



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



Quarterly Presentation | FEB 19

# 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

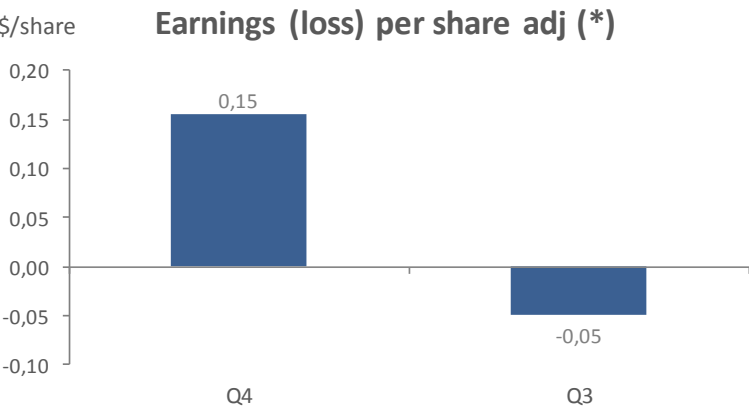
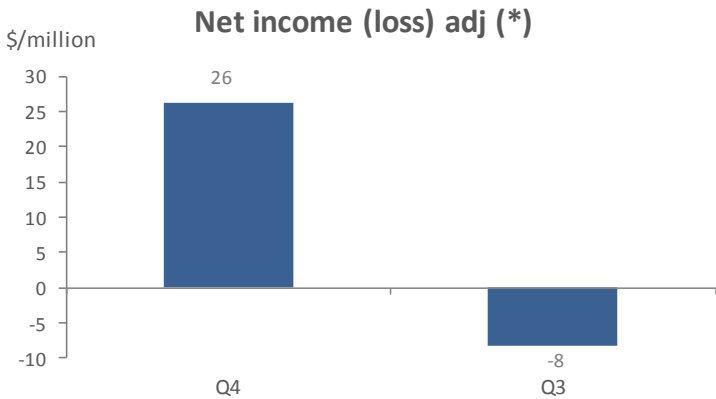
- Net income attributable to the Company was \$25.4 million, or \$0.15 per share, for the fourth quarter of 2018.
- Net income attributable to the Company of \$26.3 million, or \$0.15 per share adjusted for certain non-cash items for the fourth quarter of 2018.
- Spot TCE of \$28,400 for VLCCs in the fourth quarter, impacted significantly by a high number of ballast days towards the end of the quarter deferring revenue recognition into the first quarter of 2019. Spot TCE for Suezmax tankers and LR2/Aframax tankers were \$26,100 and \$18,700, respectively.
- Spot TCE of \$41,300 contracted for 84% of vessel days for VLCCs, spot TCE of \$33,300 contracted for 77% of vessel days for Suezmax tankers and spot TCE of \$26,100 contracted for 73% of vessel days for LR2/Aframax tankers in the first quarter of 2019, including the deferred revenue recognition from the fourth quarter of 2018.
- In November 2018, the Company extended the terms of its senior unsecured loan facility of up to \$275.0 million with an affiliate of Hemen Holding Ltd. by 12 months to November 2020.
- In January 2019, the Company increased ownership interest to 28.9% in, Feen Marine Scrubbers Inc. ("FMSI")
- In January 2019, the Company took delivery of the VLCC newbuilding Front Defender.



# Q4 2018 Financial Highlights

<i>(Million \$ except per share)</i>	Q4	Q3	Q2	Q1	2018 FY
Total operating revenues (net of voyage expenses) (*)	122	89	73	81	365
Net Income (loss)	25	2	-23	-14	-9
Net income (loss) adj (*)	26	-8	-28	-14	-23
EBITDA adj (*)	78	47	28	40	193
Earnings (loss) per share	0,15	0,01	-0,13	-0,08	-0,05
Earnings (loss) per share adjusted	0,15	-0,05	-0,16	-0,08	-0,14
Cash	68	71	118	113	
Interest bearing debt	1 731	1 754	1 780	1 747	

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



Earnings per share is based on 169,809, and 169,813 weighted average shares outstanding for Q3 and Q4 respectively (in thousands)

# Income Statement

<i>(in thousands of \$)</i>	2018 Oct - Dec	2018 Jul - Sep	2018 Jan-Dec
<b>Total operating revenues</b>	<b>217 050</b>	<b>188 774</b>	<b>742 266</b>
<b>Other operating gain</b>	<b>8 967</b>	<b>7 909</b>	<b>10 206</b>
Voyage expenses and commission	94 709	99 563	377 772
Contingent rental income	(1 712)	(4 881)	(19 738)
Ship operating expenses	32 463	31 311	130 623
Charter hire expenses	5 109	7 645	21 244
Administrative expenses	9 305	9 220	37 294
Depreciation	28 296	30 724	122 566
<b>Total operating expenses</b>	<b>168 170</b>	<b>173 582</b>	<b>669 761</b>
<b>Net operating income</b>	<b>57 847</b>	<b>23 101</b>	<b>82 711</b>
Interest income	287	160	843
Interest expense	(22 961)	(24 602)	(93 275)
Share of result of associated company	246	-	246
Gain on sale of shares	-	-	1 026
Unrealized gain (loss) on marketable securities	(5 437)	1 420	(3 526)
Foreign currency exchange gain (loss)	(16)	311	(869)
Gain (loss) on derivatives	(4 669)	1 971	4 256
Other non-operating items	412	-	506
<b>Net income (loss) before income taxes and non-controlling interest</b>	<b>25 709</b>	<b>2 361</b>	<b>(8 082)</b>
Income tax expense	(219)	(24)	(316)
<b>Net income (loss)</b>	<b>25 490</b>	<b>2 337</b>	<b>(8 398)</b>
Net (income) loss attributable to non-controlling interest	(110)	(96)	(482)
<b>Net income (loss) attributable to the Company</b>	<b>25 380</b>	<b>2 241</b>	<b>(8 880)</b>
Basic earnings (loss) per share attributable to the Company (\$)	0,15	0,01	(0,05)
Weighted average number of ordinary shares (in thousands)	169 813	169 809	169 809

Non-cash items in the fourth quarter of 2018:

- \$8.9 million gain on lease terminations
- \$0.2 million share of results of an associated company
- \$4.7 million loss on derivatives and
- \$5.4 million unrealized loss on marketable securities

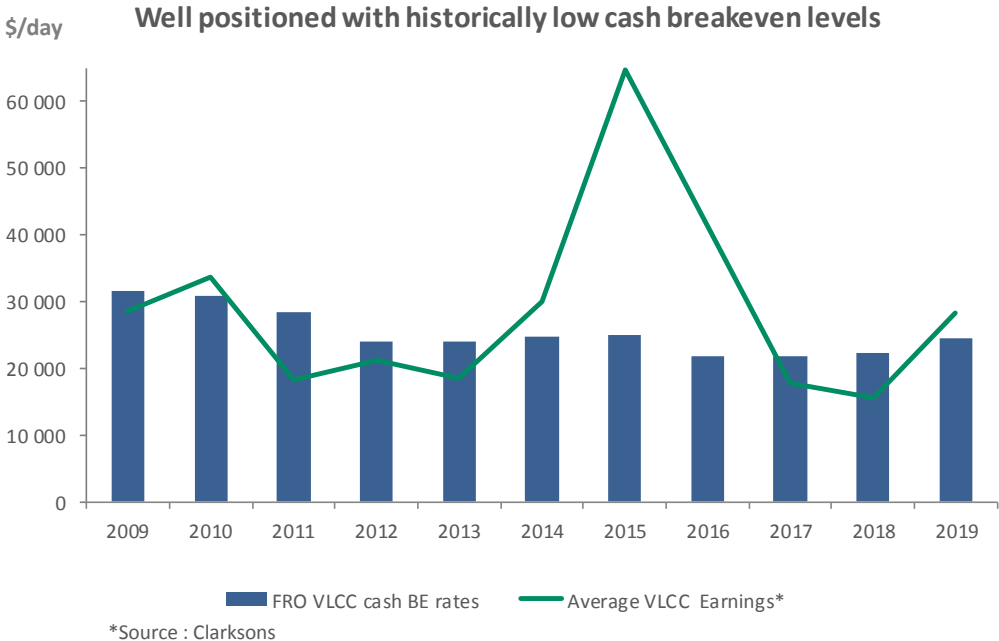
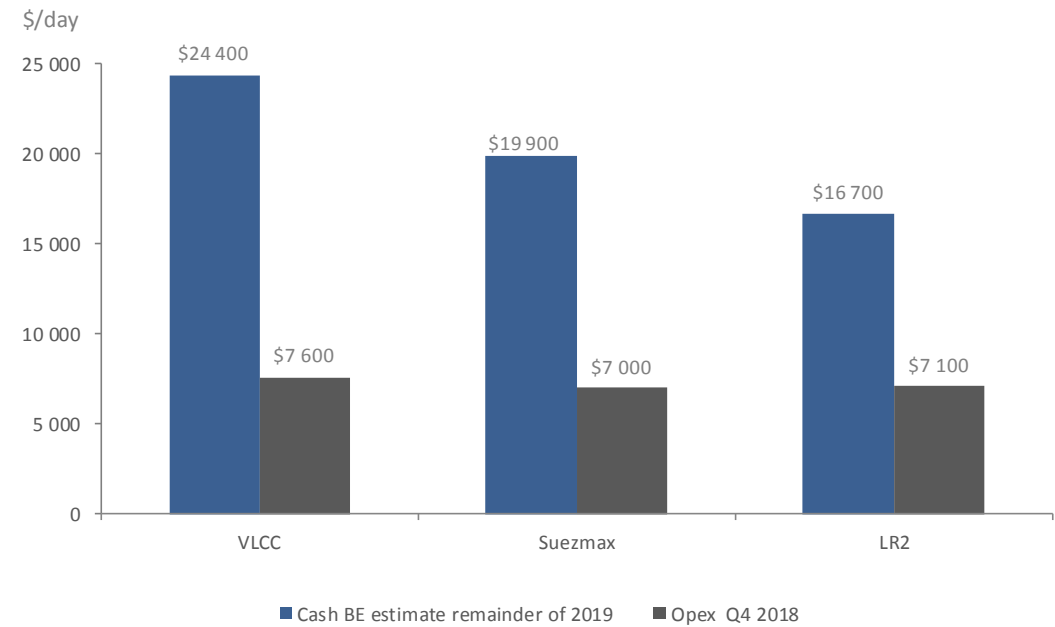
# Balance Sheet

<i>(in million \$)</i>	2018 Dec 31	2018 Sept 30	2017 Dec 31
Cash	68	71	105
Marketable securities	9	15	30
Other current assets	231	209	187
<b>Non-current assets</b>			
Newbuildings	52	51	80
Vessels	2 578	2 654	2 616
Goodwill	112	112	112
Other long-term assets	26	19	4
<b>Total assets</b>	<b>3 078</b>	<b>3 132</b>	<b>3 134</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Short term debt	120	124	113
Obligations under capital lease	12	22	43
Other current liabilities	82	78	66
<b>Non-current liabilities</b>			
Long term debt	1 610	1 630	1 467
Obligations under capital lease	88	137	256
Other long-term liabilities	1	1	1
Frontline Ltd. stockholders' equity	1 164	1 138	1 188
<b>Total liabilities and stockholders' equity</b>	<b>3 078</b>	<b>3 132</b>	<b>3 134</b>

- \$ 158 million in cash and cash equivalents including undrawn amount of unsecured facility, marketable securities and minimum cash requirements bank
- \$ 114.4 million in remaining Capex and \$ 114.7 million in estimated debt capacity
- No near term debt maturities
  - 2019: N/A
  - Nov 2020: \$186 million

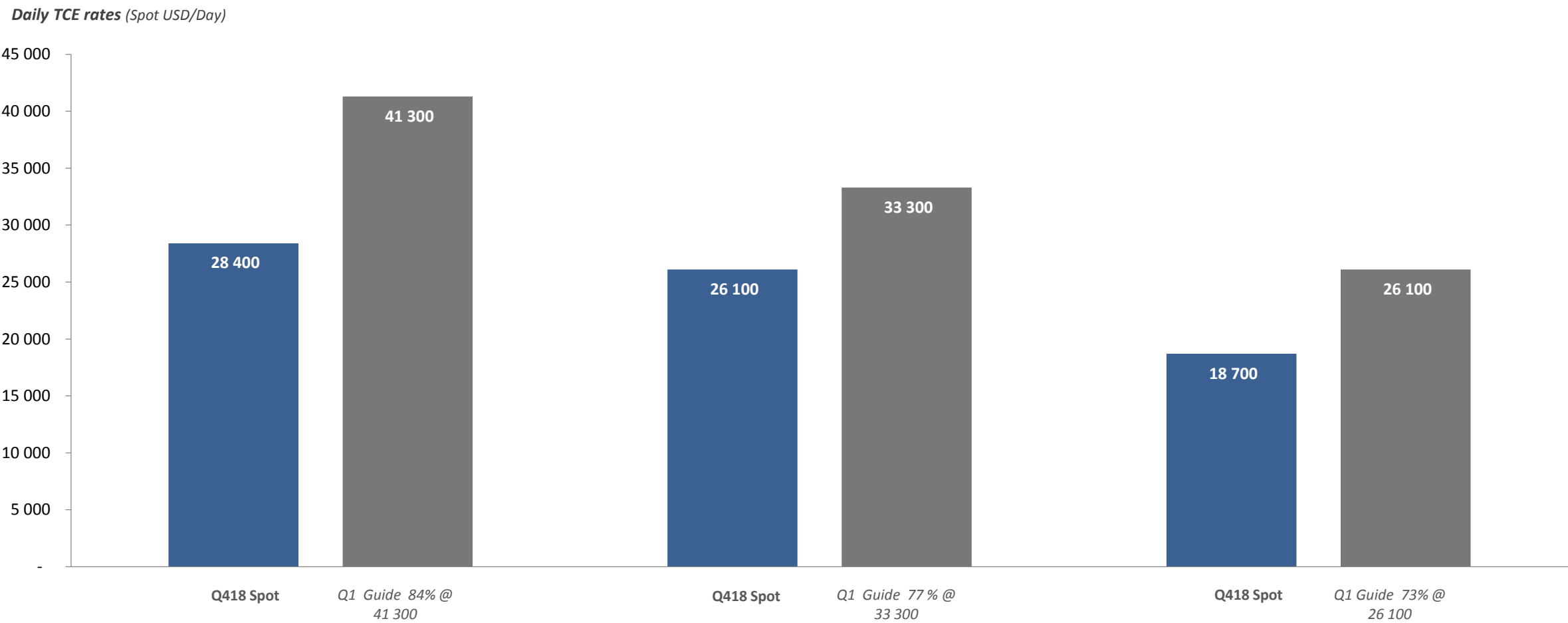


# Cash Breakeven Rates and Opex



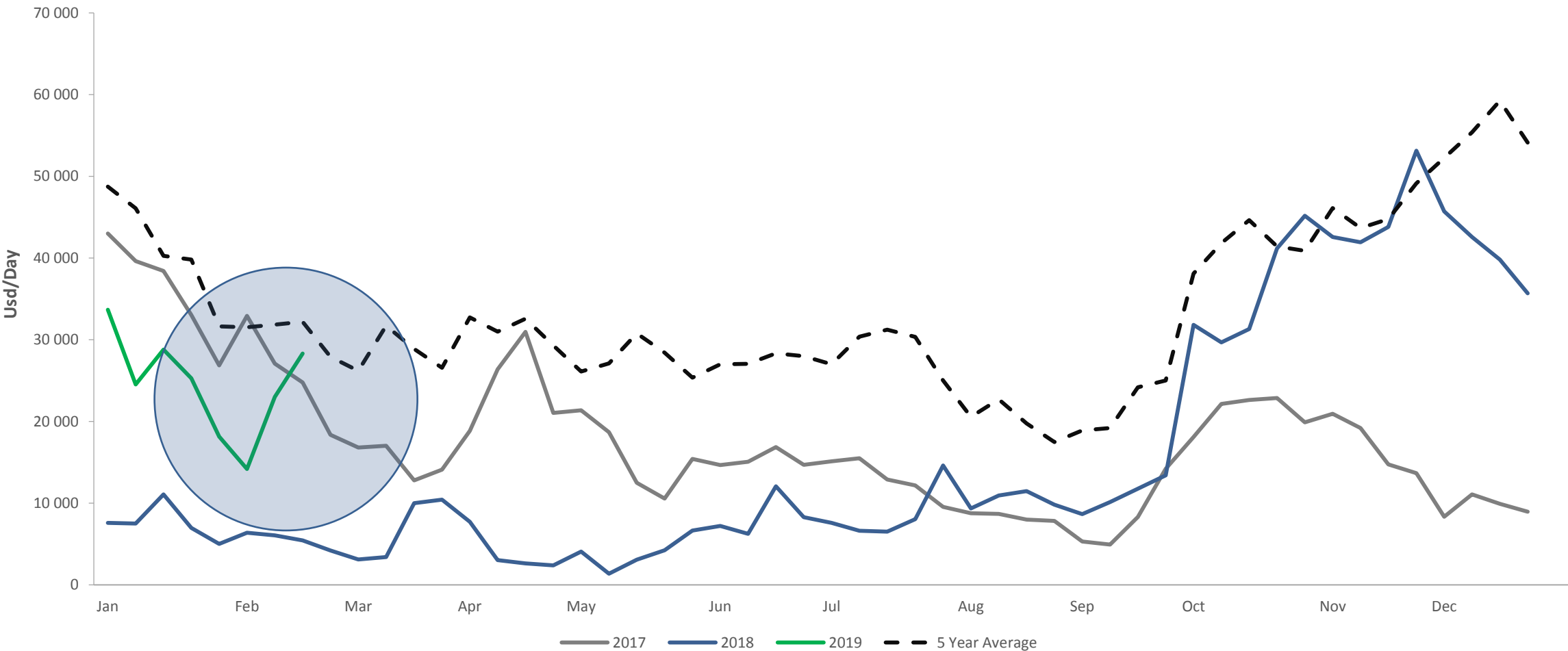
- Estimated cash cost breakeven rates for the remainder of 2019 include bareboat/tc hire / installments, interest loans, opex/drydock and G&A expenses.

# Q4 Performance and Q1 Guidance



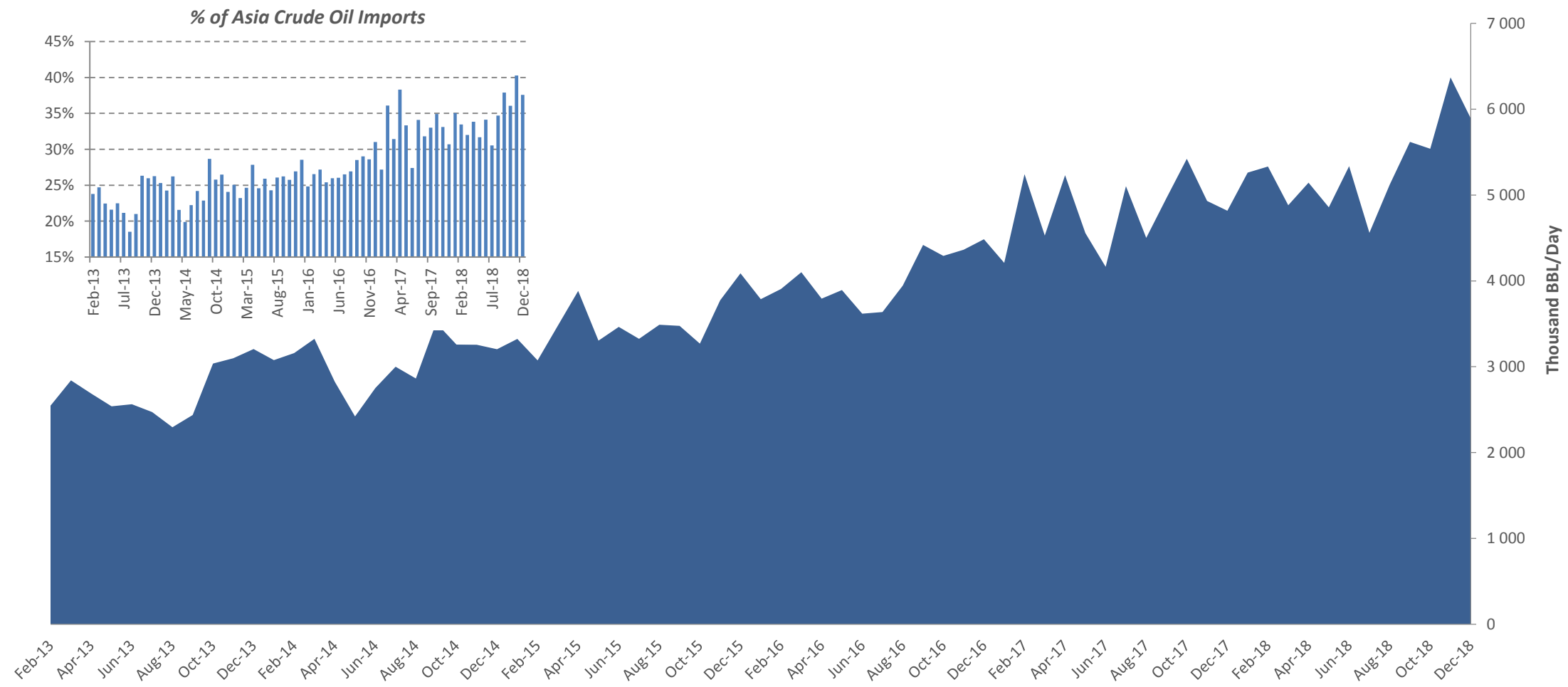


# Tanker Market has Improved Earlier Than Usual in 2019

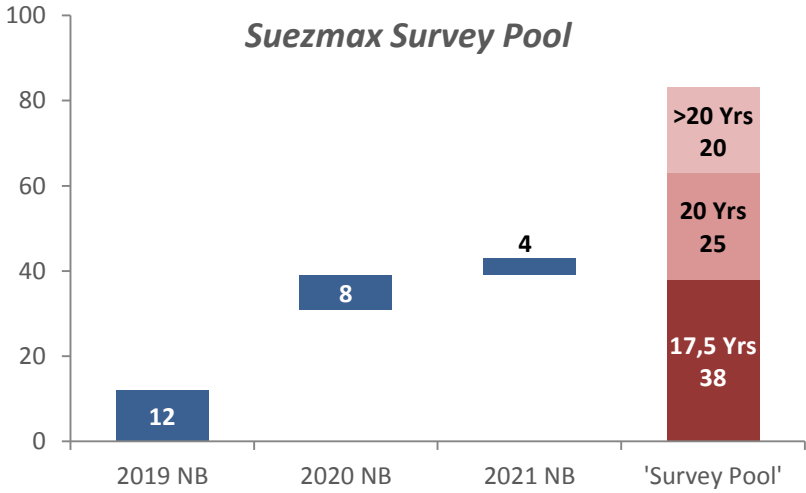
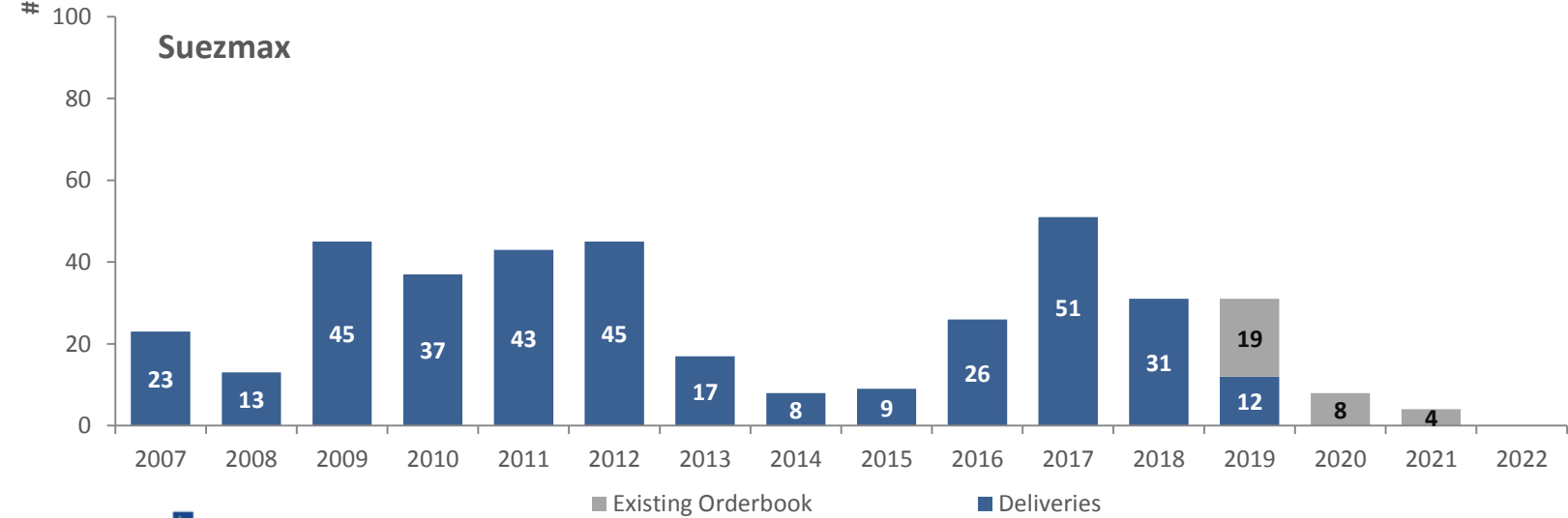
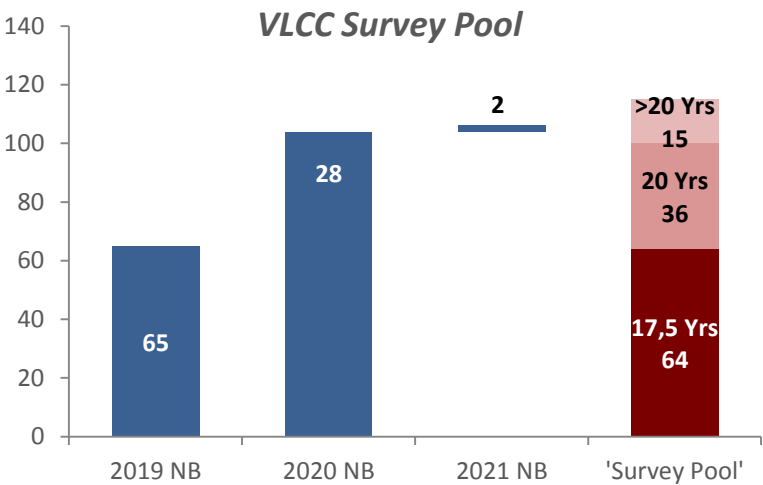
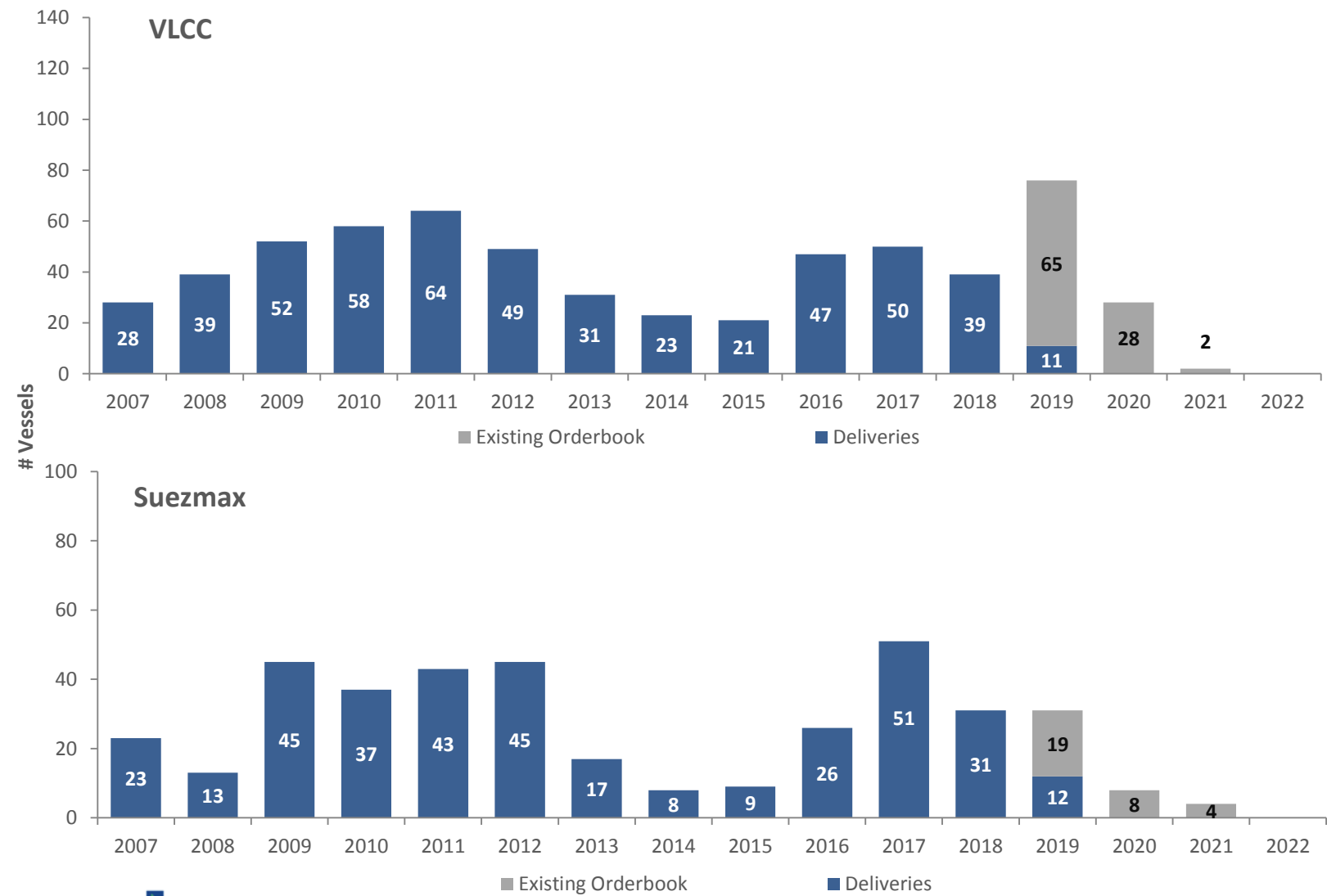


# OPEC Cuts Change Trading Patterns

## Crude Oil Exports from Atlantic Basin to Asia



# VLCC Deliveries Peaking in 2019



# Summary

## Bullish Factors

- Strong growth in crude oil trade and distances
- Vessel supply side is manageable as fleet ages
- IMO 2020 is a potential demand catalyst

## Bearish Factors

- High pace of vessel deliveries in 2019
- Global trade and growth at risk with US-China tension
- Crude oil supply with Venezuela and Iran situation

*Volatility increasing with higher activity as we get closer to 2020 !*

# Q&A





 [www.frontline.bm](http://www.frontline.bm)

# Appendix

Appendix 1 Reconciliation (Million \$ except per share)					
	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Full year 2018
<b>Total operating revenues net of voyage expenses</b>					
Total operating revenues	217	189	167	170	742
Voyage expenses	-95	-100	-94	-89	-377
<b>Total operating revenues net of voyage expenses</b>	<b>122</b>	<b>89</b>	<b>73</b>	<b>81</b>	<b>365</b>
<b>Net income adj.</b>					
Net income (loss) attributable to the Company	25	2	-23	-14	-9
Add back:					
Loss on termination of vessel lease, net of cash paid	0	0	0	6	6
Vessel impairment loss	0	0	0	0	0
Unrealized loss on marketable securities	5	0	0	0	6
Goodwill impairment loss	0	0	0	0	0
Loss on derivatives	5	0	0	0	5
Less:					
Gain on sale of shares	0	0	0	-1	-1
Gain on termination of lease	-9	-7	0	0	-16
Share of results of associated company	0	0	0	0	0
Unrealized gain on marketable securities	0	-1	-1	0	-2
Release of accrued dry docking expense	0	0	-2	0	-2
Gain on derivatives	0	-2	-2	-5	-9
<b>Net income adj.</b>	<b>26</b>	<b>-8</b>	<b>-28</b>	<b>-14</b>	<b>-23</b>
(in thousands)					
Weighted average number of ordinary shares	169 813	169 809	169 809	169 809	169 810
(in \$)					
<b>Basic (loss) earnings per share adjusted for certain non-cash charge</b>	<b>0,15</b>	<b>-0,05</b>	<b>-0,16</b>	<b>0,00</b>	<b>-0,14</b>
<b>EBITDA adj.</b>					
Net income attributable to the Company	25	2	-23	-14	-9
Add back:					
Interest expense	23	25	24	22	93
Depreciation	28	31	32	32	123
Income tax expense	0	0	0	0	0
Net income attributable to the non-controlling interest	0	0	0	0	0
Loss on termination of vessel lease, net of cash paid	0	0	0	6	6
Unrealized loss on marketable securities	5	0	0	0	6
Vessel impairment loss	0	0	0	0	0
Goodwill impairment loss	0	0	0	0	0
Loss on derivatives	5	0	0	0	5
Less:					
Gain on termination of lease	-9	-7	0	0	-16
Unrealized gain on marketable securities	0	-1	-1	0	-2
Release of accrued dry docking expense	0	0	-2	0	-2
Gain on sale of shares	0	0	0	-1	-1
Gain on derivatives	0	-2	-2	-5	-9
<b>EBITDA adj.</b>	<b>78</b>	<b>47</b>	<b>28</b>	<b>40</b>	<b>193</b>

*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.*