FRONTLINE

FIRST QUARTER RESULTS

Frontline earned net income of $0.2 million in the first quarter of 1999, compared with $9.1 million for the first quarter of 1998. Earnings per share for the quarter were $0.00, (1997 - $0.2) and the weighted average number of shares outstanding for the quarter and at March 31, 1999 was 46,106,860 (as at March 31, 1998 - 46,106,860 and for the quarter then ended – 46,106,360). Cashflow per share for the quarter was $0.30, compared with $0.45 for the same quarter in 1998.

Earnings before interest, tax, depreciation, and amortisation (EBITDA) for the quarter, including earnings from associated companies were $29.1 million, compared with $34.0 million for the comparable period. The fleet of VLCCs and Suezmaxes operated by the Company has increased by six vessels since the first quarter of 1998 but the effect of this on operating profit has been offset by the fall in timecharter equivalent earnings ("TCEs") earned. The average daily TCEs earned by the VLCCs, Suezmax tankers, and Suezmax OBO carriers were $29,100, $20,400 and $20,600, respectively, compared with $29,500, $26,100 and $26,900 in the first quarter of 1998. Total days on offhire in the 1999 quarter were seven for the VLCCs and 25 for the Suezmax fleet.

If the majority holding position in ICB had been accounted for on an equity basis in Frontline's accounts, it would have increased EBITDA by approximately $10.3 million.

Total operating costs and depreciation have increased due to the expansion of the fleet. However, the Company is continuing to reduce average daily ship operating costs in accordance with its previously stated objectives.

Net other expenses for the quarter were $15.1 million (1998 - $13.2 million). This increase principally reflects an increase in the average debt resulting from the fleet expansion, offset by reduced interest rates and short-term financing charges incurred in the first quarter of 1998.

THE MARKET

The high activity in the tanker market, which was partly an effect of Iraq's crude export, continued into 1999. VLCC rates remained at a stable level for the first two months of the quarter. However, towards the end of the quarter, rates declined, and this trend has continued into the second quarter with rates for modern VLCC tonnage as low as $10,000 to $12,000 per day. An oversupply of available ships, reductions in OPEC production and annual overhauls at refineries have contributed to this market situation. A total of 13 VLCCs were delivered in the first quarter of 1999, while 12 have been sold for scrap.

During the quarter the bunker prices increased from $55/60 per ton to $70/75 per ton. This development reduces the earnings on modern vessels by approximately $1,000 per day and on old turbine tankers by approximately $3,000 per day, and should thereby further increase the likelihood of increased scrapping.

The Suezmax market remained stable throughout the first quarter. So far in the second quarter rates have shown negative development. Increased competition from VLCCs, especially in the West African market, have been one of the main reasons for this development. A total of 4 Suezmaxes were delivered and 4 were scrapped in the first quarter of 1999.

Ship values and newbuilding prices showed some further weakness in 1999, but a stronger buying interest, especially for secondhand tonnage, is starting to give support to the market. The fall in newbuilding prices is moderated by a stronger Won.

CORPORATE AND OTHER MATTERS

In January 1999, Frontline took delivery of the third VLCC C-Class newbuilding, the Front Chief. The final two VLCC C-Class newbuildings will be delivered in the second or third quarter of 1999. Ordinary bank financing for the fourth vessel has been secured and proposals received for the financing of the fifth and final VLCC newbuilding. In order to optimise Frontline's financing the Board is also evaluating two different kind of lease structures for the remaining two VLCCs.

On May 4, 1999, ICB Shipping held a Shareholder Meeting at which the Special Investigator appointed by ICB's Shareholder Meeting on November 25, 1997 presented a preliminary report of his investigation. The report concludes that the Board of Directors of ICB had, on several occasions, wrongfully charged ICB with expenses related to rejecting the takeover bid by Frontline. The report further claimed that ICB's defensive efforts were in breach of Swedish law. The Shareholder Meeting was adjourned until June 29, 1999.

A delegation of Frontline's Board had, prior to the Shareholder Meeting, met with a delegation of ICB's Board. The purpose was to find a mutually acceptable solution to the ownership situation. The tone in the meeting was open and fair. It was agreed to work further with two specific alternatives. Frontline's strategy is unchanged and is concentrated around a consolidation of the two companies. The Board remain cautiously optimistic about the likelihood of finding a solution to the on-going deadlock, which will soon have lasted for two years.

OUTLOOK

A combination of the cut in OPEC production and the maintenance of Far East refineries has, as earlier stated, put tanker rates under severe pressure during the second quarter. This development will be directly reflected in the Company's second quarter results. The dividend payable from ICB will reduce this loss. This dividend was recorded in May.

It is likely that tanker rates this summer will improve from the current low levels. OPEC's production strategy and the degree of scrapping for the rest of the year will, to a large extent, decide the development. As an overall view, the Board anticipates that the TCE earnings for 1999 will be significantly weaker than the similar numbers for 1998.

The ongoing cost cutting programme "Sharp Knife" has so far targeted cost savings in excess of $500 per ship per day. An implementation of the programme, including targeting of potential further savings, is currently in process.

May 28, 1999
The Board of Directors
Frontline Ltd.
Hamilton, Bermuda

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Frontline Group First Quarter Report (unaudited)

Income Statement ($1,000)	**1999 Jan-Mar**	**1998 Jan-Mar**	**1998 Jan-Dec**
Freight revenues	69,372	70,360	270,405
Voyage expenses	-16,645	-17,664	-66,545
Net operating revenues	**52,727**	**52,696**	**203,860**
Gain (loss) from sale of vessels	207	0	-1,514
Ship operating expenses	-15,275	-14,338	-55,586
Charterhire expenses	-7,293	-3,767	-14,889
Administrative expenses	-1,762	-1,646	-7,757
Operating profit before depreciation	**28,604**	**32,945**	**124,114**
Depreciation	-13,849	-11,664	-51,659
Operating profit after depreciation	**14,755**	**21,281**	**72,455**
Interest income	564	1,018	2,998
Interest expense	-15,103	-14,613	-59,320
Dividends	0	0	5,324
Results from associated companies	482	1,056	2,807
Other financial items	-548	391	2,765
Income before taxes	**150**	**9,133**	**27,029**
Taxes	0	-5	-30
Net income after tax	**150**	**9,128**	**26,999**
Earnings per Share ($)	0.00	0.20	0.59

Income on timecharter basis ($ per day per ship)*			
VLCC	29,100	29,500	31,800
Suezmax	20,400	26,100	22,400
Suezmax OBO	20,600	26,900	21,800

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

Balance sheet ($1,000)	**1999 Mar 31**	**1998 Mar 31**	**1998 Dec 31**
ASSETS			
Short term			
Cash and bank deposits	64,408	71,872	75,950
Marketable securities	79,219	158,440	110,157
Other current assets	36,309	34,426	30,439
Long term			
Newbuildings	58,466	59,107	75,499
Vessel and equipment, net	1,147,725	959,232	1,078,956
Associated companies	1,834	3,576	3,837
Deferred charges and other assets	4,822	4,807	4,683
Total assets	**1,392,783**	**1,291,460**	**1,379,521**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Short term interest bearing debt	159,684	235,065	170,551
Other current liabilities	25,759	41,086	27,952
Long term			
Long term interest bearing debt	767,437	503,718	712,470
Other long term liabilities	13,490	12,178	10,867
Stockholders' equity	426,413	499,413	457,681
Total liabilities and stockholders' equity	**1,392,783**	**1,291,460**	**1,379,521**