



**Presentation of
Q2 2003 results,
August 12, 2003**

Agenda

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

1. The Fleet



39 VLCCs incl. 8 J/Vs
Equals 34.9 vessels on a 100% basis
Cash B/E USD 20,600 p/d



19 Suezmaxes
Cash B/E USD 14,100 p/d



8 Suezmax OBOs
Cash B/E USD 13,200 p/d

- Oldest ship from 1990
- Average age: 7.3 years
- Industry average 10.0 years
- Double hull tonnage: 71 %
- Industry average 57 %

= 16.4 million dwt. or approximately 105 million barrels transport capacity.

Main events Q2 2003

- A dividend of \$1.- per share for Q1 2003 paid out in early June
- The sale of Front Sun and Front Sky at \$49.25 million each to OMI Corporation was agreed during the quarter. The vessels will be delivered in Q3,
- Front Symphony and Front Melody were sold to German K/G's and chartered back on a 12.5 years time charter arrangement, accounted for as capital leases,
- The call option on the 3,070,000 Frontline shares held by Bank of Nova Scotia has been exercised. The shares were acquired at a price of \$8.98 per share. Profit on the transaction in Q2 is \$17.1 million,
- The company acquired the remaining 50% of the vessel New Circassia as per June 30, 2003 and the ship owning company became a wholly-owned subsidiary of Frontline Ltd.,
- The Board declared an extraordinary dividend of \$1.- per share. The dividend was paid July 7, 2003
- The company has reached an agreement with partners Euronav and OSG to swap interests in six joint ventures, which each own a VLCC. These agreements will result in Frontline selling its interest in the vessel Pacific Lagoon to Euronav, acquiring, jointly with OSG, Euronav's interest in the Ariake and Sakura I, increasing its share in such vessels to 50.1% each; and exchanging its interest in the Ichiban with Euronav for a portion of Euronav's interest in Tanabe and Hakata increasing its interest in these vessels to 50.1%

Supply VLCC's / Suezmaxes

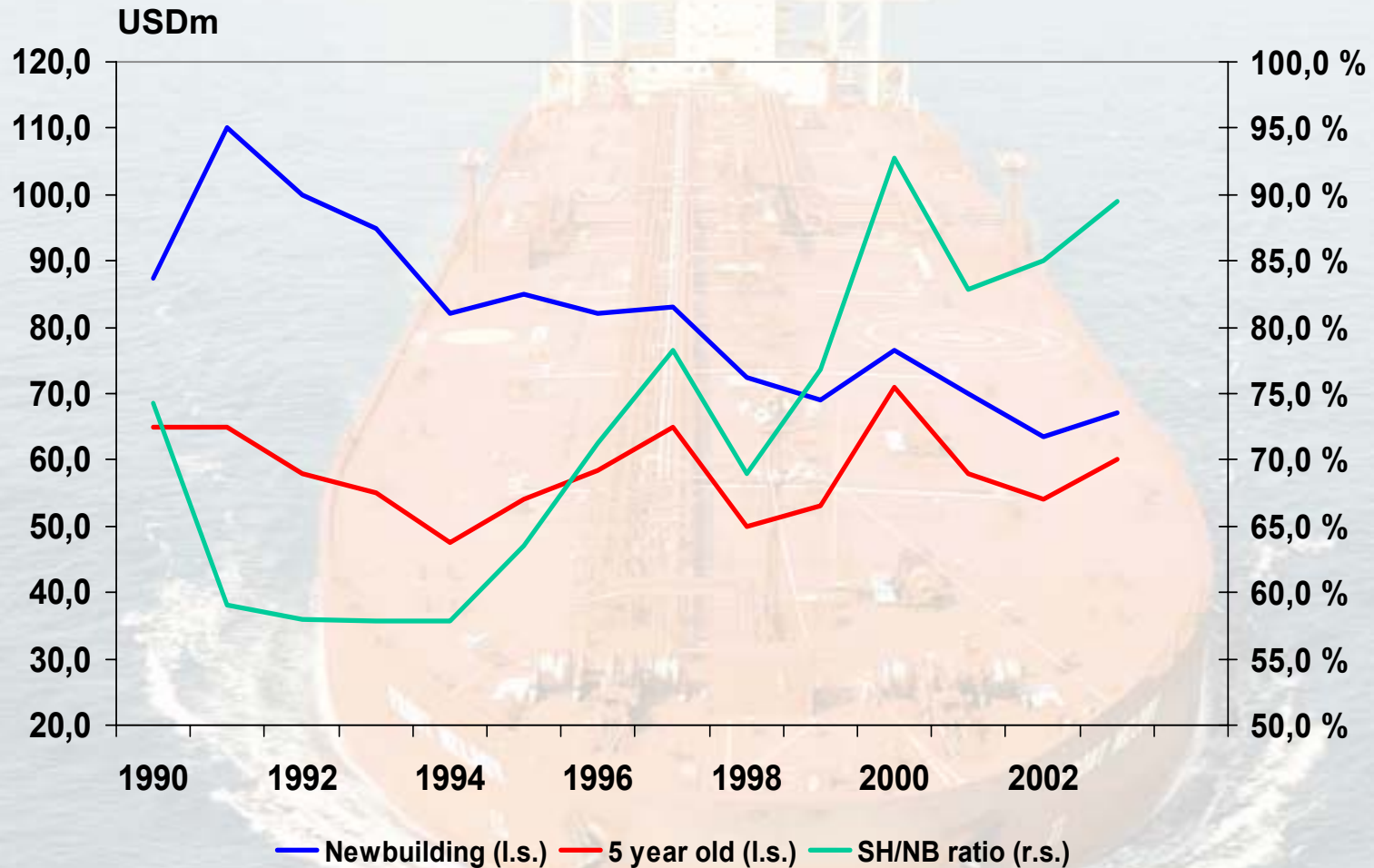
(No. of vessels)

<u>Building year</u>	VLCC's 200,000+ dwt	Of which	
		ULCC's*) 320,000 + dwt	Suezmaxes 120,000-200,000 dwt
1973 or earlier	0	0	0
1974-75	4	0	9
1976-77	11	4	14
1978-80	7	6	15
1981 or later	398	6	251
Fleet as at August 4, 2003	420	16	289
<u>On order</u>			
2003	14	0	20
2004	30		24
2005+	28		21
Total on order 2003-2006	72	0	65

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

Source: P.F.Bassøe

Trends in tanker values



Source: P.F. Bassoe

The macro trend

- Likely that the tanker market, based on the existing supply demand balance, will show substantial volatility,
- Need to increase storage levels to meet the winter demand is likely to push a recovery of rates in Sept. – Oct. The strength will depend on several factors such as world wide economic growth, weather, the forward oil price curve, as well as political developments with special focus on Venezuela, Nigeria and Iraq,
- A major change in the IMO rules later this year could significantly influence the market and could, combined with a well filled order backlog for the yards, create an improved long term market situation for tanker owners.

Estimated oil demand/supply 2003

	Avg. 02	Q103	Q203	Q303	Q403	Avg. 03
Demand*	77,0	78,7	76,3	77,7	79,6	78,1
Supply*	76,4	78,6	78,0	78,0	79,0	78,4

***)Based on JP Morgan estimates as of July 16, 2003**

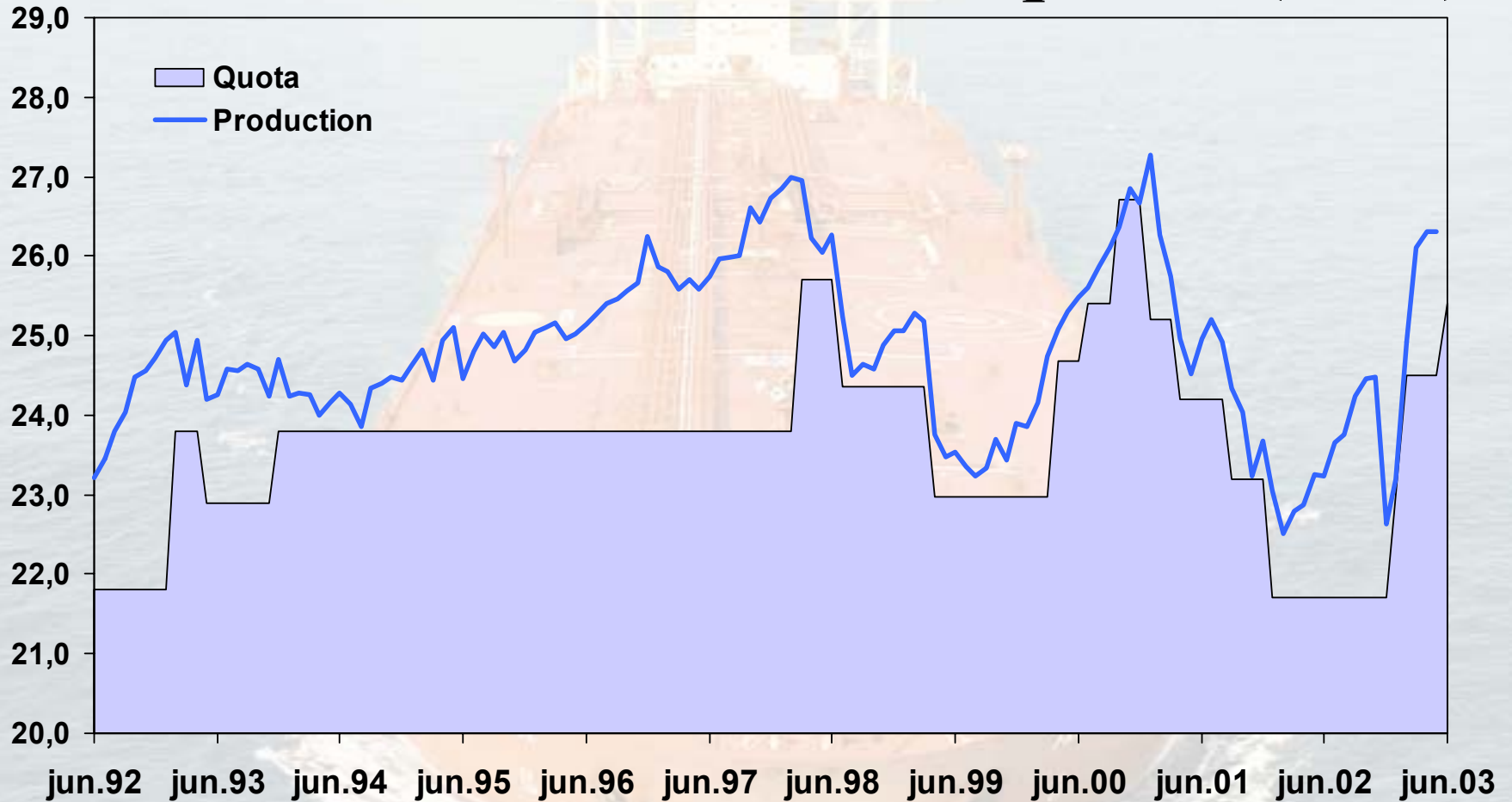
Oil production

	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	3,71	0,26
USA	8,11	8,05	8,04	8,03	
Argentina	0,82	0,82	0,80	0,78	
Brazil	1,50	1,58	1,71	1,78	0,28
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	0,37	
Norway	3,35	3,42	3,33	3,27	
UK	2,60	2,45	2,44	2,30	-0,30
Oman	0,96	0,96	0,90	0,85	-0,11
Syria	0,54	0,55	0,55	0,55	
Yemen	0,54	0,47	0,47	0,48	
Australia	0,82	0,73	0,73	0,68	-0,14
Brunei	0,20	0,20	0,21	0,20	
China	3,25	3,31	3,40	3,40	0,15
India	0,79	0,78	0,76	0,76	
Malaysia	0,81	0,79	0,80	0,82	
Vietnam	0,32	0,35	0,35	0,34	
Angola	0,75	0,73	0,90	0,89	0,14
Egypt	0,80	0,76	0,73	0,73	
Gabon	0,33	0,30	0,29	0,27	
Total	34,11	33,95	34,22	34,11	
Other / smaller prod		2,44	2,56	2,52	
Refinery proc gain		1,76	1,79	1,83	
Non OPEC supply ex FSU		38,15	38,57	38,46	

Oil production

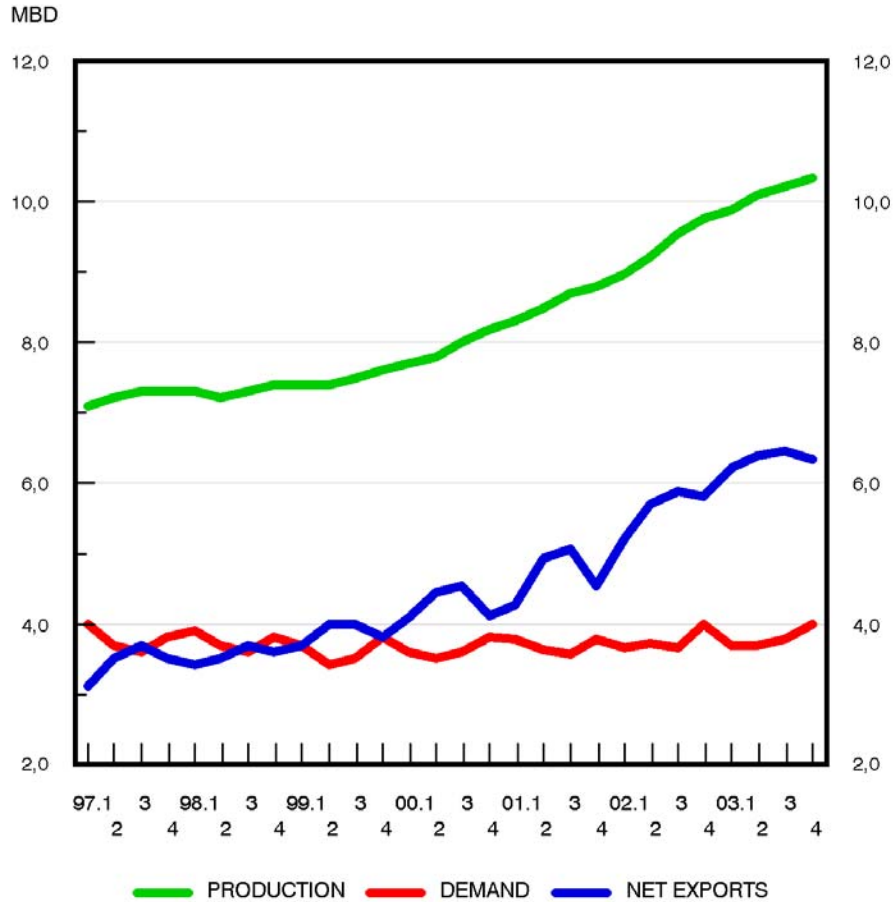
	2000	2001	2002	2003	Change 2000 - 2003
Russia	6,54	7,05	7,65	8,19	1,65
Kazakhstan	0,75	0,83	0,95	1,04	0,29
Other FSU	0,75	0,77	0,79	0,81	
FSU	8,04	8,65	9,39	10,04	
OPEC NGL / Condensate		2,90	3,00	3,3	
Call on OPEC crude		26,80	26,00	26,3	
Stockbuild		0,40	-0,60	0,3	
OPEC crude		27,20	25,40	26,60	

OPEC-10: Production vs. quotas (mbd)

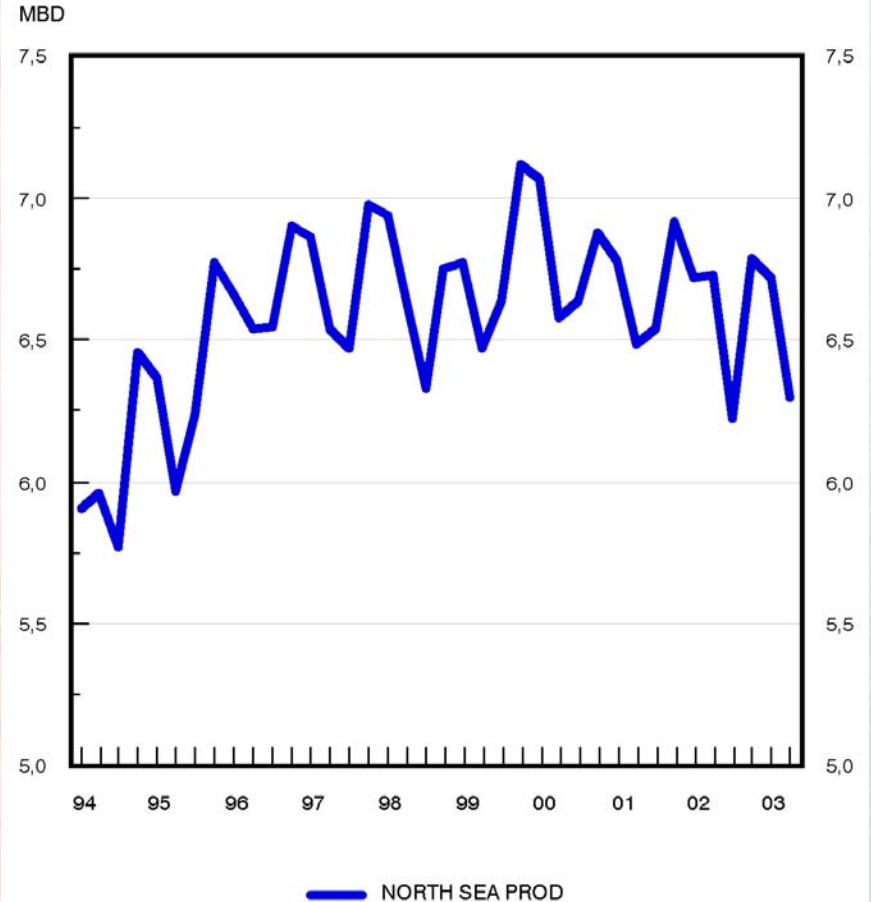


Source: P.F. Basssøe / IEA, August 4, 2003

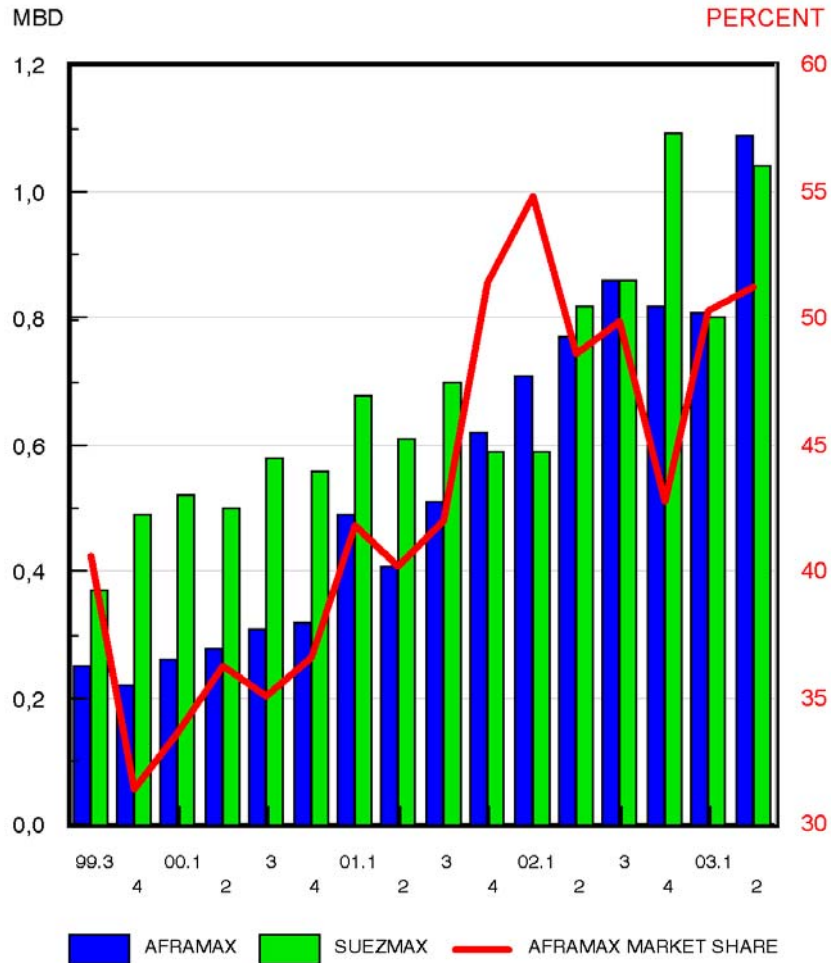
FSU OIL MARKET QUARTERLY 1997-2003 IEA FORECAST FOR 2003



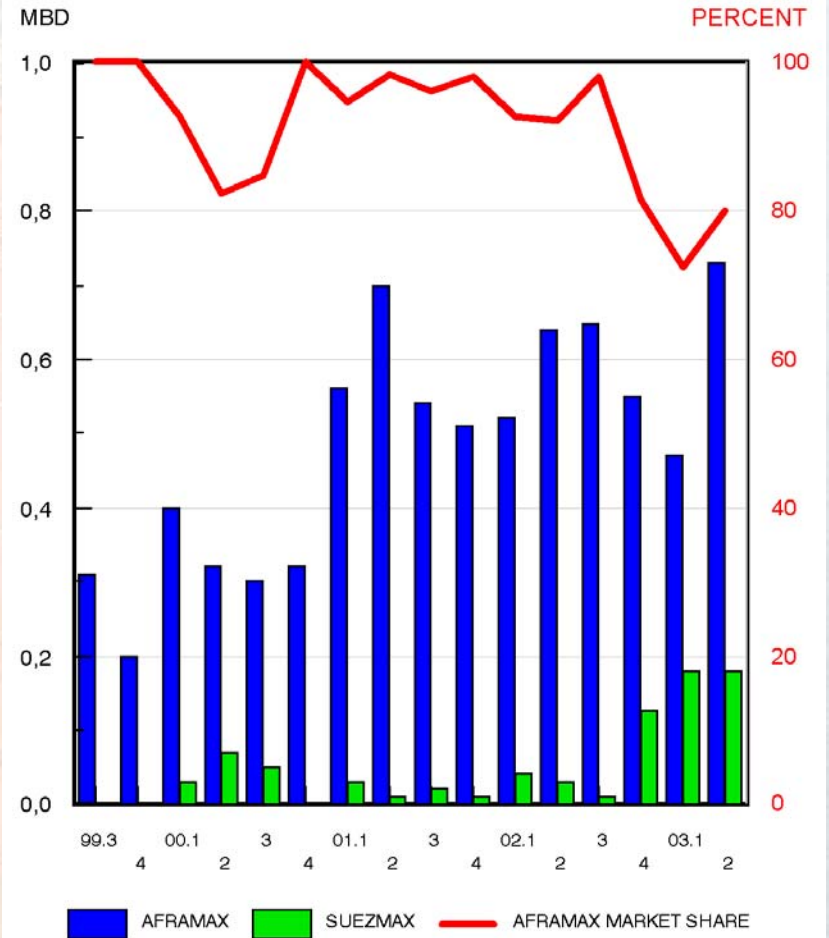
NORTH SEA OIL PRODUCTION QUARTERLY 1994-2003



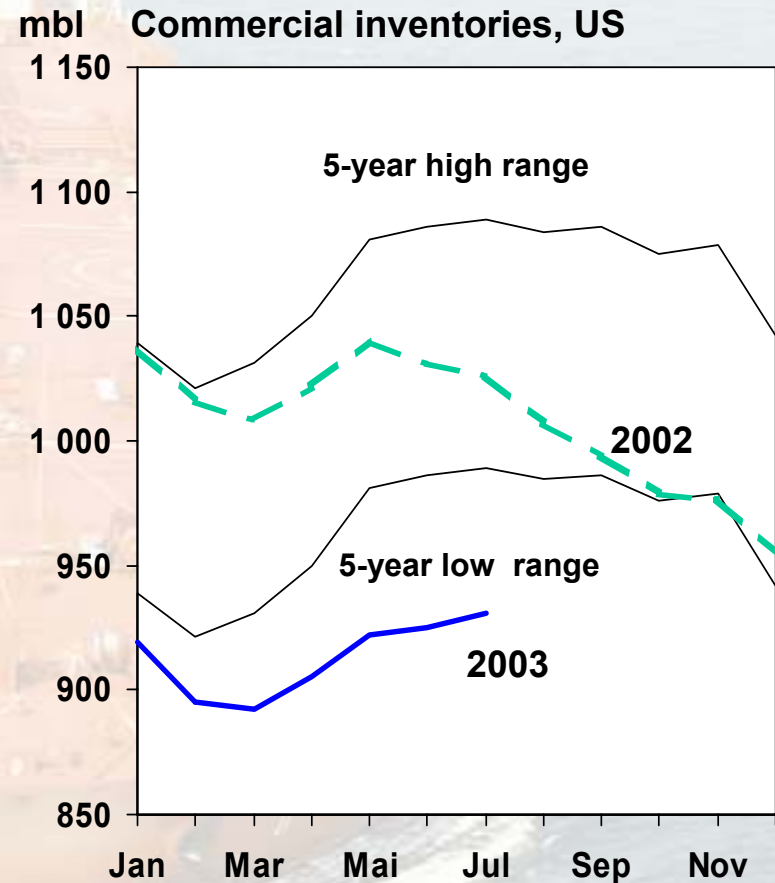
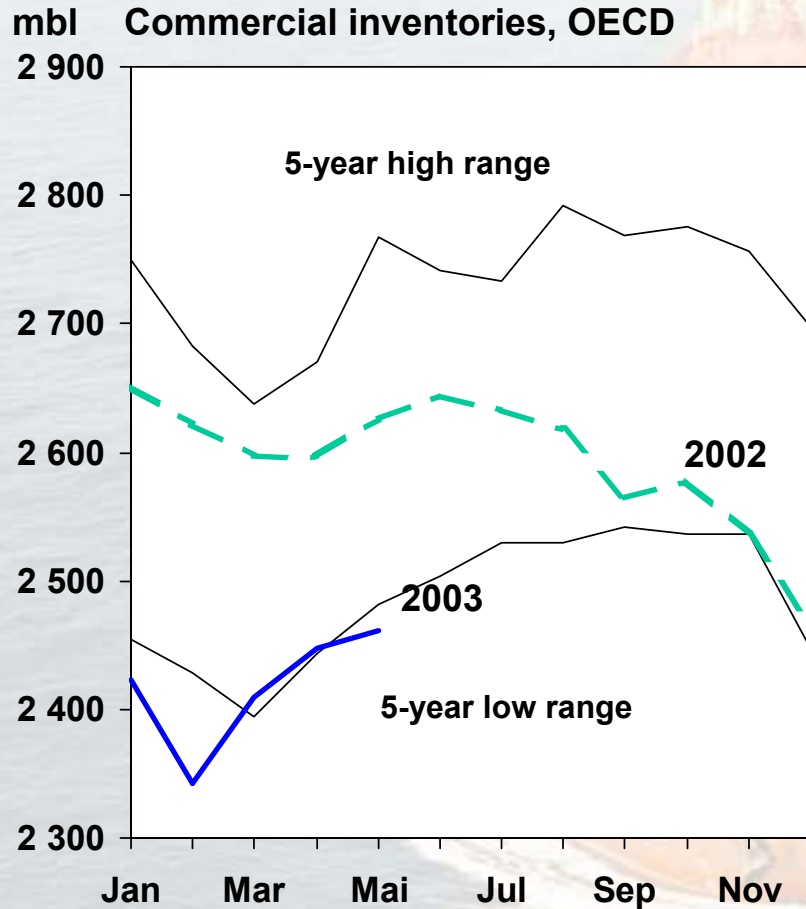
SPOT MARKET VOLUMES OUT OF THE BLACK SEA QUARTERLY BY TANKER TYPE



SPOT MARKET VOLUMES OUT OF BALTIC QUARTERLY BY TANKER TYPE

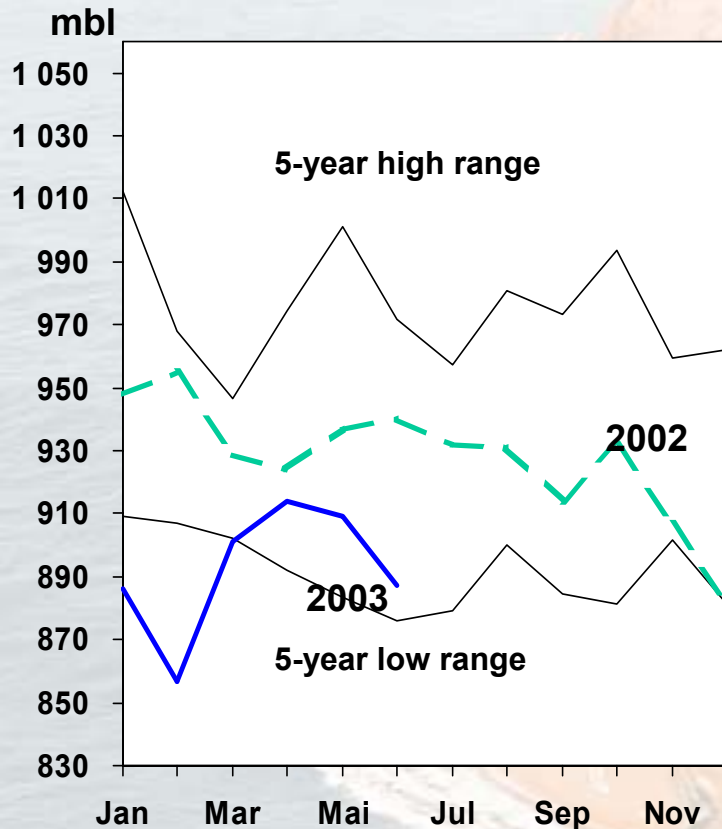


Oil inventories, OECD and US

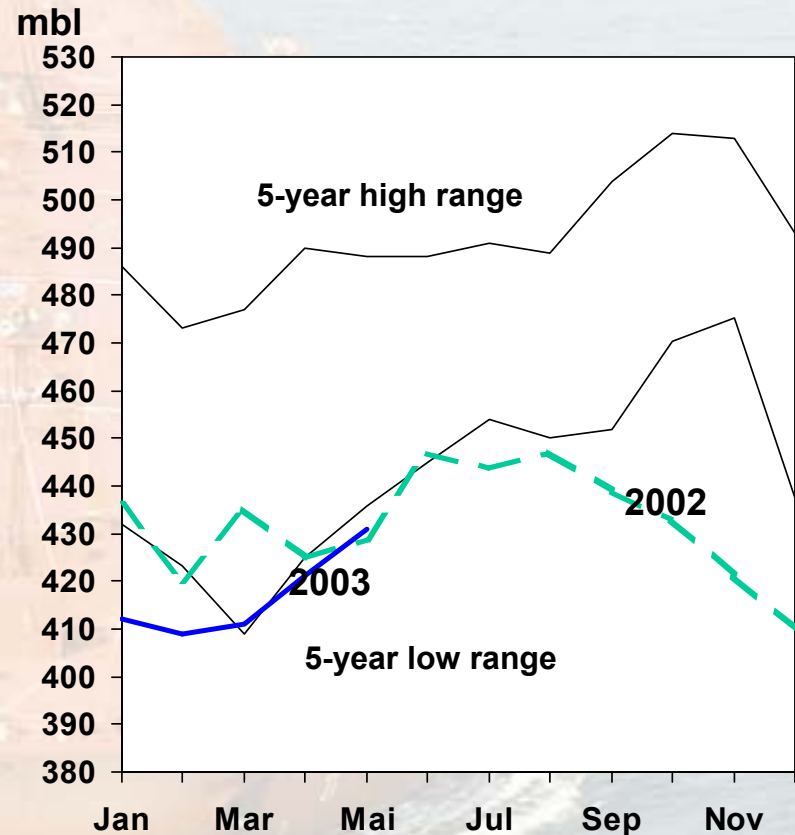


Oil inventories, Europe and Asia

Commercial inventories, OECD Europe



Commercial inventories, OECD Asia



Estimated call on OPEC 2003

	Avg.02	Q103	Q203	Q303	Q403	Avg. 03
IEA	25,6	26,7	24,2	24,8	25,5	25,3
US DOE	26,5	27,9	24,7	25,9	26,7	26,3
*						
JP Morgan	26,0	26,9	24,9	26,1	27,5	26,3
Stockbuild	-0,6	-0,1	1,7	0,2	-0,7	0,3
Opec crude	25,4	26,8	26,6	26,3	26,8	26,6

JP Morgan estimates as of July 16, 2003. IEA and DOE as of July 2003.

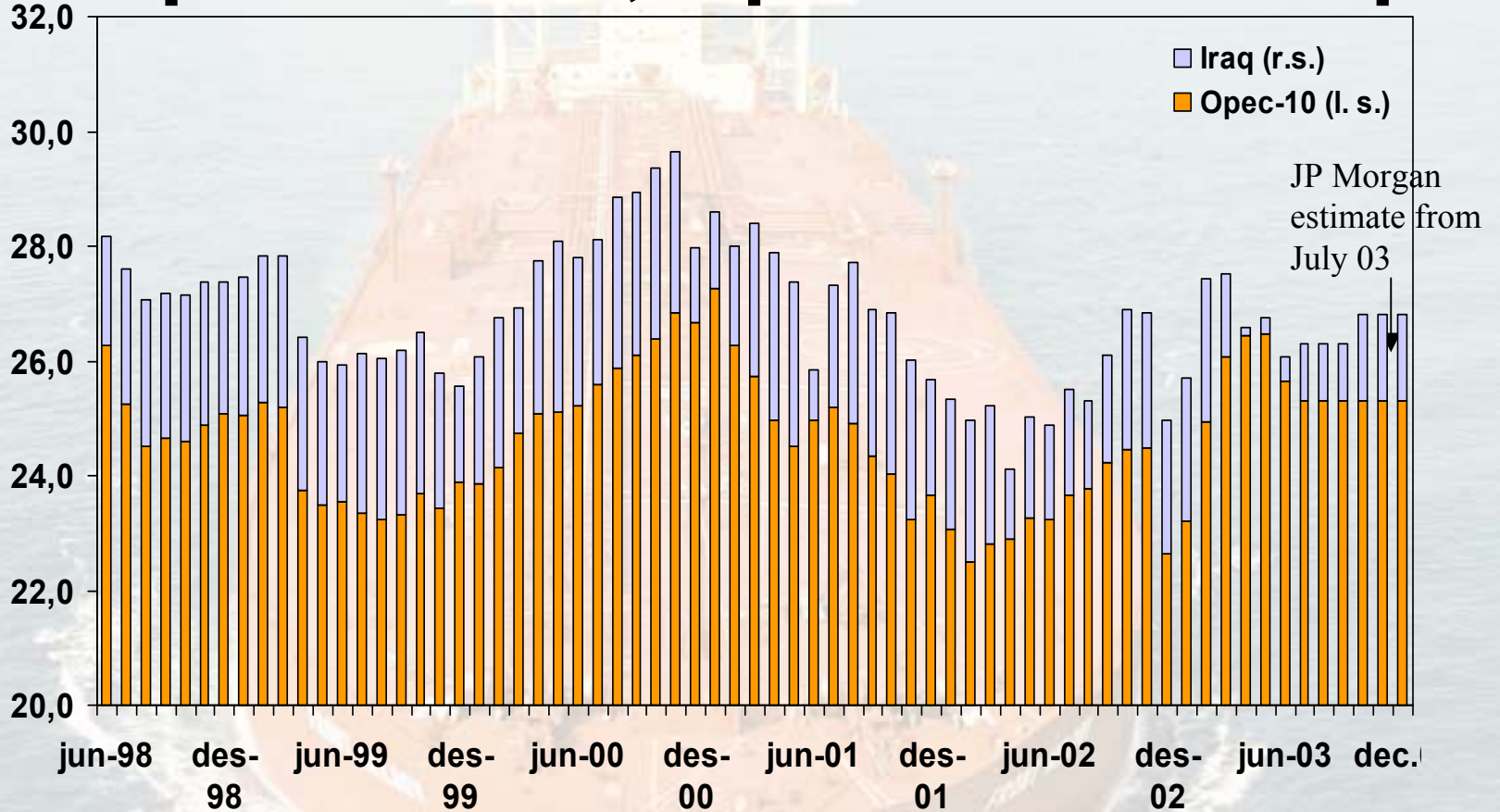
Estimated call on OPEC 2004

	Avg.03	Q104	Q204	Q304	Q404	Avg. 04
IEA	25,3	25,0	23,3	24,6	25,5	24,6
US DOE	26,3	27,4	25,2	25,9	26,7	26,4
*						
JP Morgan	26,3	26,0	24,9	26,5	27,9	26,3
Stockbuild	0,3	0,4	1,5	0,2	-0,9	0,3
Opec crude	26,6	26,4	26,5	26,8	27,0	26,6

JP Morgan estimates as of July 16, 2003. IEA and DOE as of July 2003.

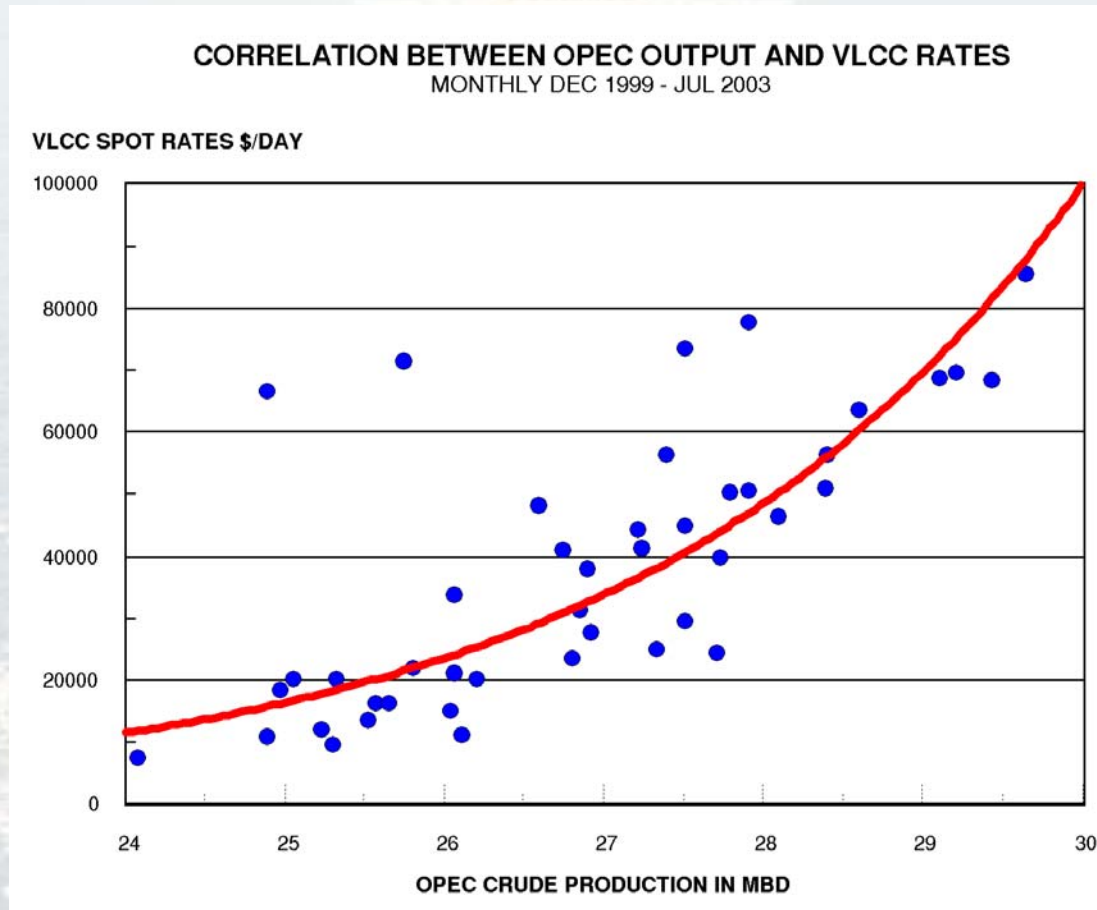
Oil production, Opec-10 and Iraq

mbbl

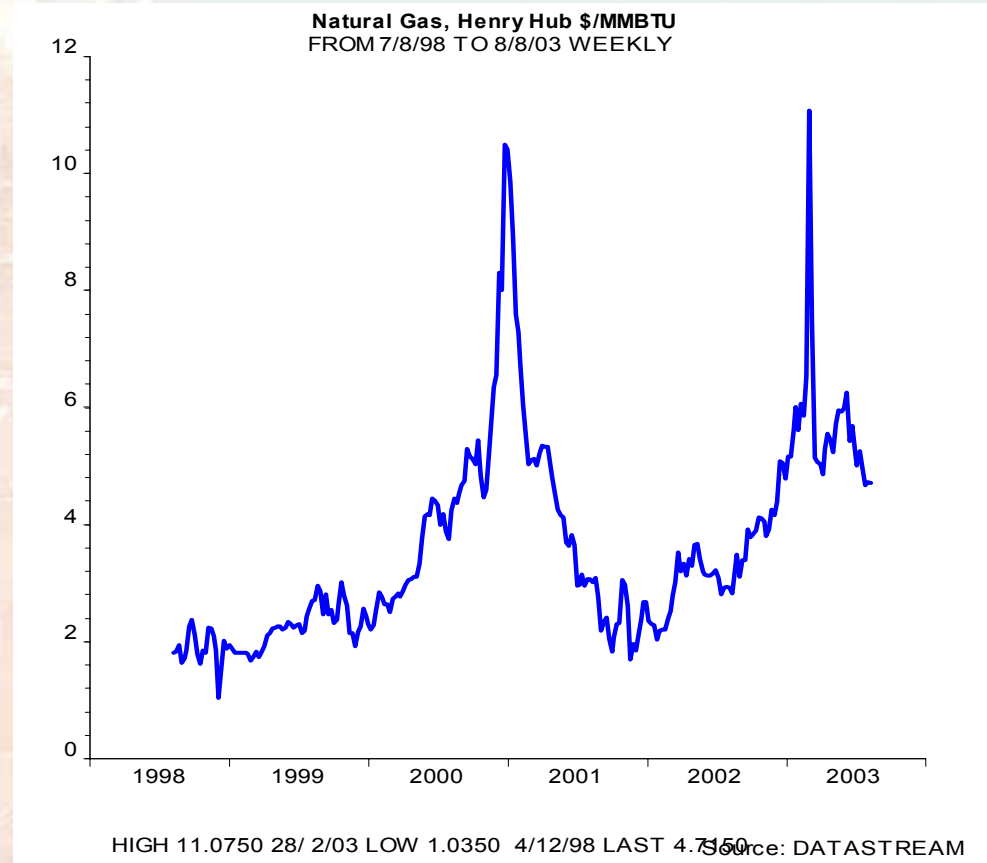
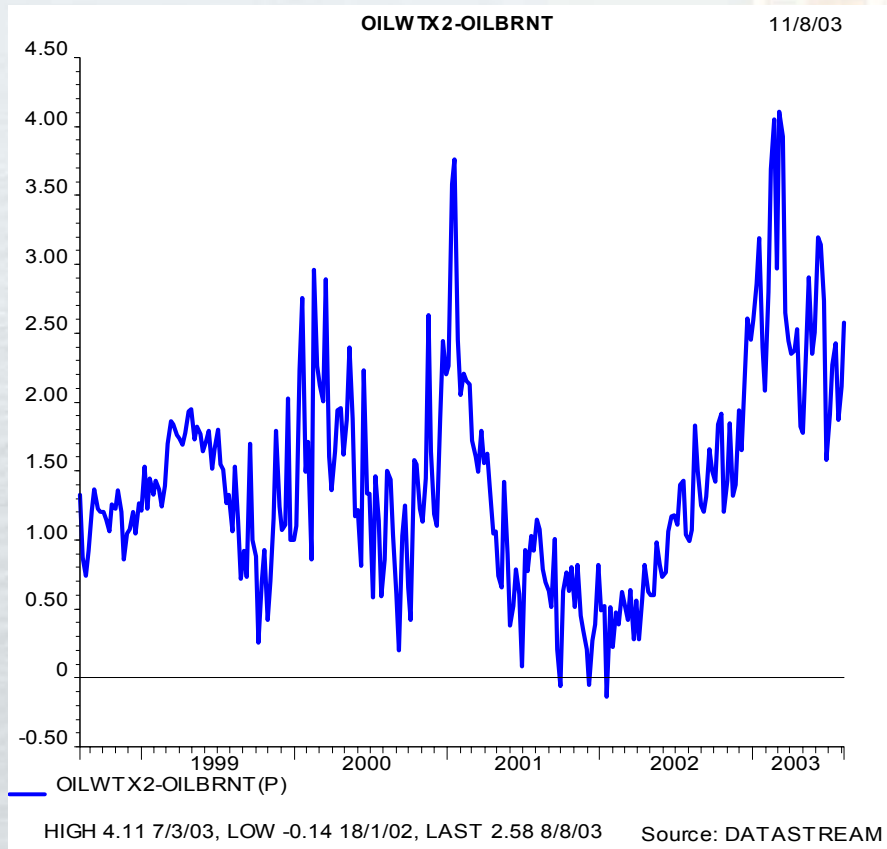


Source: P.F. Bassøe / IEA
 JPMorgan July/Aug. 2003

Correlation between Opec production and VLCC rates



WTI-Brent Blend / Natural Gas

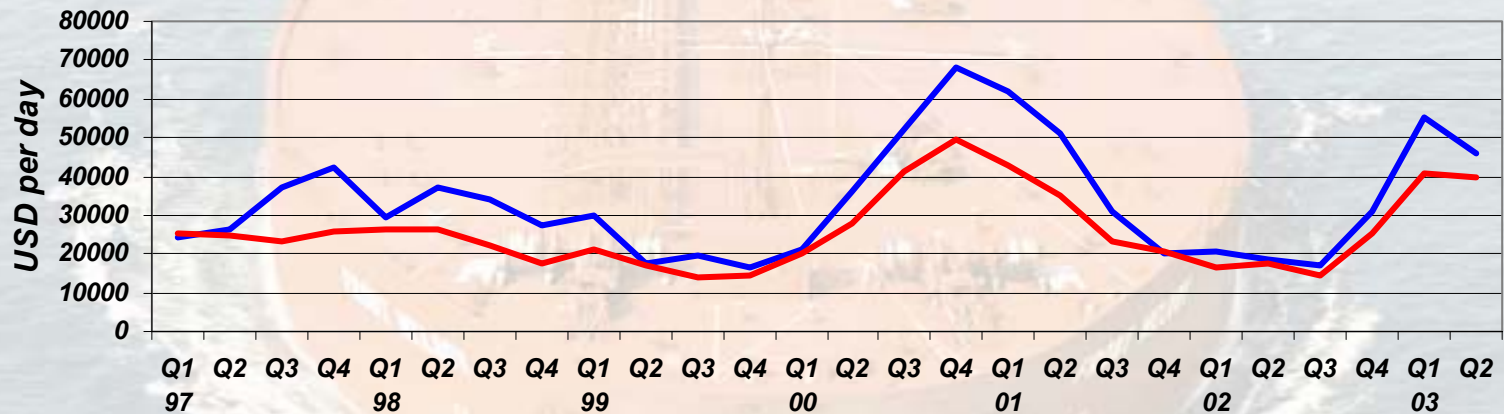


Profit & Loss

Q2 2002 (restated)	Q2 2003	USD million	6M 2003	6M 2002 (restated)	2002 (audited)
87,3	229,0	Net operating revenues	487,9	177,9	416,5
-	-4,3	Gain / loss on sale of vessels	-3,8	-	-1,2
41,0	50,7	Total expenses	104,3	78,5	182,7
46,3	174,0	Operating income before depreciation	379,8	99,3	232,6
33,7	35,6	Depreciation	70,9	66,5	136,9
12,7	138,5	Operating income after depreciation	308,9	32,8	95,7
-42,6	16,6	Financial items	25,9	-50,4	-88,5
-29,9	155,1	Income (loss) before taxes and minority interest	334,7	-17,5	7,1
0,0	0,0	Taxes	0,0	0,0	0,0
-	-	- Cumulative effect of change in accounting principle	-	-14,1	-14,1
-3,2	-	- Discontinued operations	-	-1,5	-1,9
-33,1	155,1	Net income (loss)	334,7	-33,2	-8,9
		EPS from continuing operations before cumulative effect of			
-0,39	2,04	change in accounting principle	4,39	-0,23	0,09
-0,43	2,04	EPS	4,39	-0,43	-0,12

Income on time charter basis

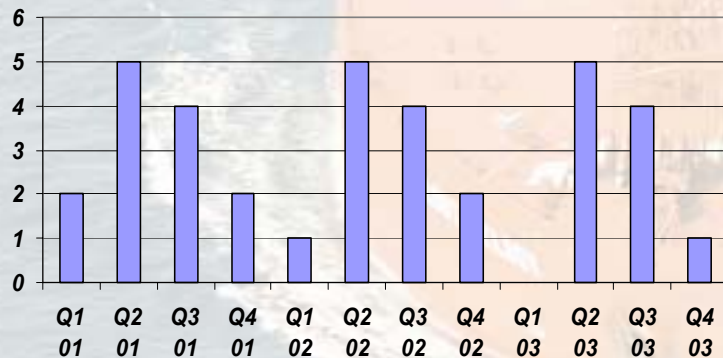
Q2 2002	Q2 2003		6M 2003	6M 2002	2002
18 500	46 000	VLCC, spot , T/C and B/B vessels	50 700	20 000	22 500
15 400	49 800	VLCC, spot	55 200	17 000	21 000
28 300	32 600	VLCC, T/C and B/B vessels	34 000	28 400	27 900
17 600	39 600	Suezmax	40 200	17 000	18 400
15 300	35 200	Suezmax OBO	38 700	16 600	17 700



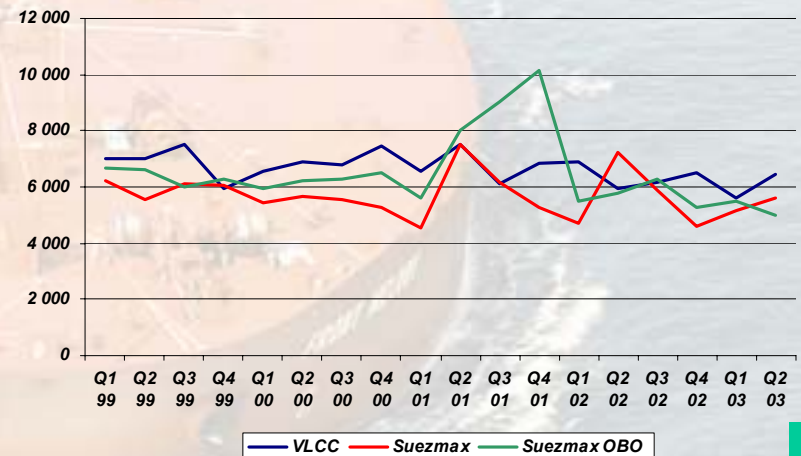
Ship operating expenses (USD/day)

	Q2 03	6M 2003	2002	2001	2000
VLCC	6 430	6 033	6 311	6 339	6 940
Suezmax	5 580	5 356	5 597	5 706	5 476
Suezmax OBO	4 991	5 231	5 711	8 996	6 246
Drybulk	2 751	2 757	4 053		

No. of vessels drydocked or expected to be



Ship operating expenses



Total expenses

Q2 02	Q2 03	USD million	6M 2003	6M 2002	2002	2001
28,6	28,9	Ship operating expenses	55,8	54,0	109,3	121,5
9,8	19,3	Charterhire expenses	42,9	19,5	60,6	41,9
2,6	2,5	Administrative expenses	5,7	5,0	12,8	13,2

Increased with 4 BP vessels from Q302

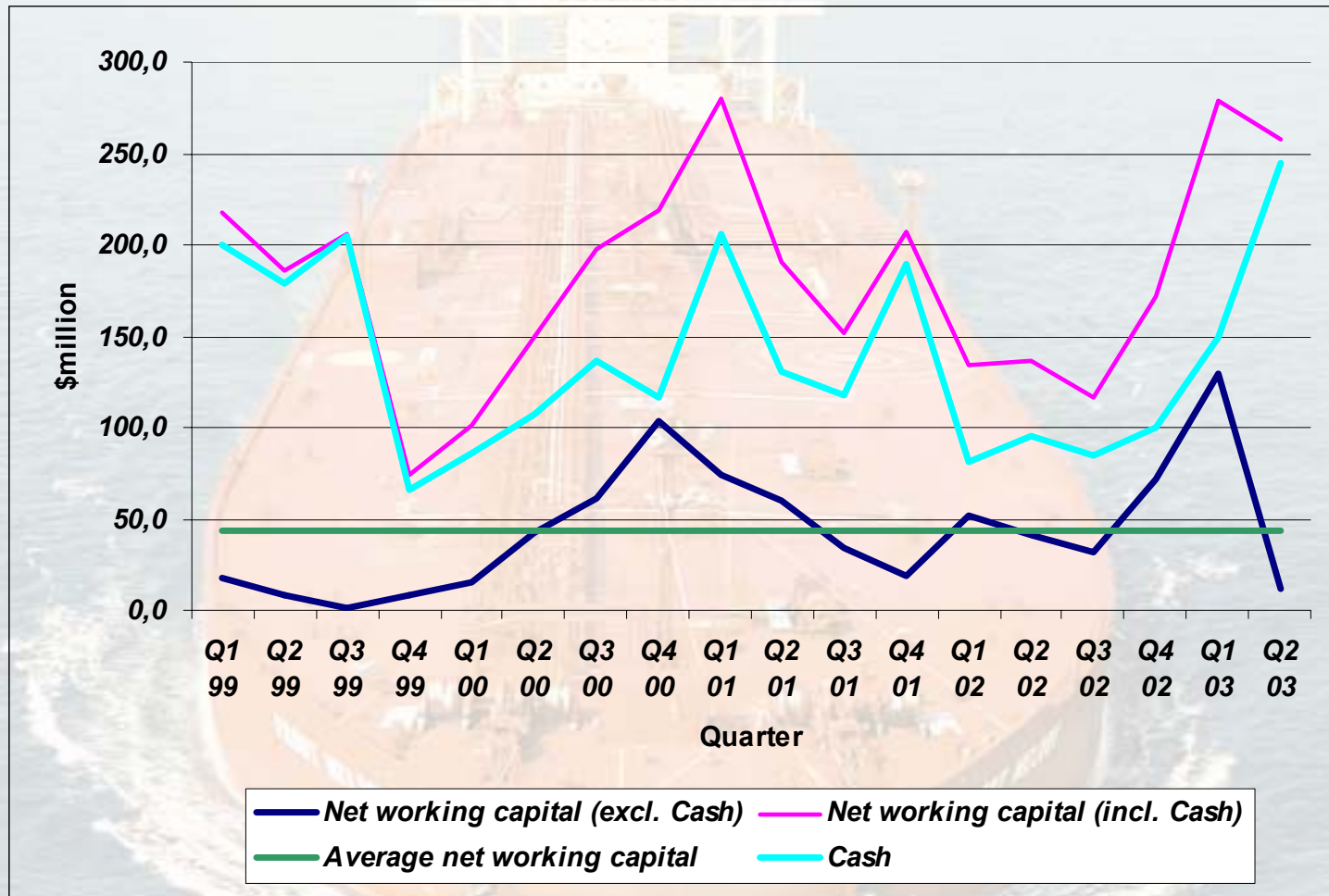
Financial items

Q2 02 (restated)	Q2 03 USD million	6M 03	6M 02 (restated)	2 002 (audited)
87,3	229,0 Net operating revenues	487,9	177,9	416,5
-	-4,3 Gain / loss on sale of vessels	-3,8	-	-1,2
41,0	50,7 Total expenses	104,3	78,5	182,7
46,3	174,0 Operating income before depreciation	379,8	99,3	232,6
33,7	35,6 Depreciation	70,9	66,5	136,9
12,7	138,5 Operating income after depreciation	308,9	32,8	95,7
-42,6	16,6 Financial items	25,9	-50,4	-88,5
-29,9	155,1 Income (loss) before taxes and minority interest	334,7	-17,5	7,1
0,0	0,0 Taxes	0,0	0,0	0,0
-	- Cumulative effect of change in accounting principle	-	-14,1	-14,1
-3,2	- Dicontinued operations	-	-1,5	-1,9
-33,1	155,1 Net income (loss)	334,7	-33,2	-8,9
2,9	3,3 Interest income	6,0	5,4	13,0
-18,5	-17,1 Interest expense	-35,6	-35,8	-71,3
-9,5	13,3 Share of results from associated companies	30,5	-8,5	-10,7
-6,1	18,0 Other financial items	24,8	-0,4	-8,6
-11,4	-0,9 Foreign currency exchange gain / loss	0,1	-11,1	-10,9

Balance sheet - Assets

USD million	Q2 2003	Q2 2002 (restated)	2002 (audited)									
Short term												
Cash and cash equivalents	245,0	95,1	100,3									
Other current assets	159,2	84,5	132,7	<table border="1"> <tr> <td>Trade rec./</td> <td></td> </tr> <tr> <td>Voyages in progress</td> <td>105.1</td> </tr> <tr> <td>Prepayment/inventory</td> <td>36.7</td> </tr> <tr> <td>Other</td> <td>17.3</td> </tr> </table>	Trade rec./		Voyages in progress	105.1	Prepayment/inventory	36.7	Other	17.3
Trade rec./												
Voyages in progress	105.1											
Prepayment/inventory	36.7											
Other	17.3											
Long term												
Newbuildings and vessel purchase options	35,3	80,6	27,4									
Vessels and equipment, net	2 623,7	2 553,1	2 638,1	<table border="1"> <tr> <td>Front Hawk</td> <td>26.9</td> </tr> <tr> <td>Oscilla</td> <td>8.4</td> </tr> </table>	Front Hawk	26.9	Oscilla	8.4				
Front Hawk	26.9											
Oscilla	8.4											
Investment in associated companies	131,3	112,8	119,3									
Deferred charges and other long-term assets	16,5	16,1	16,9									
Total assets	3 211,0	2 942,2	3 034,7									

Net working capital development



Associated companies

As at 30.06.03 (figures in USD million)

	Debt outstanding	Our share	Guarantee liability	Our share of cash and net working capital
•Front Tobago (40%) partners OSG and Euronav	8,2	3,3	2,4	2,7
•Ariake (33%), partners OSG and Euronav	41,5	13,8	3,2	2,0
•Sakura (33%), partners OSG and Euronav	41,5	13,8	3,2	2,1
•Ichiban (33%), partners OSG and Euronav	39,3	13,1	4,4	1,8
•Tanabe (33%), partners OSG and Euronav	42,9	14,3	4,8	1,5
•Hakata (33%), partners OSG and Euronav	43,9	14,6	4,9	2,0
•Edinburgh (50,1%), partner OSG	19,8	9,9	3,0	2,3
•Dundee (50,1%), partner OSG	19,8	9,9	3,0	2,4
•Golden Fountain (50%) partner Euronav	27,7	13,9	27,7	4,8
•Pacific Lagoon (50%) partner Euronav	51,8	25,9	51,8	4,8
Total =	336,4	132,6	108,2	26,3

<i>Yen denominated debt</i>	61,6
<i>Our share</i>	30,8
<i>Avg. income on time charter basis in Q2 2003 (in USD)</i>	51 385

Balance sheet - Liabilities

USD million	Q2 2003	Q2 2002 (restated)	2002 (audited)	
Short term				
Short term interest bearing debt	156,8	230,0	167,8	Corp loans / cr. lines 4.1
Other current liabilities	163,9	66,0	92,0	Ship mort loans core FL 146.3
				GOGL 6.4
Long term				
Long term interest bearing debt	1 161,7	1 201,9	1 277,7	Corporate loans 8.2
Other long term liabilities	376,4	244,6	270,3	Ship mort loans core FL 1,096.2
Minority interest	-	0,2	-	GOGL 57.3
Stockholder's equity	1 352,2	1 199,5	1 227,0	FL capital lease 342.9
				Deferred gain on sale to KG's 13.9
Total liabilities and stockholders' equity	3 211,0	2 942,2	3 034,7	Other 19.6

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

Yen denominated debt/capital leases	30.06.2003	31.03.2003
Consolidated	156 616	106 835
Associated companies, our share	30 784	58 342
Total	187 400	165 177
Floating debt	30.06.2003	31.03.2003
Consolidated	1 118 395	1 179 112
Associated companies, our share	132 552	171 877
Total	1 250 947	1 350 989
Total debt/capital leases	30.06.2003	31.03.2003
Consolidated	1 678 204	1 651 647
Associated companies, our share	132 552	171 877
Total	1 810 757	1 823 524

Off balance sheet vessels (charter hire vessels)

- Front Century
- Front Champion
- Front Warrior
- Golden Victory
- 4 BP vessels

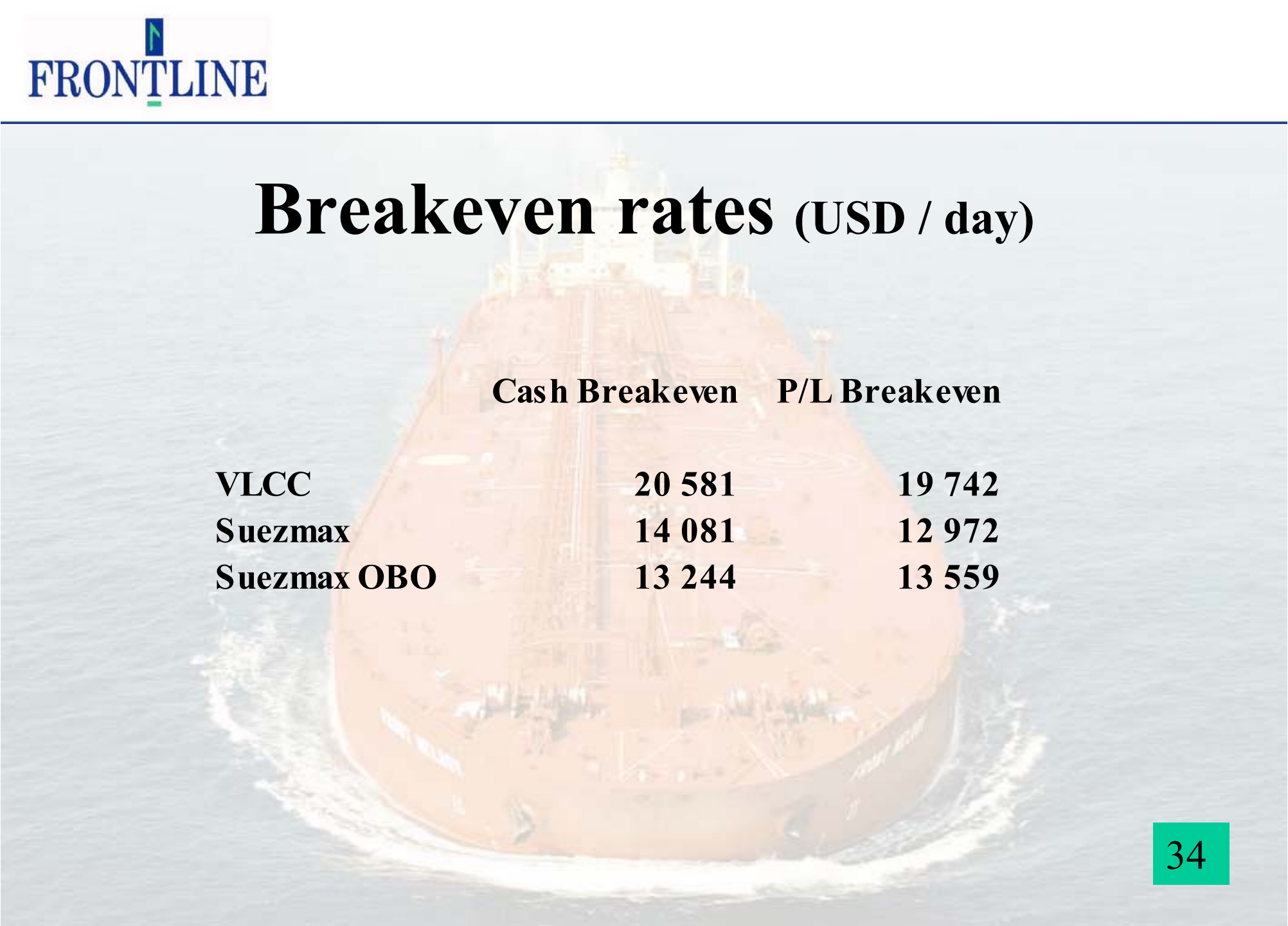
Remaining N/B commitments

	Q3 03
Gross cap. ex	52
Bank loan	47
Equity financing	5

Statement of Cashflows

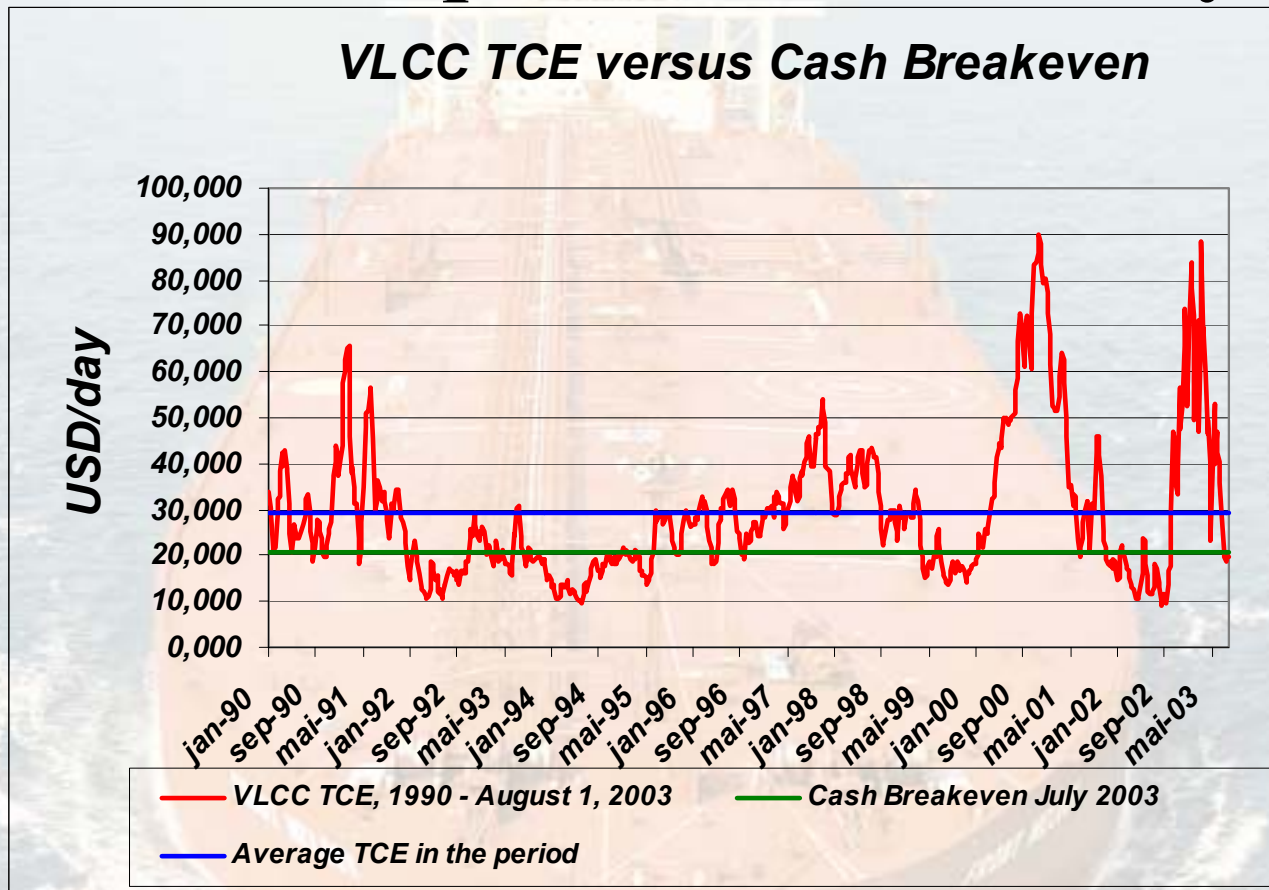
2002	2003	STATEMENT OF CASHFLOWS	2003	2002	2002
Apr-Jun	Apr-Jun	(in thousands of \$)	Jan-Jun	Jan-Jun	Jan-Dec
					(audited)
		OPERATING ACTIVITIES			
-33,086	155,067	Net income (loss)	334,746	-33,198	-8,899
		Adjustments to reconcile net income to net cash provided by operating activities			
35,667	35,509	Depreciation and amortisation	72,146	69,753	142,154
14,044	188	Unrealised foreign currency exchange (gain) loss	-1,07	12,359	14,176
2,269	4,271	Gain or loss on sale of assets	3,778	2,269	4,337
9,451	-13,287	Results from associated companies	-30,452	8,464	10,711
6,617	-16,25	Adjustment of financial derivatives to market value	-22,41	1,501	7,495
-	-	Change in accounting principle	-	14,142	14,142
-	-3,983	Other, net	-4,963	-	1,968
6,863	53,682	Change in operating assets and liabilities	345	-4,249	-44,059
41,825	215,197	Net cash provided by operating activities	352,12	71,041	142,025
		INVESTING ACTIVITIES			
-18,395	-157,899	Additions to newbuildings, vessels and equipment	-172,213	-136,937	-376,844
-5,66	226	Advances to associated companies, net	495	-11,202	-20,01
-447	-	Purchase of minority interest	-	-6,099	-6,822
31,941	111,942	Proceeds from sale of assets	115,885	42,441	177,902
7,439	-45,731	Net cash provided by (used in) investing activities	-55,833	-111,797	-225,774
		FINANCING ACTIVITIES			
49,576	52,149	Proceeds from long-term debt, net of fees paid	51,073	172,755	380,294
-78,505	-116,038	Repayments of long-term debt	-178,141	-144,658	-341,959
-2,95	-1,853	Repayment of capital leases	-5,009	-62,576	-92,838
-	91,977	Additions to capital leases	91,977	-	68,167
-3,822	-76,037	Dividends paid	-87,508	-19,116	-19,117
-	-24,045	Issue of shares, net	-23,993	223	223
-35,701	-73,847	Net cash used in financing activities	-151,601	-53,372	-5,23
13,563	95,619	Net increase (decrease) in cash and cash equivalents	144,686	-94,128	-88,979
95,149	244,984	Cash and cash equivalents at end of period	244,984	95,149	100,298

Breakeven rates (USD / day)

A large orange oil tanker ship is shown from a high-angle perspective, moving through the water and leaving a white wake. The ship's deck and superstructure are visible, and the water is a light blue-grey color.

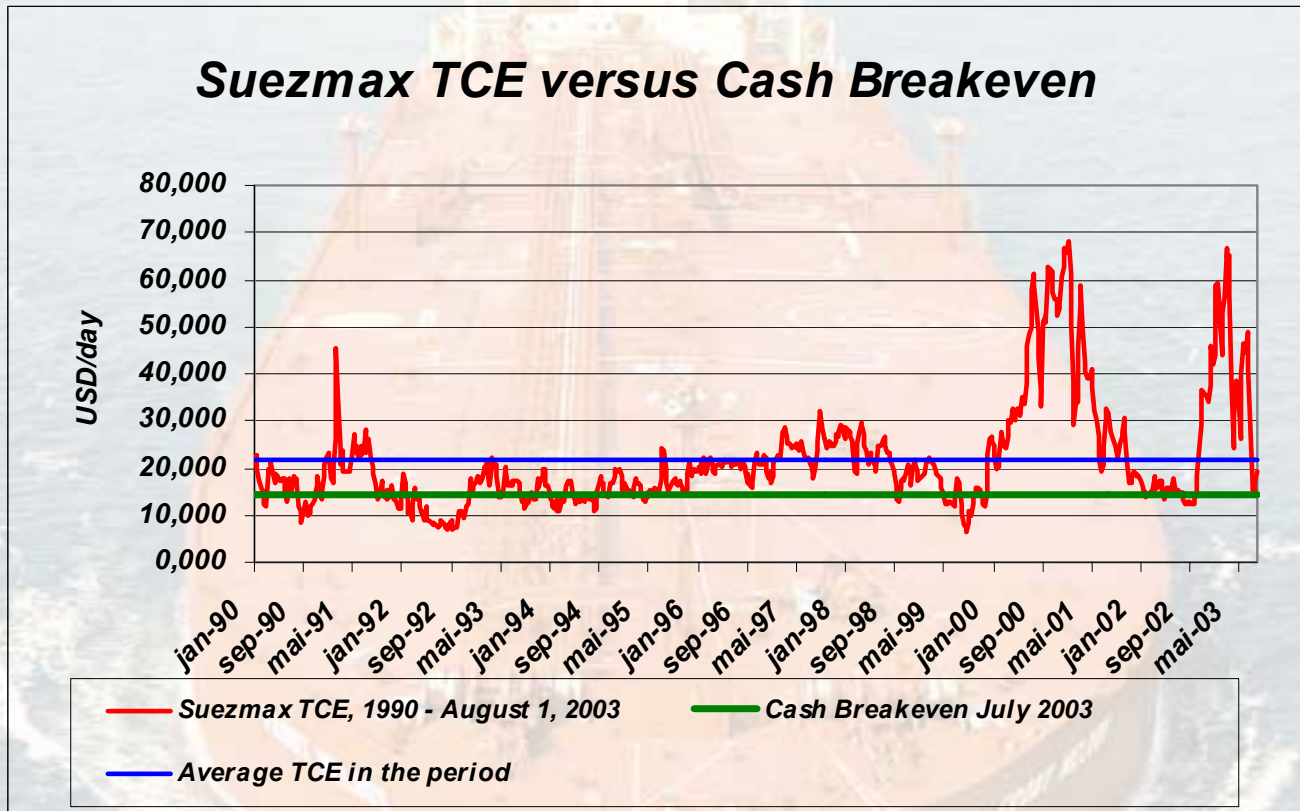
	Cash Breakeven	P/L Breakeven
VLCC	20 581	19 742
Suezmax	14 081	12 972
Suezmax OBO	13 244	13 559

Breakeven requirements are very low



Average TCE VLCC's in the period 1990 – August 1, 2003 is USD 29,400 per day, as compared to P&L B/E July 2003 of USD 19,700 per day and cash B/E of USD 20,600 per day.

Breakeven requirements are very low



Average TCE Suezmax in the period 1990 – August 1, 2003 is USD 21,700 per day, as compared to P&L B/E July 2003 of USD 13,000 per day and cash B/E of USD 14,100 per day.

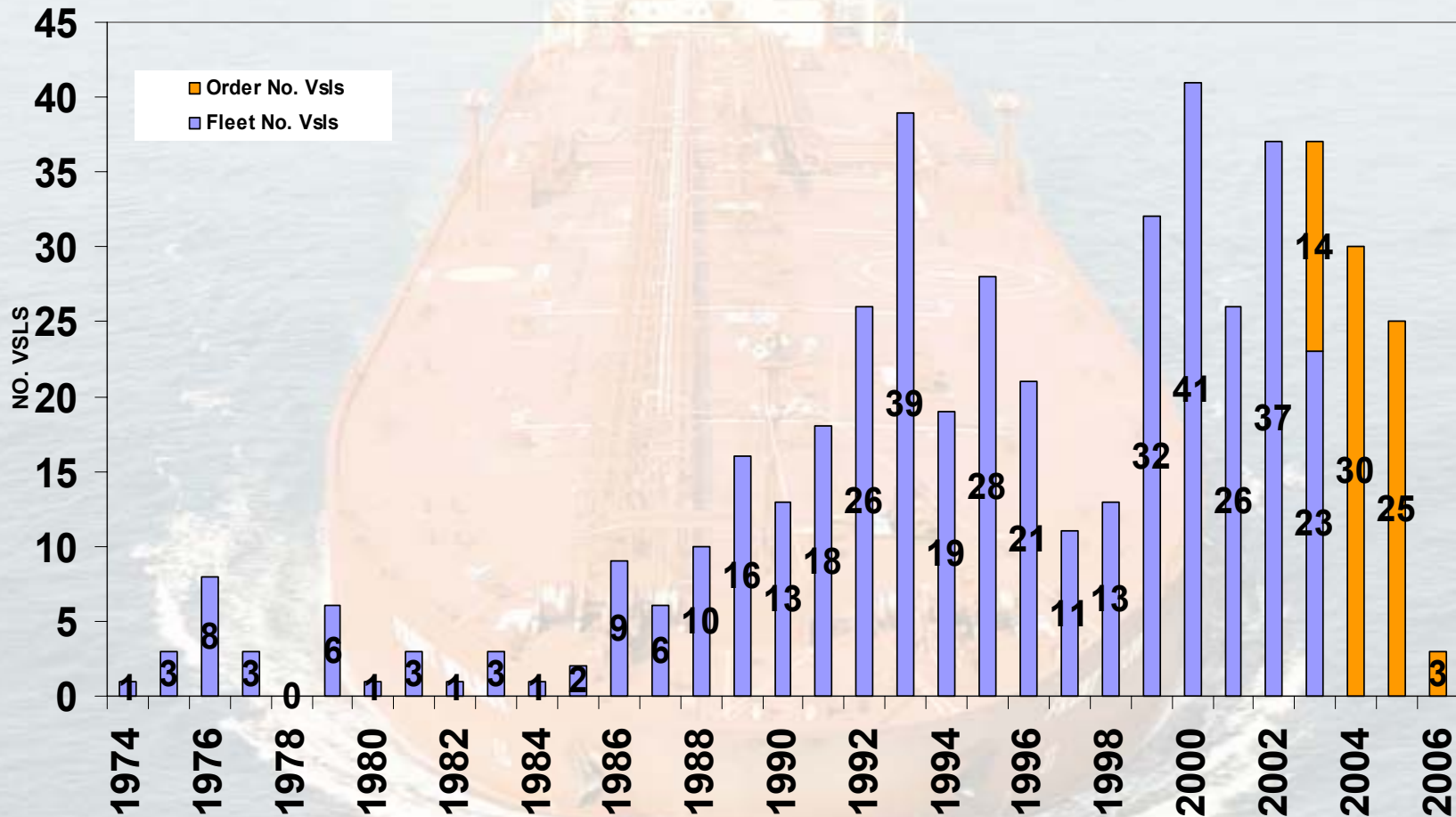
Appendixes

Income on time charter basis

Q2 2002	Q2 2003	USD'000s	6M2003	6M2002	2 002	2 001
26 525	110 373	VLCC, spot	247 756	54 421	159 679	243 886
15 462	20 743	VLCC, T/C and B/B vessels	41 639	32 585	57 889	-
31 509	74 304	Suezmax	151 212	62 484	137 974	220 787
11 145	25 514	Suezmax OBO	55 819	23 669	51 029	79 435
Q2 2002	Q2 2003	Trading days minus off hire	6M2003	6M2002	2 002	2 001
1 718	2 215	VLCC, spot	4 486	3 195	7 586	5 973
546	637	VLCC, T/C and B/B vessels	1 224	1 148	2 078	-
1 793	1 877	Suezmax	3 760	3 674	7 480	7 195
727	725	Suezmax OBO	1 441	1 423	2 875	2 746

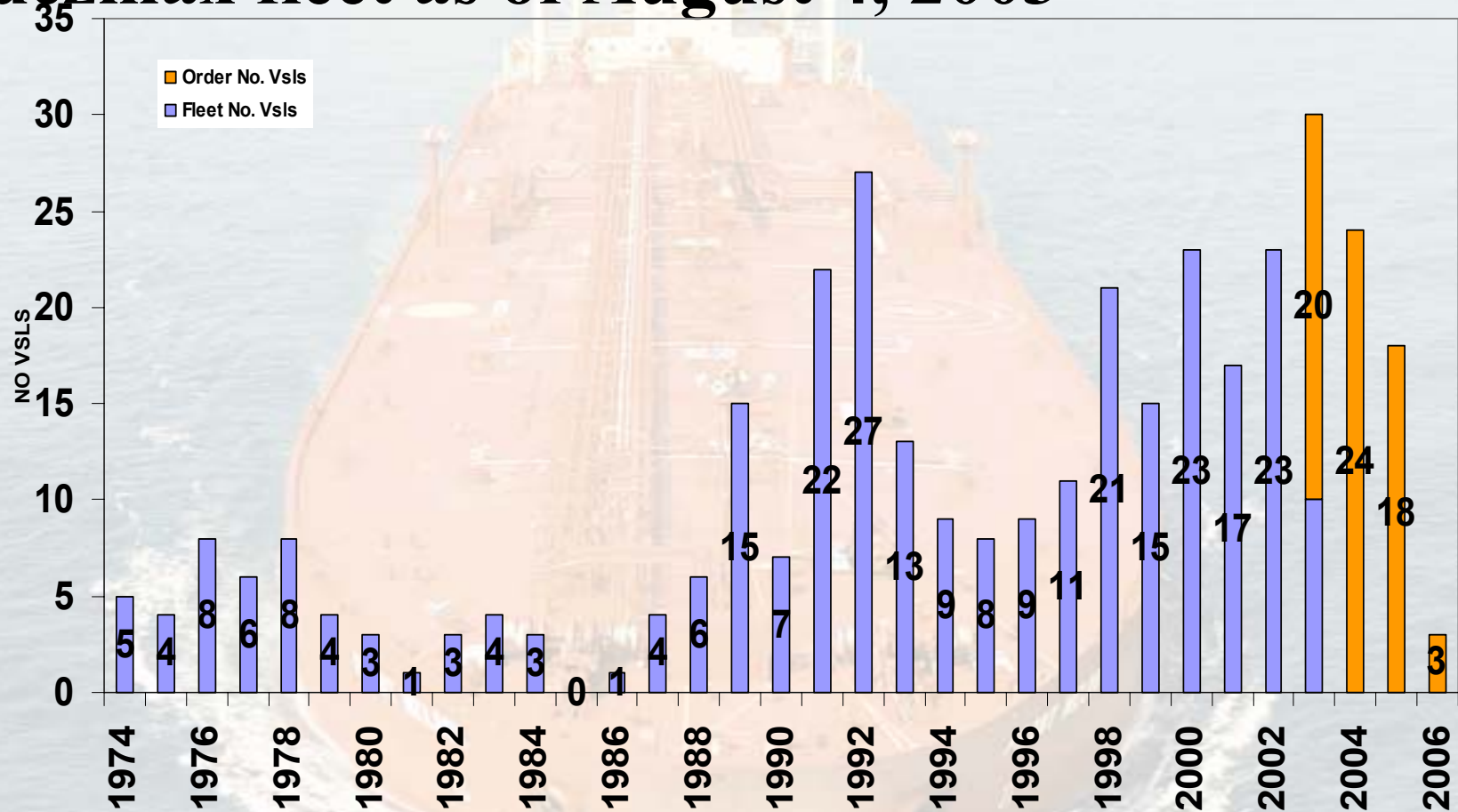
Newbuildings versus scrapping candidates

VL/ULCC fleet as of August 4, 2003



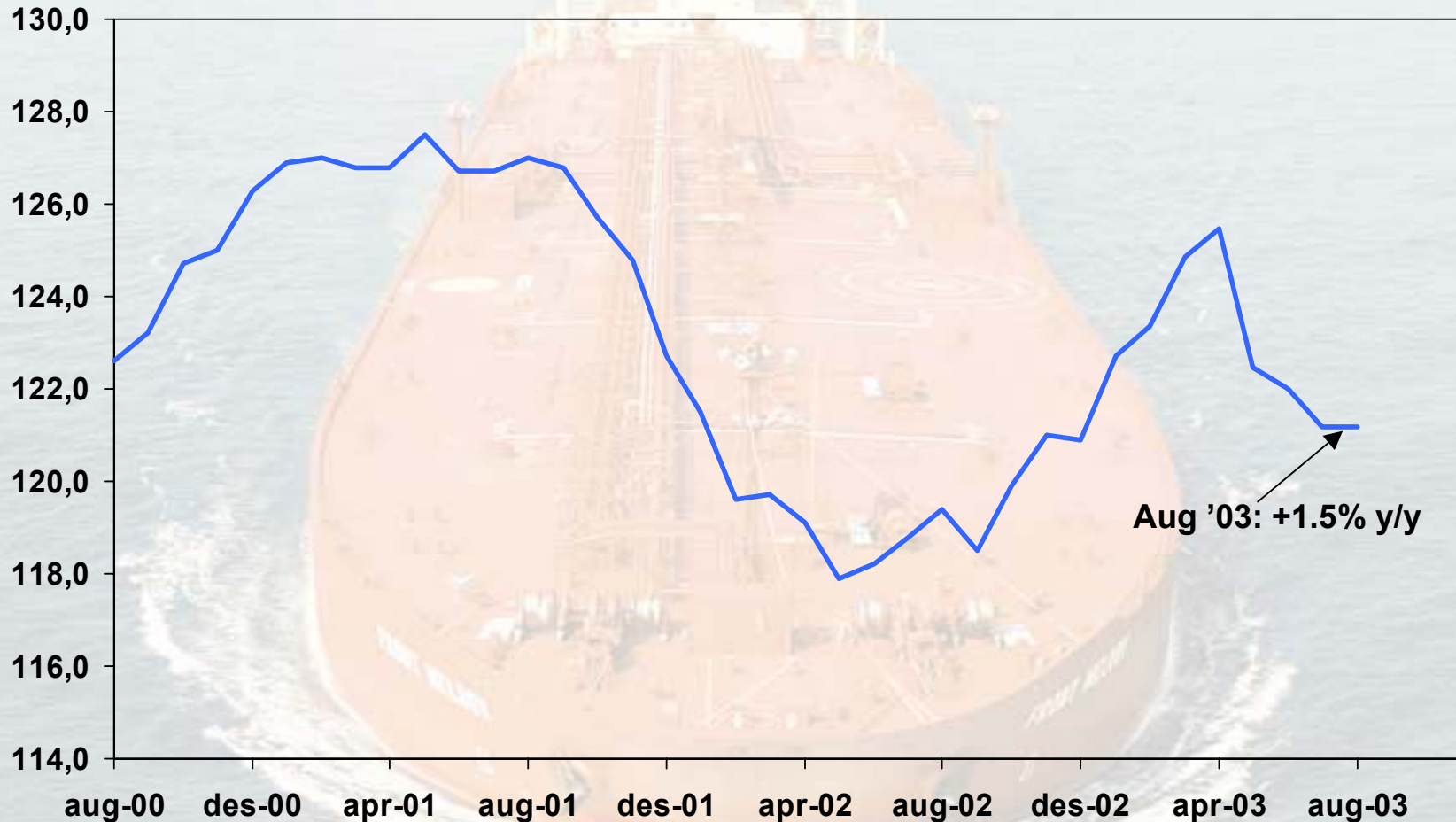
Newbuildings versus scrapping candidates

Suezmax fleet as of August 4, 2003



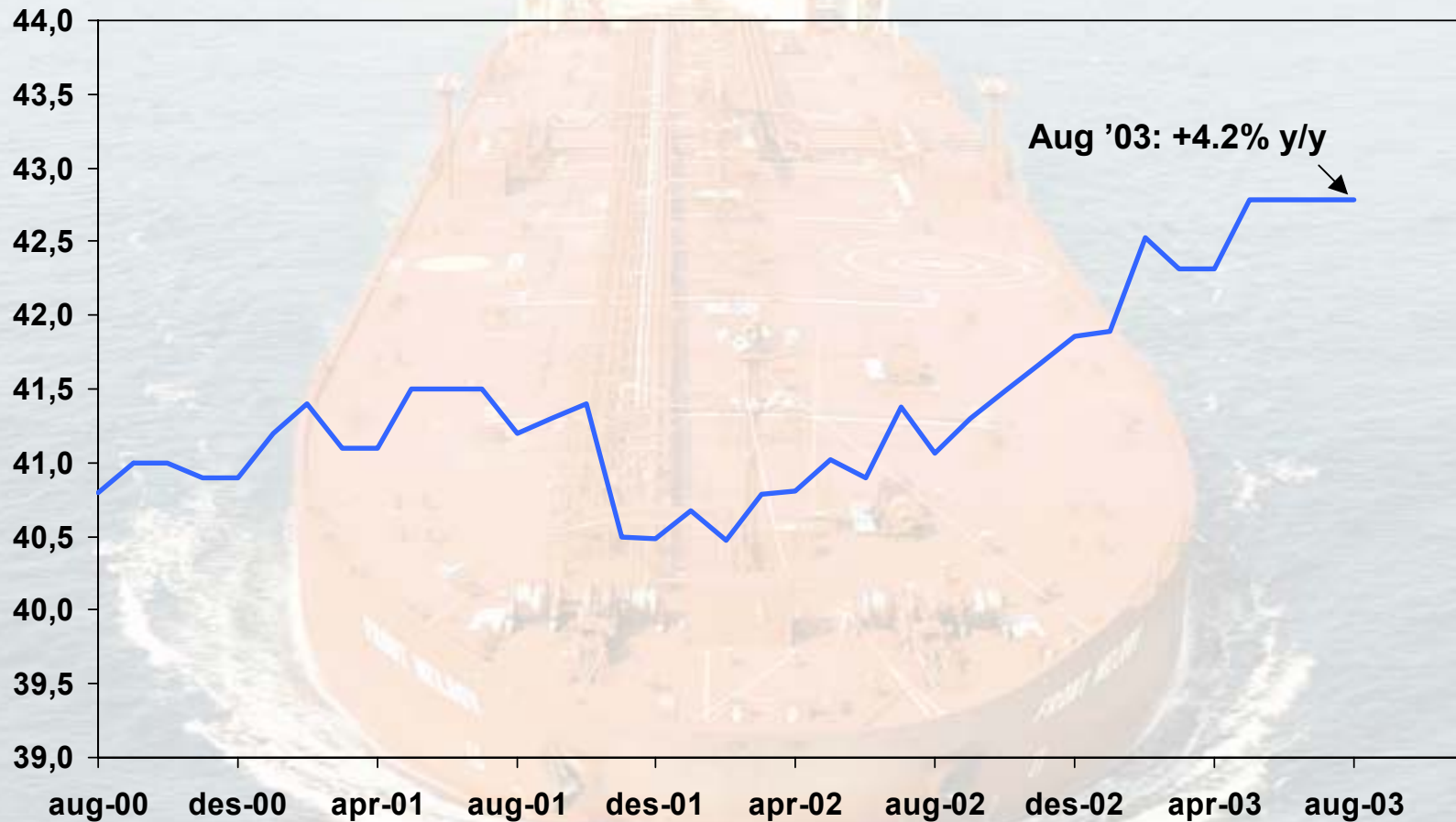
VLCC/ULCC fleet development

Mill. dwt



Suezmax fleet development

Mill. dwt



Source: P.F. Bassøe