estimate from Carnegie	Suezmax estimate from Jefferies	IMAREX	1 year t/c
Q2 03	28 300	30 000	30 000	30 000	22 000	25 000
Q3 03	17 000	26 000	17 000	20 000	21 000	
Q4 03	20 000	21 000	20 000	30 000	21 000	

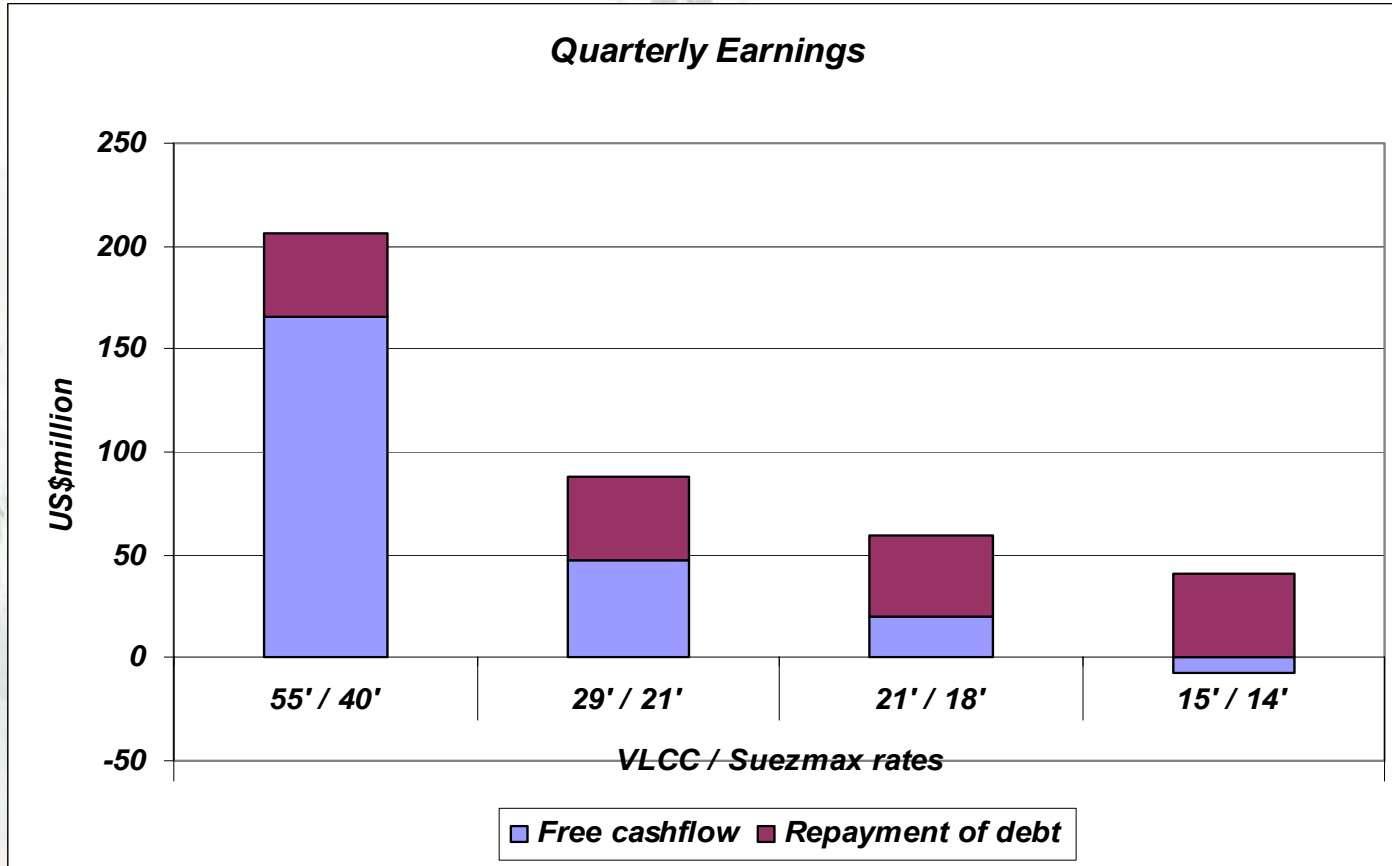
10. A Floating Cash Machine

An illustrative Calculation Exercise

	VLCC	Suezmax
T/C Rates [USD/day]	55 000	30 000
Cash Break Even [USD/day]	20 700	13 600
No of vessels exposed	35	29
Daily Cash Generation [USD]	1 183 350	475 600
Total [USD/day]		1 658 950

1. Corporate earnings to be adjusted for charter in / out.
2. Daily scheduled debt repayment is close to USD 500 000 per day.
3. Current market : VLCC 60 000 USD/day Suez 30 000 USD/day

11. Cash Generation-Dividend Capacity



Final Comments



- The Board observes that Frontline share price currently trades with a substantial discount to the NAV of the Company as well as the book value. This currently limits the Company's expansion.
- The Board will in this situation focus on :
 - Reducing the Cash Break Even rates.
 - Proof Value.
 - Strengthening the Balance Sheet.
 - Securing forward revenue.
 - No ordering
 - High Pay Out Ratio.

Something to watch out for

- | <i>Event</i> | <i>Likely Timing</i> |
|---|-----------------------------|
| • Return of Nigerian production | April |
| • Return of Iraqi production | May |
| • Frontline Q1 results / dividend | May |
| • New EU rules become effective | July |
| • Seasonal low oil demand | April/July |
| • Industry Earnings revisions | April |
| • Need to build storage / Sea | August |
| • Yards set 2006 Ship Building prices | |
| • Ordering Activity | |
| • OPEC Strategy | |
| • Industry Corporate Events – Takeovers - Consolidation | |

