FRONTLINE ANNOUNCES THIRD QUARTER RESULTS
The Board of Directors of Frontline Ltd. have today reviewed and approved the Company's results for the third quarter of 1998.

Frontline has in the third quarter recorded the highest quarterly operating profit before depreciation ever achieved by the Company. The result is positively influenced by the increase of the fleet with an additional three units. Compared to the second quarter the third quarter showed a decrease in the daily TCE rates achieved. The competitive cost profile of the Company has been further improved, while the financing cost has increased as a function of increased borrowing related to the new vessels.

THIRD QUARTER AND NINE MONTH RESULTS
Frontline reports net income of $8.3 million for the third quarter of 1998, compared with $6.2 million for the third quarter of 1997. Earnings per share for the quarter were $0.18, (1997 - $0.18). The weighted average number of shares outstanding for the quarter and at September 30, 1998 was 46,106,860 (as at September 30, 1997 44,612,537 and for the quarter then ended – 34,822,037)

Earnings before interest, tax, depreciation, and amortisation for the quarter, including earnings from associated companies were $36.7 million, compared with $30.6 million for the comparable period. This increase reflects the increased size of the fleet, which helped to offset reductions in the TCEs earned across the fleet. The average daily TCEs earned by the VLCCs, Suezmax tankers, and OBO carriers were $34,200, $22,200 and $18,600, respectively, compared with $37,300, $23,300 and $27,000 in the third quarter of 1997. No vessels were drydocked in either period.

Average daily operating costs have continued to decrease across the fleet in the third quarter as further benefits of the cost reduction program are realised. Depreciation has decreased, both for the quarter and nine-month period, due to the change in the depreciation schedule for the fleet from 20 to 25 years.

Net other expenses for the quarter were $13.9 million (1997 - $9.3 million) which reflects the increased net debt primarily associated with the fleet expansion.

Net income for the nine months ended September 30, 1998 increased to $32.2 million from $8.2 million in the first nine months of 1997. Earnings per share for the period were $0.70, (1997 - $0.25) and the weighted average number of shares outstanding was 46,106,688 (1997 – 33,048,649).

For the first nine months of 1998, earnings before interest, tax, depreciation and amortisation, including earnings from associated companies were $104.3 million, compared with $79.2 million for the comparable period. The increase in earnings is attributable to the expanded fleet and improved trading results in the VLCC and Suezmax sectors. The average daily TCEs earned by the VLCCs, Suezmax tankers, and OBO carriers were $33,600, $24,300 and $23,200 compared with $29,300, $23,300 and $25,800. In addition, administrative expenses were reduced, the first nine months of 1997 were adversely affected by a non-recurring charge of $3.5 million incurred in connection with the change of domicile.

If the majority holding position in ICB had been consolidated into Frontline's accounts on an equity accounting basis, it would have increased EBITDA to approximately $134 million.

Net other expenses for the nine months were $34.3 million (1997 - $27.5 million). This increase reflects the increased level of debt as discussed above, offset by the ICB dividend received in the second quarter of 1998.

THE MARKET

The spot market for VLCC tonnage showed a healthy development in July, with TCE peak rates close to US$ 50,000 per day. In August the trend reversed and rates for modern tonnage went as low as approximately US$ 20,000 per day. An oversupply of available ships in the Arabian Gulf as well as the negative effects of the OPEC production cut caused this development. A total of 10 VLCCs were delivered in the first three quarters of 1998, while 7 have been sold for scrap.

The Suezmax market showed a weak trend during the quarter, with the exception of a short period in September when rates improved somewhat. A total of 17 Suezmaxes were delivered in the first three quarters of 1998, while 7 Suezmaxes have been scrapped in the same period.

Newbuilding prices and second hand prices continued to show a weak trend in the third quarter. There are however signs that the price levels have flattened out.

CORPORATE AND OTHER MATTERS

In July 1998, two Suezmax newbuildings (Front Hunter and Front Warrior) and the first of the five VLCC C-class newbuildings (Front Century) were delivered. The next two VLCC C-class newbuildings are scheduled for delivery in January 1999. As previously announced, Frontline entered into a chartering joint venture with BP whereby the Company will allocate three of the Company's VLCCs to BP for the next two years. The three ships will earn a market-related rate with an additional shared premium for effective trading.

In the fourth quarter Frontline has entered into a transaction with a German KG structure under which it has agreed to sell Front Century to the German KG for US$ 80.0 million. The deal is done subject to buyer's inspection which will be lifted no later than December 4, 1998. Frontline will take the ship back on charter in an 8 + 2 year deal. The deal also includes the option for Frontline to buy back the vessel in the period. The cash released from the sale of Front Century will be used to strengthen the Company's working capital.

The Company has finalised the financing arrangements for the two VLCCs, which will be delivered in January 1999. As a function of the newbuilding instalments already paid and the leverage in the new financing, the Company's liquidity position will increase further after delivery of the two VLCCs.

Frontline has received proposals for the major part of the financing of the two remaining VLCCs scheduled to be delivered in March and June, 1999. The Board is currently evaluating these proposals as well as alternative lease financing structures.

In the Summer of 1998, ICB Shipping AB and Frontline signed a conditional agreement, which if it had been effective would have terminated the locked situation in ICB Shipping. The agreement, which was subject to approval by the Boards of both companies, was based on a ship for share exchange and would have strengthened Frontline’s operating activities significantly. ICB’s Board could ultimately not approve the transaction. The deal was therefore never executed. After termination of this deal, Frontline approached the Board of ICB with the purpose of giving a renewed bid for the remaining outstanding shares in ICB Shipping. Due to a negative response received from the Board of ICB, Frontline found no reason to further pursue this route. No further constructive dialogue between the parties has taken place. The Board feels that a solution to the situation with ICB seems unlikely at this stage. They however observe that recent comments made by representatives from ICB support the idea of consolidation of the tanker market. As our shareholders will know, this was Frontline’s main idea behind our investment in ICB.

In order to prepare for a long period until Frontline ultimately gets direct control over ICB Shipping, the Board has focused on reducing the debt attached to the ICB investment. It is planned that the total debt attached to the investment will be reduced to approximately US$ 45 million within the first half of 1999. In ICB’s shareholder meeting arranged today November 30 the special investigator appointed by ICB’s shareholder meeting November 25, 1997, gave a preliminary oral report of his investigation. The preliminary report indicates that the board of ICB may have acted in a way that could include serious breach of Swedish corporate law, such action to include potential misuse of corporate funds. Frontline will await the final report from the special investigator before any decision to pursue this matter against the individual board members is taken.

Frontline is currently in discussions with some of the Company’s leading syndicate banks with the purpose of making modest rearrangements to part of the Company’s debt program. The main purpose is to make the Company less vulnerable to a potential downturn in the market. For 1999, Frontline needs to earn daily TCEs of approximately US$ 27,000, US$ 17,000, and US$ 19,000 on the VLCC, Suezmax and OBOs respectively, in order to serve interest, principal repayment and operating cost under the existing financing. These numbers include the four new VLCCs, which will be delivered during 1999. The low breakeven level, combined with a healthy cash position and the modern fleet, should create a solid basis for meeting a weaker market. A part of the discussion with the banks is linked to the possibility of converting a US$ 90 million loan given by Hemen Holding into a subordinated loan arrangement. The leading syndicate banks have, based on the proposed plan put forward by Frontline, expressed a favourable attitude.

In the second quarter, Frontline acquired the Cambridge Tanker assets for US$ 9.5 million. The assets were organised in the non-recourse subsidiary, Independent Tankers Corporation. In view of the changes in the market, it has come to the Boards attention that a lot of our shareholders have had problems assessing the risk in this transaction. The consolidation of Independent

Tankers into Frontline's balance sheet has accounting wise weakened Frontline's balance sheet ratios and could ultimately lead to a lower credit rating for our Company. In order to avoid this situation Frontline has decided to sell Independent Tankers to Hemen Holding Limited with effect from July 1, 1998. The sale price is equal to what Frontline paid for Independent Tankers in the second quarter. Frontline will remain manager for the Independent Tankers assets against management compensation, and will also be given a 5-year call option to buy back the assets. As a result of this transaction, Independent Tankers is no longer consolidated in Frontline's accounts.

The material reduction in the liquidity in the third quarter is a function of the following three factors. The loan arranged for one of the Suezmax newbuildings was drawn prior to June 30, while the ship was delivered and thereby paid for in the third quarter. In addition, the Company paid pre-delivery instalments on the two remaining Suezmax newbuildings as well as delivery instalments on the three ships delivered in the quarter. The ICB loan was also reduced with a US$ 10 million tranche in the third quarter. Based on the action plan being implemented it is expected that the liquidity will be substantially strengthened in the next two quarters.

At the Annual General Meeting of the Company, held on October 19, 1998 in Hamilton, Bermuda, the shareholders approved a share consolidation of ten shares of $0.25 par value each to one share of $2.50 par value each. The consolidation was effective October 26, 1998. Following the consolidation the Company now has 46,106,860 shares of par value $2.50 each outstanding. Earnings per share have been restated for all periods presented accordingly.

The Board is concerned about the pricing of the Company's equity, and the effect such pricing ultimately may have on the ability to expand the Company further. Book value per share as of September 30, 1998 was US$ 10.53 per share, while the market value today is approximately US$ 1.65. Independent valuations show that the underlying value of the Company is substantially higher than the market price. In such a scenario it becomes unattractive to the Board to issue new equity. This situation can, if it continues over time, limit the Company's growth opportunities.

OUTLOOK

In the fourth quarter, Frontline has taken steps in order to prepare the Company for a potential downturn in the market. The current steps are focused on increasing the Company's liquidity position in order to strengthen the Company's resistance to a negative market scenario.

The current size of the orderbook in the VLCC and Suezmax market, with approximately 90 and 40 units, respectively, to be delivered during the next three years, would most likely lead to a weaker market. The size of the downturn will be decided by to what extent owners decide to scrap old tonnage, and to what extent growth in oil consumption comes back. The fact that 8 old VLCCs have been scrapped in the fourth quarter, and that some of the major oil companies have decided not to accept ships to trade in HBL conditions, gives some room for optimism.

The Suezmax market is expected to show healthier development than the VLCC market. During the next thirteen months, 93 Suezmaxes or approximately 33% of the total fleet will become untradeable to US due to non-compliance with OPA rules. Only 12 Suezmaxes meant for world wide trading will be delivered next year. This situation can create an interesting window for owners of Suezmax tonnage. Frontline has through their ownership of 17 modern Suezmaxes and through their operation of the world leading Suezmax operator, Alliance Chartering, a unique position in this market.

Due to weaker development in the markets in the fourth quarter it is anticipated that Frontline's full year's net income numbers will be in line with the net result after three quarters.

November 30, 1998
The Board of Directors
Frontline Ltd.
Hamilton, Bermuda

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http://www.huginonline.no/FRO
http://www.frontline.bm/

Frontline Group Interim Report Third Quarter (unaudited)

1997 July-Sept	1998 July-Sept	Income Statement (US$ 1000)	1998 Jan-Sept	1997 Jan-Sept	1997 Jan-Dec
62,698	70,415	Freight revenues	208,553	179,364	259,695
-12,371	-16,796	Voyage expenses	-49,797	-42,837	-62,498
50,327	**53,619**	**Net operating revenues**	**158,756**	**136,527**	**197,197**
0	0	Gain from sale of vessels	222	0	0
-11,460	-12,577	Ship operating expenses	-40,679	-32,573	-48,076
-6,946	-3,562	Charterhire expenses	-10,730	-18,956	-25,734
-2,472	-1,360	Administrative expenses	-5,683	-9,271	-11,190
29,449	**36,120**	**Operating profit before depreciation**	**101,886**	**75,727**	**112,197**
-15,128	-14,406	Depreciation	-37,710	-43,451	-56,721
14,321	**21,714**	**Operating profit after depreciation**	**64,176**	**32,276**	**55,476**
1,073	329	Interest income	7,239	2,910	3,126
0	0	Finance lease interest	2,621	0	0
-10,332	-16,411	Interest expense	-51,938	-30420	-45,945
0	0	Dividends	5,324	0	0
1,143	587	Results from associated companies	2,380	3,429	4,598
0	2,164	Other financial items	2,432	0	183
6,205	**8,383**	**Income before taxes**	**32,234**	**8,195**	**17,438**
-3	-34	Taxes	-34	-6	-43
6,202	**8,349**	**Net profit/loss after tax**	**32,200**	**8,189**	**17,395**
		Earnings per Share (US$)			
0.18	0.18	Basic	0.70	0.25	0.48
0.18	0.18	Diluted	0.70	0.25	0.47
		Income on timecharter basis (US$ per day per ship)*			
37,300	34,200	VLCC	33,600	29,300	32,700
23,300	22,200	Suezmax	24,300	23,300	24,800
27,000	18,600	OBO	23,200	25,800	25,500

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

Balance sheet (US$ 1000)	1998 Sept 30	1997 Sept 30	1997 Dec 31
Assets			
Short term			
Cash and bank deposits	40,549	61,038	86,870
Marketable securities	131,648	215,431	187,231
Other current assets	43,329	31,262	33,602
Long term			
Newbuildings	93,618	42,817	48,474
Vessel and equipment, net	1,173,723	830,184	970,590
Associated companies	3,944	6,958	3,754
Deferred charges and other assets	3,312	5,157	2,603
Total assets	**1,490,123**	**1,192,847**	**1,333,124**
Stockholders' equity and liabilities			
Short term			
Short term interest bearing debt	156,922	149,873	247,072
Other current liabilities	38,057	26,892	35,757
Long term			
Long term interest bearing debt	808,029	498,015	526,078
Other long term liabilities	1,730	1,950	4,933
Stockholders' equity	485,385	516,117	519,284
Total stockholders' equity and liabilities	**1,490,123**	**1,192,847**	**1,333,124**