



*“World leader in the
international seaborne
transportation of crude oil”*



Quarterly Presentation | **August 18**

Forward Looking Statements

MATTERS DISCUSSED IN THIS DOCUMENT MAY CONSTITUTE FORWARD-LOOKING STATEMENTS. THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 PROVIDES SAFE HARBOR PROTECTIONS FOR FORWARD-LOOKING STATEMENTS IN ORDER TO ENCOURAGE COMPANIES TO PROVIDE PROSPECTIVE INFORMATION ABOUT THEIR BUSINESS. FORWARD-LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING PLANS, OBJECTIVES, GOALS, STRATEGIES, FUTURE EVENTS OR PERFORMANCE, AND UNDERLYING ASSUMPTIONS AND OTHER STATEMENTS, WHICH ARE OTHER THAN STATEMENTS OF HISTORICAL FACTS.

FRONTLINE DESIRES TO TAKE ADVANTAGE OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND IS INCLUDING THIS CAUTIONARY STATEMENT IN CONNECTION WITH THIS SAFE HARBOR LEGISLATION. THE WORDS “BELIEVE,” “ANTICIPATE,” “INTENDS,” “ESTIMATE,” “FORECAST,” “PROJECT,” “PLAN,” “POTENTIAL,” “MAY,” “SHOULD,” “EXPECT” “PENDING” AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS.

THE FORWARD-LOOKING STATEMENTS IN THIS DOCUMENT ARE BASED UPON VARIOUS ASSUMPTIONS, MANY OF WHICH ARE BASED, IN TURN, UPON FURTHER ASSUMPTIONS, INCLUDING WITHOUT LIMITATION, MANAGEMENT’S EXAMINATION OF HISTORICAL OPERATING TRENDS, DATA CONTAINED IN FRONTLINE’S RECORDS AND OTHER DATA AVAILABLE FROM THIRD PARTIES. ALTHOUGH FRONTLINE BELIEVES THAT THESE ASSUMPTIONS WERE REASONABLE WHEN MADE, BECAUSE THESE ASSUMPTIONS ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT AND ARE BEYOND FRONTLINE’S CONTROL, YOU CANNOT BE ASSURED THAT FRONTLINE WILL ACHIEVE OR ACCOMPLISH THESE EXPECTATIONS, BELIEFS OR PROJECTIONS. THE INFORMATION SET FORTH HEREIN SPEAKS ONLY AS OF THE DATES SPECIFIED AND FRONTLINE UNDERTAKES NO DUTY TO UPDATE ANY FORWARD-LOOKING STATEMENT TO CONFORM THE STATEMENT TO ACTUAL RESULTS OR CHANGES IN EXPECTATIONS OR CIRCUMSTANCES.

IMPORTANT FACTORS THAT, IN FRONTLINE’S VIEW, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION: THE STRENGTH OF WORLD ECONOMIES AND CURRENCIES, GENERAL MARKET CONDITIONS, INCLUDING FLUCTUATIONS IN CHARTERHIRE RATES AND VESSEL VALUES, CHANGES IN DEMAND IN THE TANKER MARKET, INCLUDING BUT NOT LIMITED TO CHANGES IN OPEC’S PETROLEUM PRODUCTION LEVELS AND WORLD WIDE OIL CONSUMPTION AND STORAGE, CHANGES IN FRONTLINE’S OPERATING EXPENSES, INCLUDING BUNKER PRICES, DRYDOCKING AND INSURANCE COSTS, THE MARKET FOR FRONTLINE’S VESSELS, AVAILABILITY OF FINANCING AND REFINANCING, ABILITY TO COMPLY WITH COVENANTS IN SUCH FINANCING ARRANGEMENTS, FAILURE OF COUNTERPARTIES TO FULLY PERFORM THEIR CONTRACTS WITH US, CHANGES IN GOVERNMENTAL RULES AND REGULATIONS OR ACTIONS TAKEN BY REGULATORY AUTHORITIES, POTENTIAL LIABILITY FROM PENDING OR FUTURE LITIGATION, GENERAL DOMESTIC AND INTERNATIONAL POLITICAL CONDITIONS, POTENTIAL DISRUPTION OF SHIPPING ROUTES DUE TO ACCIDENTS OR POLITICAL EVENTS, VESSEL BREAKDOWNS, INSTANCES OF OFF-HIRE AND OTHER IMPORTANT FACTORS. FOR A MORE COMPLETE DISCUSSION OF THESE AND OTHER RISKS AND UNCERTAINTIES ASSOCIATED WITH FRONTLINE’S BUSINESS, PLEASE REFER TO FRONTLINE’S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, INCLUDING, BUT NOT LIMITED TO, ITS ANNUAL REPORT ON FORM 20-F.

THIS PRESENTATION IS NOT AN OFFER TO PURCHASE OR SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE OR SELL, ANY SECURITIES OR A SOLICITATION OF ANY VOTE OR APPROVAL.

Company Highlights

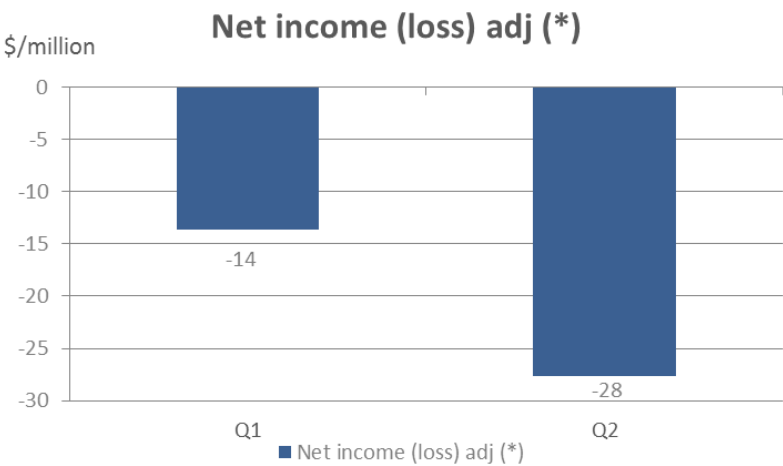
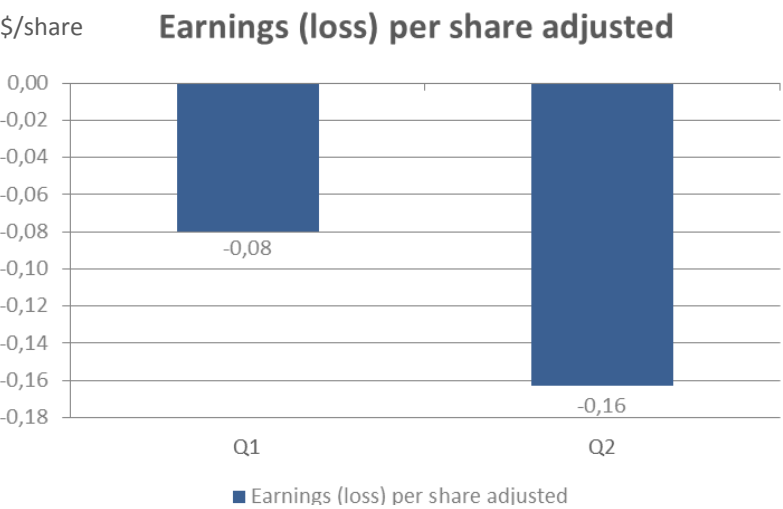
- Net loss attributable to the Company for the second quarter of 2018 of \$22.9 million, or \$0.13 per share which, when adjusted for certain non-cash items, was \$27.7 million, or \$0.16 per share.
- Spot TCE of \$17,000 for ECO VLCCs and \$13,200 for VLCCs less than 15 years in the second quarter.
- Spot TCE of \$21,700 booked for 82% of vessel days on VLCCs less than 15 years in the third quarter.
- Terminated three long-term charters with Ship Finance.
- Positioning for the “IMO 2020” regulations by acquiring 20% in Feen Marine Scrubbers Inc., a leading manufacturer of exhaust gas scrubbers (“EGCS”), and securing the capacity to source a large volume of EGCS for the Company.



Q2 2018 Financial Highlights

<i>(Million \$ except per share)</i>	2018 Q2	2018 Q1	2017 FY
Total operating revenues (net of voyage expenses) (*)	73	81	387
Net Income (loss)	-23	-14	-265
Net income (loss) adj (*)	-28	-14	-4
EBITDA adj (*)	28	40	208
Earnings (loss) per share	-0,13	-0,08	-1,56
Earnings (loss) per share adjusted	-0,16	-0,08	-0,03
Cash	118	113	
Interest bearing debt	1 780	1 747	

(*) See Appendix 1 for reconciliation to nearest comparable GAAP figure



Income Statement

<i>(in thousands of \$)</i>	2018 Apr - Jun	2018 Jan - Mar	2017 Jan-Dec
Total operating revenues	166 821	169 621	646 326
Other operating gain (loss)	(554)	(6 116)	2 381
Voyage expenses and commission	94 461	89 039	259 334
Contingent rental (income) expense	(6 450)	(6 695)	(26 148)
Ship operating expenses	32 116	34 733	135 728
Charter hire expenses	6 173	2 317	19 705
Impairment loss on vessels and vessels under capital lease	-	-	164 187
Impairment loss on goodwill	-	-	112 821
Administrative expenses	9 221	9 548	37 603
Depreciation	31 755	31 791	141 748
Total operating expenses	167 276	160 733	844 978
Net operating income (loss)	(1 009)	2 772	(196 271)
Interest income	256	140	588
Interest expense	(24 110)	(21 602)	(69 815)
Gain (loss) on sale of shares	-	1 026	1 061
Unrealised gain (loss) on marketable securities	802	(311)	
Foreign currency exchange gain (loss)	(556)	(608)	(55)
Gain (loss) on derivatives	1 869	5 085	(753)
Other non-operating items	138	(44)	1 213
Net income (loss) before income taxes and non-controlling interest	(22 610)	(13 542)	(264 032)
Income tax expense	(59)	(14)	(290)
Net income (loss)	(22 669)	(13 556)	(264 322)
Net (income) loss attributable to non-controlling interest	(191)	(85)	(539)
Net income (loss) attributable to the Company	(22 860)	(13 641)	(264 861)
Basic earnings (loss) per share attributable to the Company (\$)	(0,13)	(0,08)	(1,56)
Weighted average number of ordinary shares (in thousands)	169 809	169 809	169 809

Non-cash items in the second quarter of 2018:

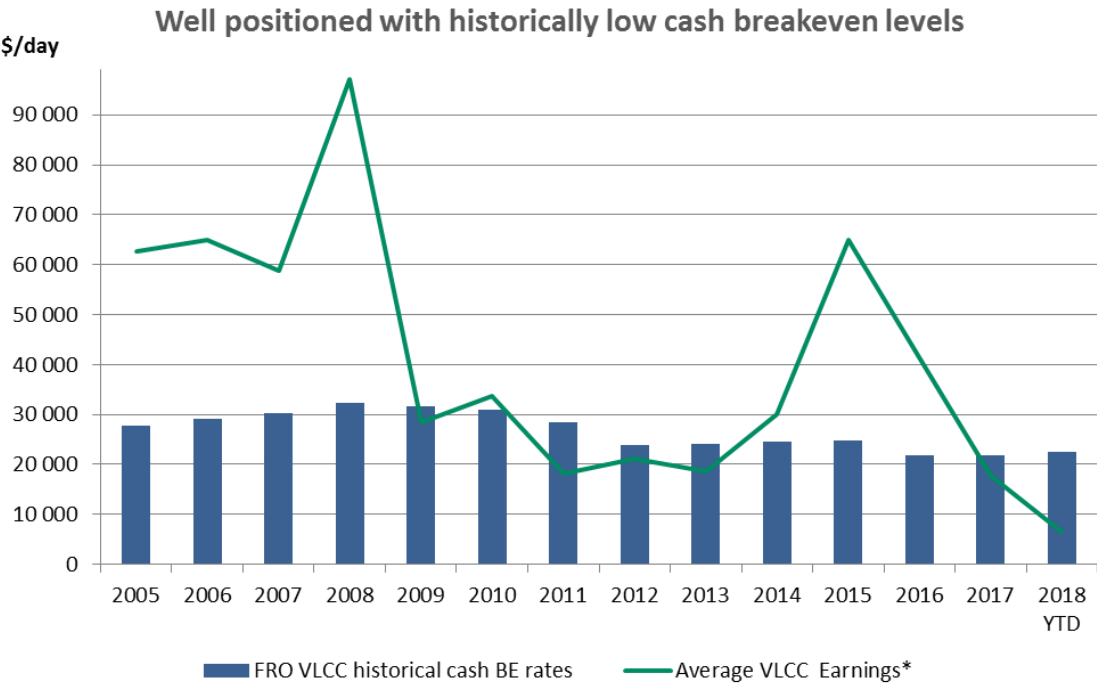
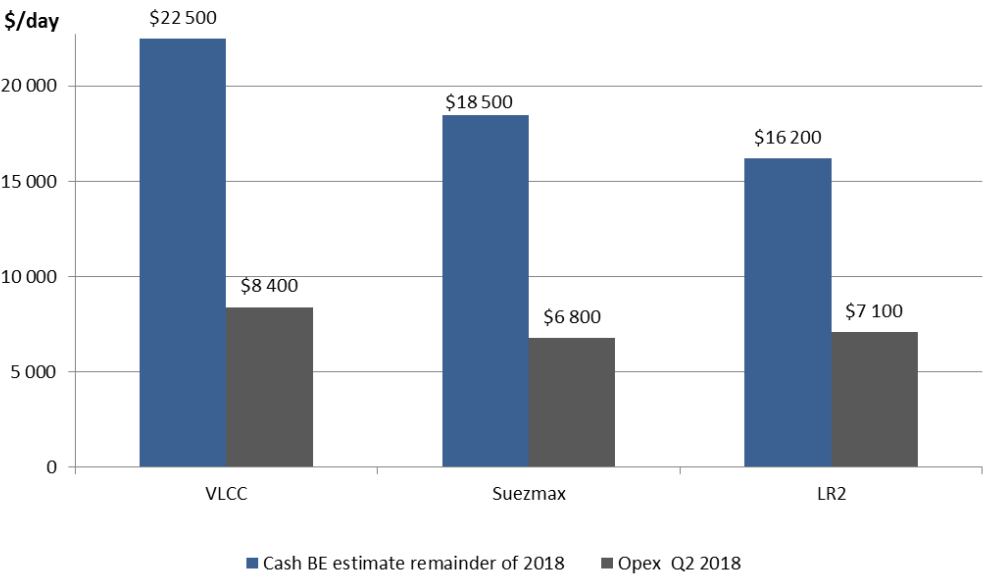
- \$1.9 million gain on derivatives
- \$0.8 million unrealized gain on marketable securities
- \$2.1 Release of accrued dry docking costs

Balance Sheet

<i>(in million \$)</i>	2018 Jun 30	2018 Mar 31	2017 Dec 31
Assets			
Current assets			
Cash	118	113	105
Marketable securities	13	12	30
Other current assets	188	195	187
Non-current assets			
Newbuildings	51	34	80
Vessels	2 762	2 796	2 616
Goodwill	112	112	112
Other long-term assets	11	9	4
Total assets	3 255	3 272	3 134
Liabilities and Equity			
Current liabilities			
Short term debt	122	121	113
Obligations under capital lease	37	37	43
Other current liabilities	79	97	66
Non-current liabilities			
Long term debt	1 657	1 626	1 467
Obligations under capital lease	222	231	256
Other long-term liabilities	1	1	1
Frontline Ltd. stockholders' equity	1 136	1 158	1 188
Total liabilities and stockholders' equity	3 255	3 272	3 134

- \$204 million in cash and cash equivalents including undrawn amount of unsecured facility, marketable securities and minimum cash requirements bank
- \$112.5 million in remaining Capex and \$111 million in estimated debt capacity
 - Newbuilding program fully funded
- No near term debt maturities
 - 2018: N/A
 - Nov 2019: \$190 million

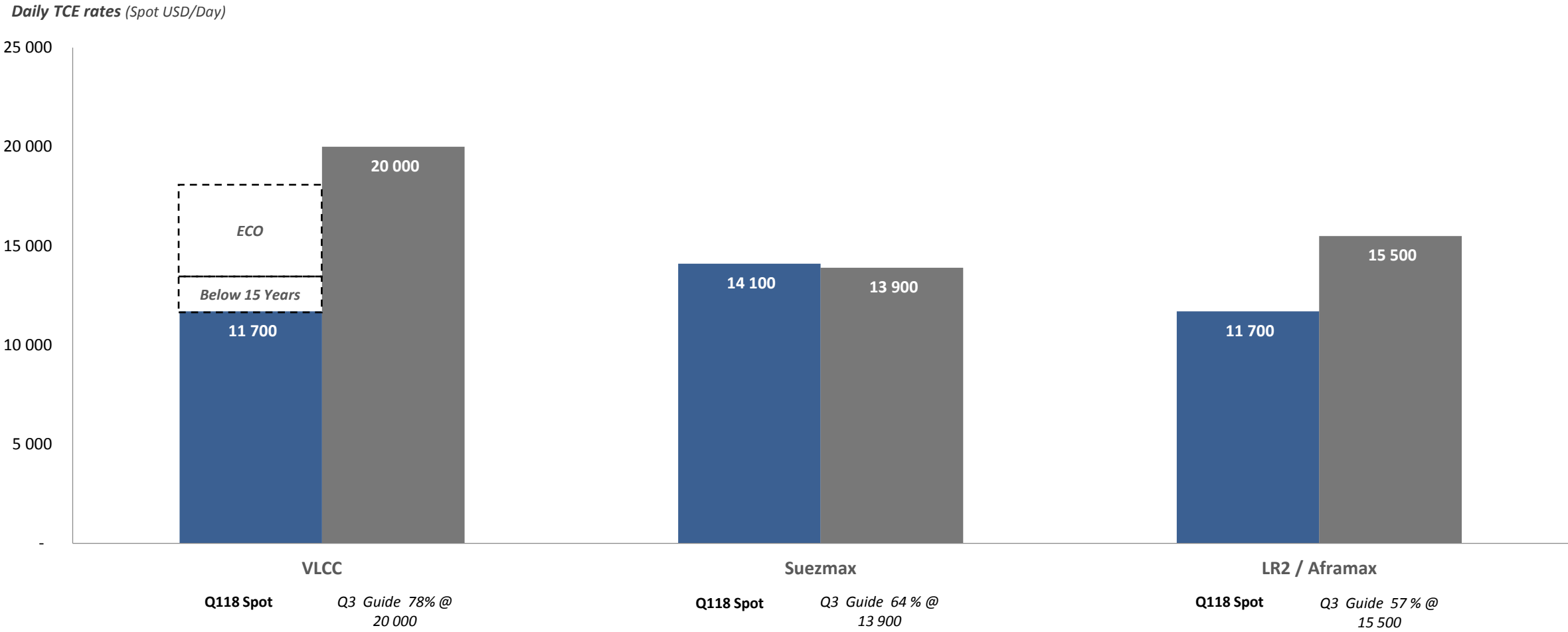
Cash Breakeven Rates and Opex



*Source : Clarksons

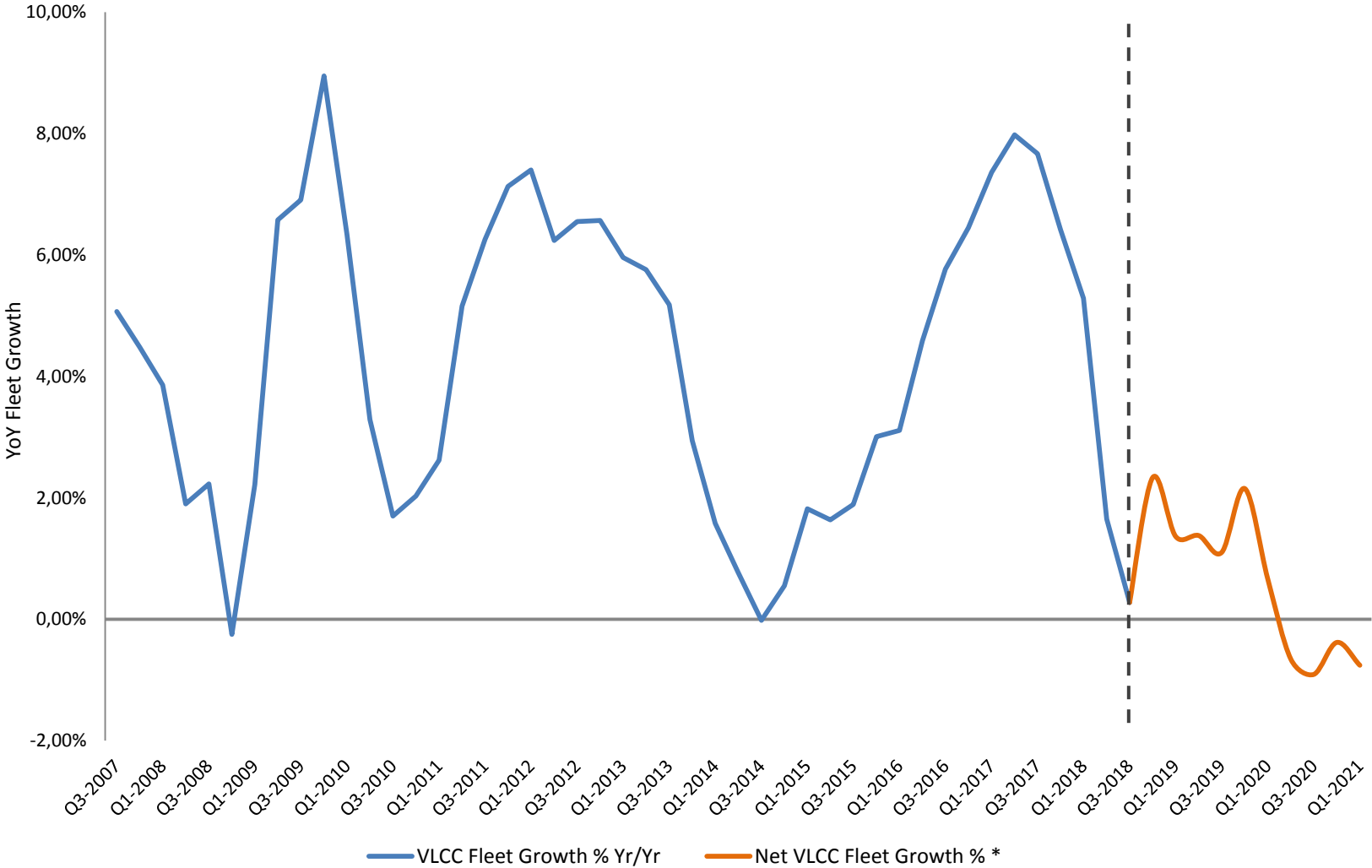
- Estimated cash cost breakeven rates for the remainder of 2018 include bareboat/tc hire / installments, interest loans, opex/drydock and G&A expenses.

Q2 Performance and Q3 Guidance



VLCC Fleet Growth

- VLCC fleet growth close neutral year to date
- Current order book at 16 % of existing fleet
- 20% of fleet passing 15 years
- 9% of fleet passing 20 years
- Scrapping looks to continue
 - Strong scrap steel prices
 - High docking costs
 - IMO 2020 preparation
 - Ballast Water Treatment

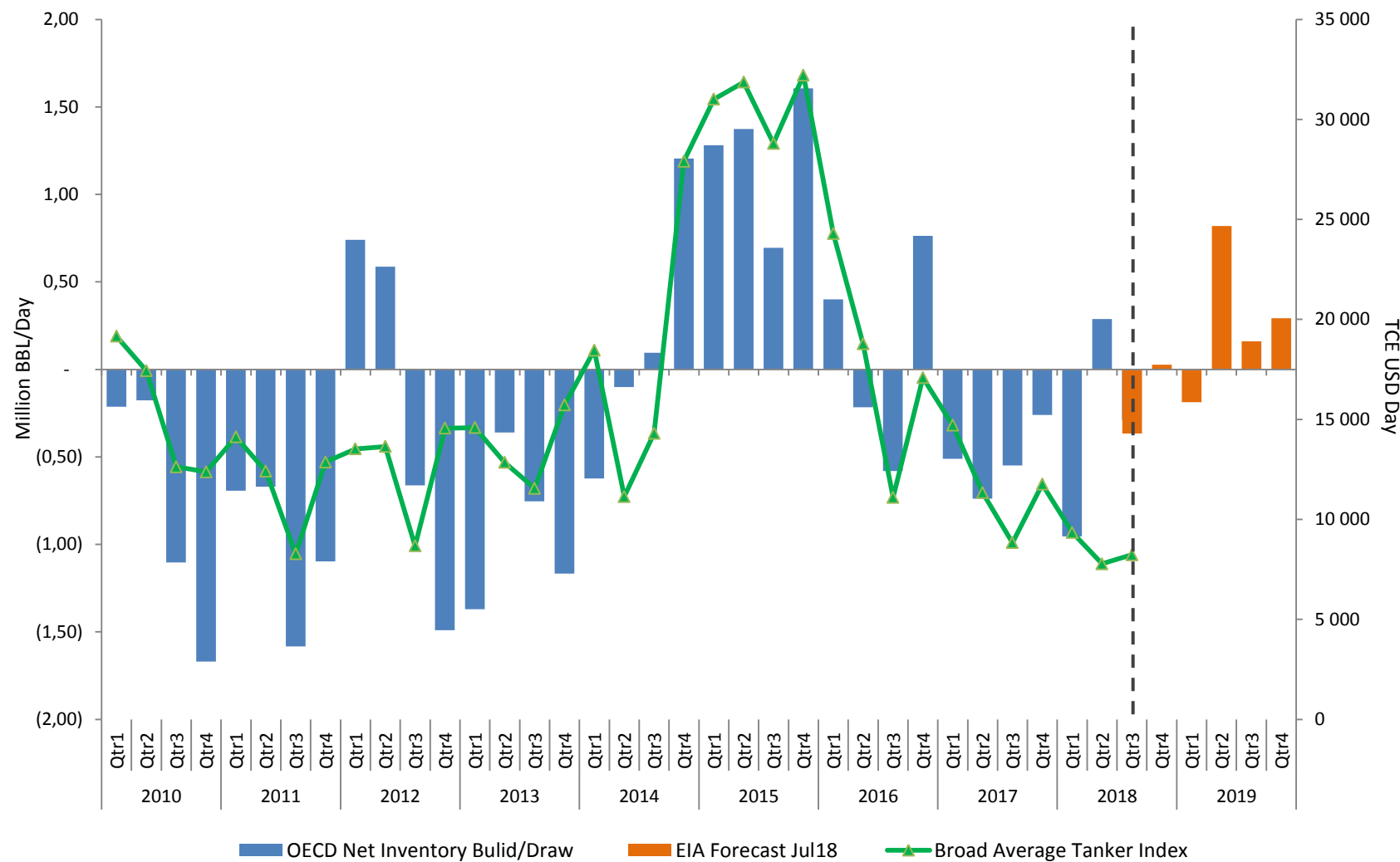


* Assuming scrapped at 20Y anniversary

Source: Clarkson, Fearnleys

Inventory Cycle

- Historically there is a close connection between oil inventories and freight
- When inventories build, demand for freight increases as tanks are filled
- When inventories draw, demand for freight slows as oil is released from tanks
- Crude Oil structure recently flipped to contango
- Inventories are expected to build, crude structure indicates it will



Source: EIA, Clarkson

Investment in Feen Marine Scrubbers

Transaction benefits

- Economics are in favor of installing scrubbers
- FRO has through Feen full access to scrubbers
- Retrofitting yields in some cases even more advantages than fitting on a newbuilding
- Significant demand for scrubbers makes the investment interesting for FRO on a standalone basis



Frontline's investment in Feen Marine Scrubbers Inc. provides us with a significant competitive advantage ahead of the IMO's implementation of new sulphur emissions caps in 2020.

Summary



Bullish Factors

- Crude oil demand growth continues to be strong
- Ton-miles growing, US exports to Asia growing fast
- High scrapping activity
- Crude oil structure in contango, inventory draws to end
- Fleet growth halting, possibly negative growth in 2018

Bearish Factors

- The order book remains substantial
- Trade wars may disrupt global growth
- Demand for crude oil may fall due to higher prices
- New contracting could continue

Despite the current weak rate environment, we believe cyclical changes are underway and as a result we are more optimistic on tanker rates.

Q&A





 www.frontline.bm

Appendix

Appendix 1 Reconciliation (Million \$ except per share)				
	Q2 2018	Q1 2018	YTD 2018	Full year 2017
Total operating revenues net of voyage expenses				
Total operating revenues	167	170	337	646
Voyage expenses	-94	-89	-183	-259
Total operating revenues net of voyage expenses	73	81	154	387
Net income adj.				
Net income (loss) attributable to the Company	-23	-14	-37	-265
Add back:				
Loss on termination of vessel lease, net of cash paid	0	6	6	3
Vessel impairment loss	0	0	0	164
Unrealized loss on marketable securities	0	0	0	0
Goodwill impairment loss	0	0	0	113
Loss on derivatives	0	0	0	3
Less:				
Gain on sale of shares	0	-1	-1	0
Gain on termination of lease	0	0	0	-21
Unrealized gain on marketable securities	-1	0	-1	0
Release of accrued dry docking expense	-2	0	-2	0
Gain on derivatives	-2	-5	-7	0
Net income adj.	-28	-14	-41	-4
(in thousands)				
Weighted average number of ordinary shares	169 809	169 809	169 809	169 809
(in \$)				
Basic (loss) earnings per share adjusted for certain non-cash charges	-0,16	-0,08	-0,24	-0,03
EBITDA adj.				
Net income attributable to the Company	-23	-14	-37	-265
Add back:				
Interest expense	24	22	46	70
Depreciation	32	32	64	142
Income tax expense	0	0	0	0
Net income attributable to the non-controlling interest	0	0	0	0
Loss on termination of vessel lease, net of cash paid	0	6	6	4
Unrealized loss on marketable securities	0	0	0	0
Vessel impairment loss	0	0	0	164
Goodwill impairment loss	0	0	0	113
Loss on derivatives	0	0	0	3
Less:				
Gain on termination of lease	0	0	0	-21
Unrealized gain on marketable securities	-1	0	-1	0
Release of accrued dry docking expense	-2	0	-2	0
Gain on sale of shares	0	-1	-1	0
Gain on derivatives	-2	-5	-7	-3
EBITDA adj.	28	40	68	208

This presentation describes: total operating revenues net of voyage expenses, net income attributable to the Company adjusted for certain non-cash items ("Net income adj.") and related per share amounts and Earnings Before Interest, Tax, Depreciation & Amortisation adjusted for the same non-cash items ("EBITDA adj."), which are not measures prepared in accordance with US GAAP ("non-GAAP").

We believe the non-GAAP financial measures presented in this press release provides investors with a means of evaluating and understanding how the Company's management evaluates the Company's operating performance.

These non-GAAP financial measures should not be considered in isolation from, as substitutes for, nor superior to financial measures prepared in accordance with GAAP.