



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


FRONTLINE

Quarterly Presentation | MAY 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

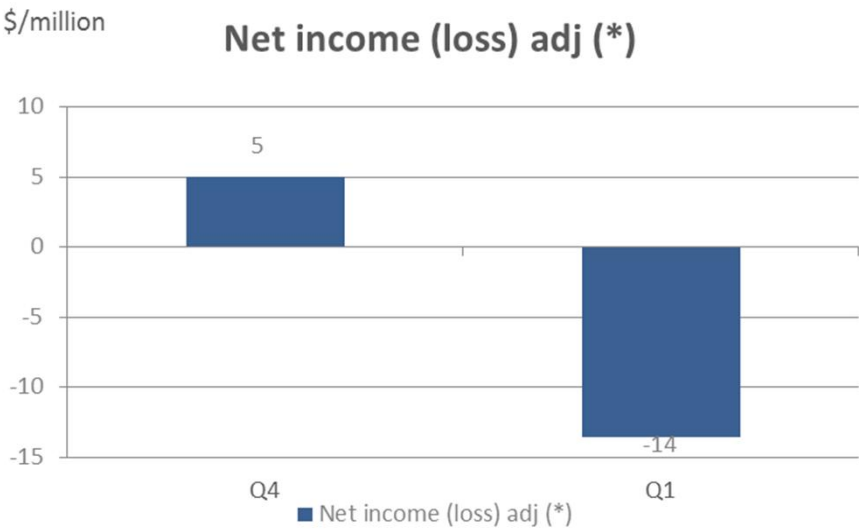
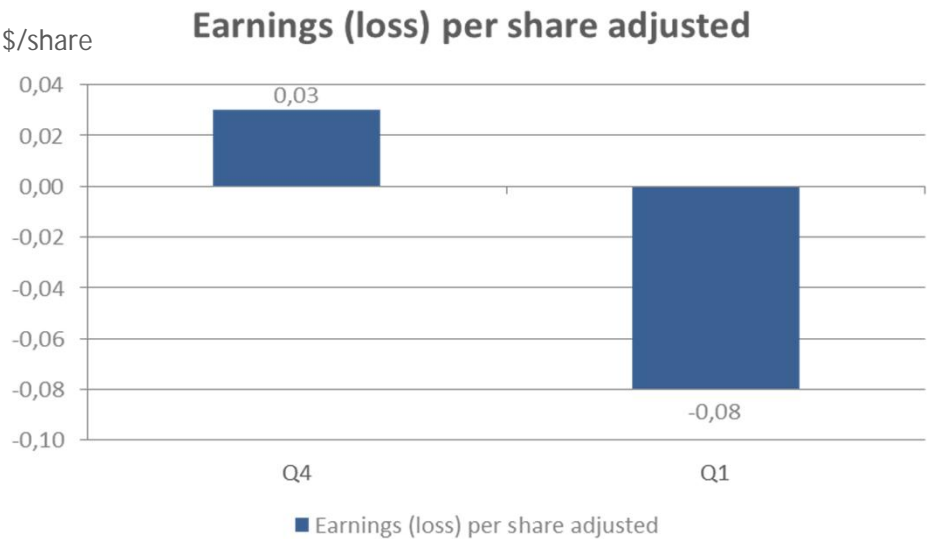
- Reports net loss attributable to the Company and net loss attributable to the Company adjusted for certain non-cash items of \$13.6 million, or \$0.08 per share.
- Three newbuildings were delivered: the VLCC's Front Empire and Front Princess and the LR2 Front Polaris.
- Achieved spot TCE of \$18,000 per day for VLCCs less than 15 years of age, excluding two newbuildings delivered during the quarter.
- Extended its loan facility of up to \$275.0 million by 12 months to November 2019.



Q1 2018 Financial Highlights

(Million \$ except per share)			
	2018 Q1	2017 Q4	2017 FY
Total operating revenues (net of voyage expenses) (*)	81	99	387
Net Income (loss)	-14	-248	-265
Net income (loss) adj (*)	-14	5	-4
EBITDA adj (*)	40	62	208
Earnings (loss) per share	-0,08	-1,46	-1,56
Earnings (loss) per share adjusted	-0,08	0,03	-0,03
Cash	113	105	
Interest bearing debt	1 747	1 580	

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



Earnings per share is based on 169,809,324 weighted average shares outstanding

Income Statement

(in thousands of \$)	2018 Jan - Mar	2017 Oct - Dec	2017 Jan-Dec
Total operating revenues	169 621	178 580	646 326
Other operating gain (loss)	(6 116)	3	2 381
Voyage expenses and commission	89 039	79 384	259 334
Contingent rental (income) expense	(6 695)	(6 957)	(26 148)
Ship operating expenses	34 733	33 394	135 728
Charter hire expenses	2 317	1 990	19 705
Impairment loss on vessels and vessels under capital lease	-	142 940	164 187
Impairment loss on goodwill	-	112 821	112 821
Administrative expenses	9 548	8 884	37 603
Depreciation	31 791	36 388	141 748
Total operating expenses	160 733	408 844	844 978
Net operating income (loss)	2 772	(230 261)	(196 271)
Interest income	140	250	588
Interest expense	(21 602)	(20 070)	(69 815)
Gain (loss) on sale of shares	1 026	(123)	1 061
Unrealised gain (loss) on marketable securities	(311)		
Foreign currency exchange gain (loss)	(608)	(278)	(55)
Gain (loss) on derivatives	5 085	2 331	(753)
Other non-operating items	(44)	62	1 213
Net income (loss) before income taxes and non-controlling interest	(13 542)	(248 090)	(264 033)
Income tax expense	(14)	(181)	(290)
Net income (loss)	(13 556)	(248 271)	(264 323)
Net (income) loss attributable to non-controlling interest	(85)	(161)	(539)
Net income (loss) attributable to the Company	(13 641)	(248 432)	(264 862)
Basic earnings (loss) per share attributable to the Company (\$)	(0,08)	(1,46)	(1,56)
Weighted average number of ordinary shares (in thousands)	169 809	169 809	169 809

Non-cash items in the first quarter of 2018:

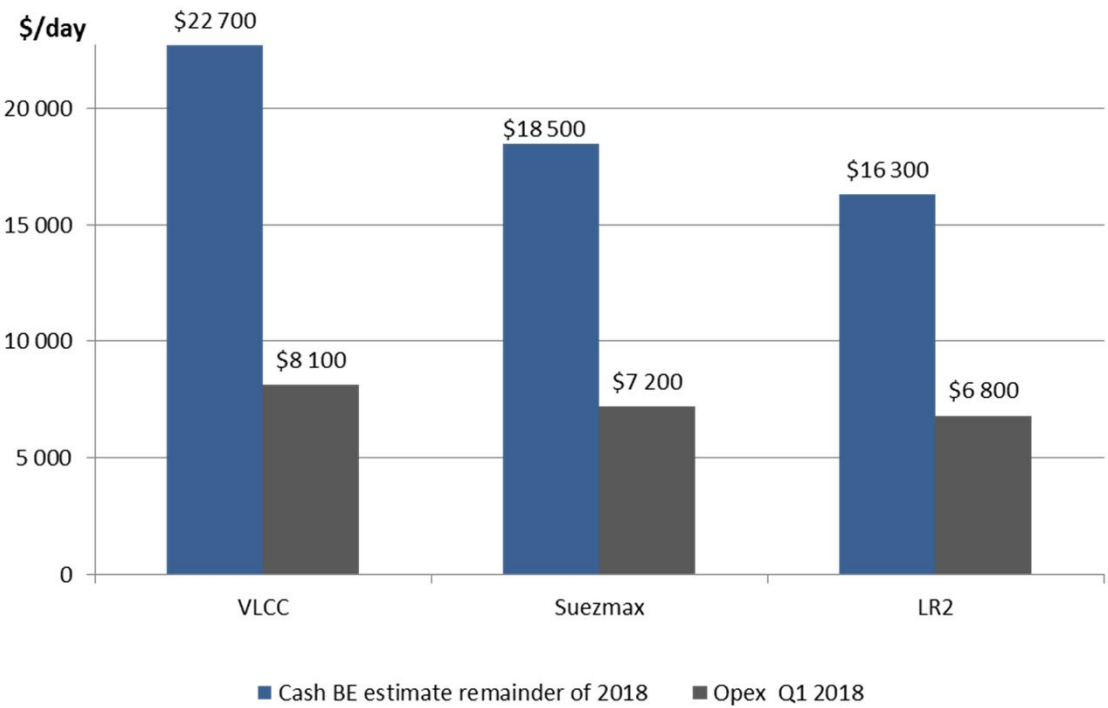
- \$5.8 million loss on termination of the lease of the VLCC Front Circassia leased from Ship Finance.
- \$5.1 million gain on derivatives
- \$0.3 million unrealized loss on marketable securities
- \$1.0 million gain on sale of shares

Balance Sheet

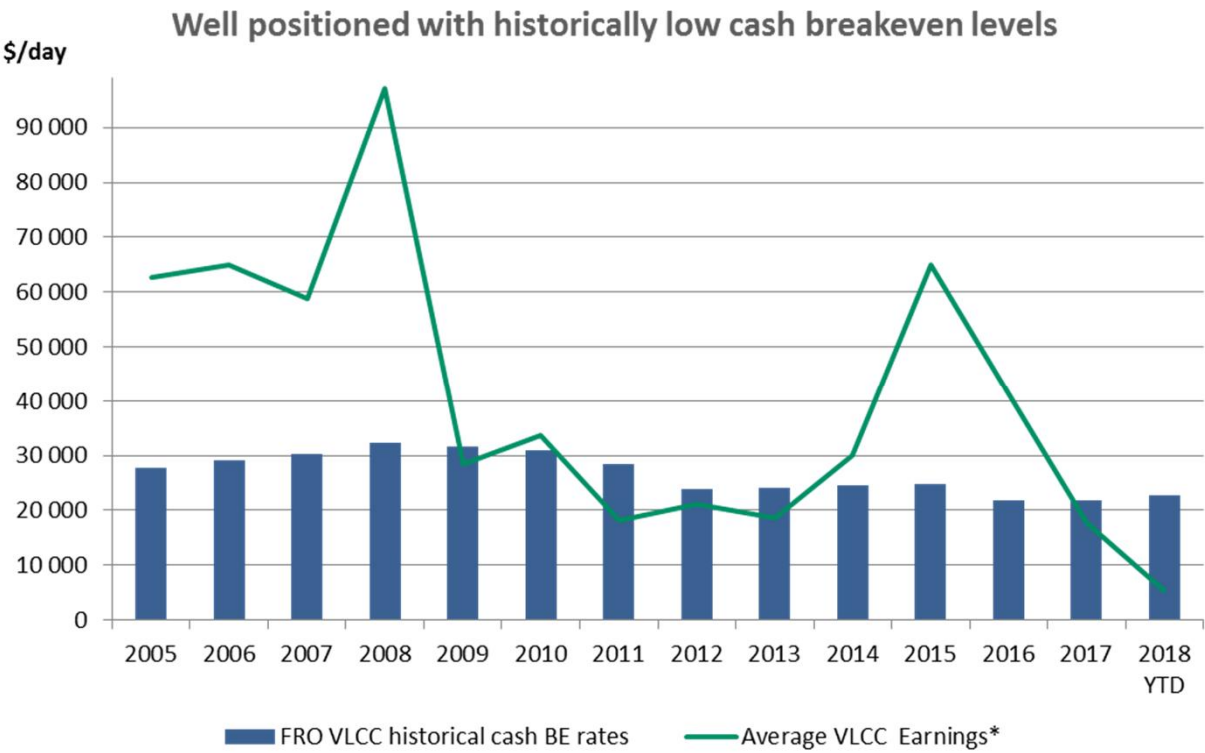
(in million \$)	2018 Mar 31	2017 Dec 31
Assets		
Current assets		
Cash	113	105
Marketable securites	12	30
Other current assets	195	187
Non-current assets		
Newbuildings	34	80
Vessels	2 796	2 616
Goodwill	112	112
Other long-term assets	9	4
Total assets	3 272	3 134
Liabilities and Equity		
Current liabilities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

- \$249 million in cash and cash equivalents including undrawn amount of unsecured facility, marketable securities and minimum cash requirements bank
- \$131 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: \$140 million

Cash Breakeven Rates and Opex



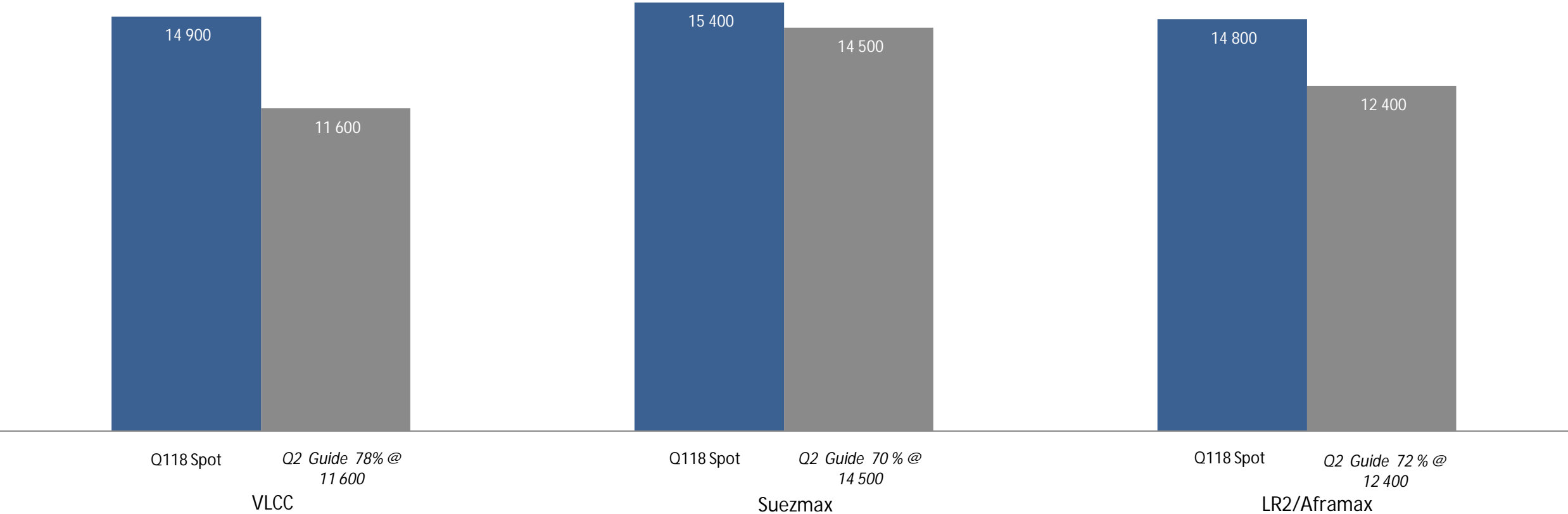
- Estimated cash cost breakeven rates for the remainder of 2018 include bareboat/tc hire / installments, interest loans, opex/drydock and G&A expenses.



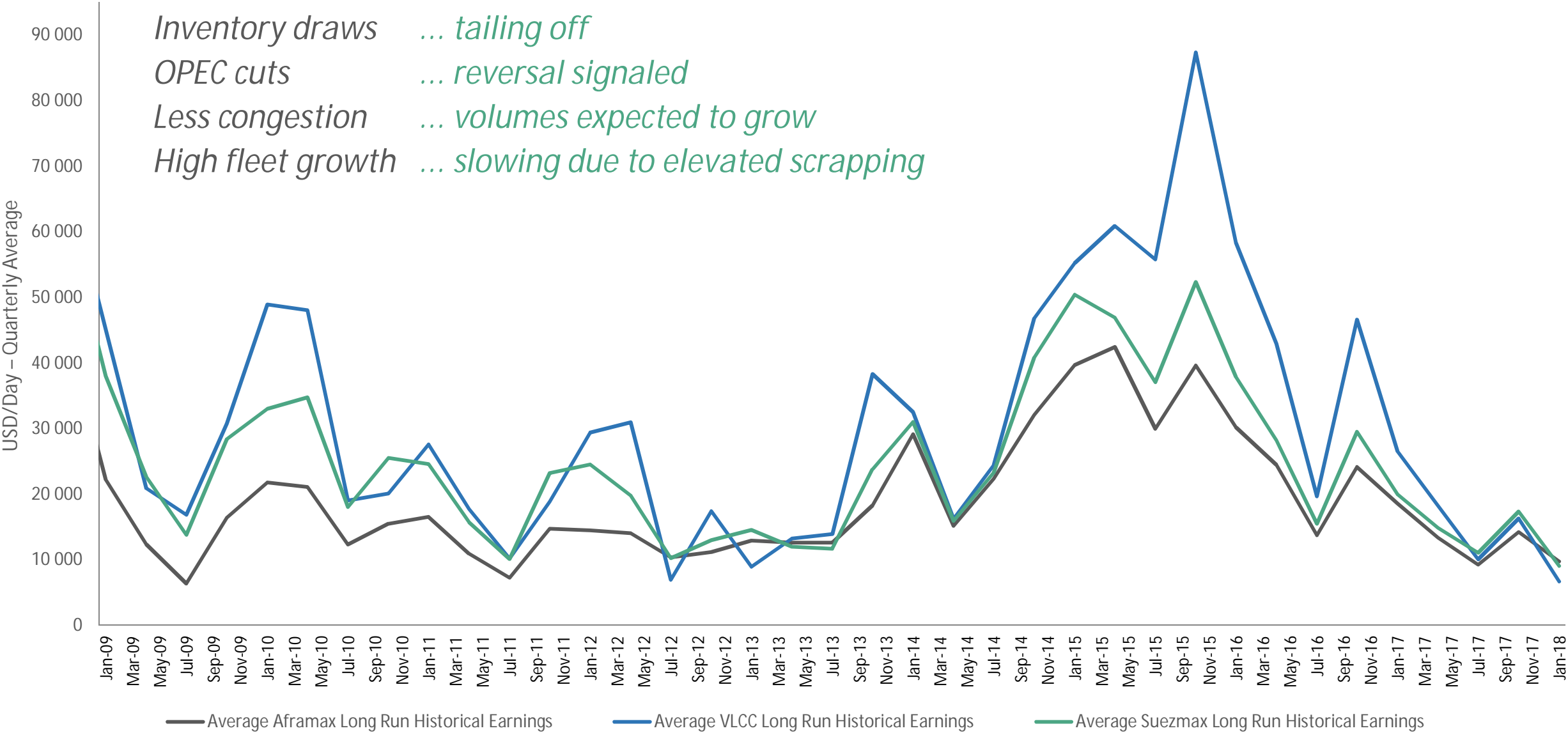
*Source : Clarksons

Q1 Performance and Q2 Guidance

Daily TCE rates (Spot USD/Day)



The Tanker Market



Source: Clarkson

Summary

Bullish Factors

- Crude oil demand growth continues to be strong
- Trade routes evolving, US exports to Asia growing fast
- Several factors pointing towards a more balanced market
- Stronger sentiment amongst owners

Bearish Factors

- The orderbook remains substantial
- Further inventory draws could occur
- Demand for crude oil may fall due to higher prices
- New contracting could continue

Certain factors are in favour of a stronger tanker market, but the fleet needs to re-balance from the present oversupply

Q&A





 www.frontline.bm

Appendix

Appendix 1 Reconciliation			
(Million \$ except per share)	Q1 2018	Q4 2017	Full year 2017
Total operating revenues net of voyage expenses			
Total operating revenues	170	179	646
Voyage expenses	-89	-79	-259
Total operating revenues net of voyage expenses	81	99	387
Net income adj.			
Net income (loss) attributable to the Company	-14	-248	-265
Add back:			
Loss on termination of vessel lease, net of cash paid	6	0	3
Vessel impairment loss	0	143	164
Unrealized loss on marketable securities	0	0	0
Goodwill impairment loss	0	113	113
Loss on derivatives	0	0	3
Less:			
Gain on sale of shares	-1	0	0
Gain on termination of lease	0	0	-21
Gain on derivatives	-5	-2	0
Net income adj.	-14	5	-4
(in thousands)			
Weighted average number of ordinary shares	169 809	169 809	169 809
(in \$)			
Basic (loss) earnings per share adjusted for certain non-cash charges	-0,08	0,03	-0,03
EBITDA adj.			
Net income attributable to the Company	-14	-248	-265
Add back:			
Interest expense	22	20	70
Depreciation	32	36	142
Income tax expense	0	0	0
Net income attributable to the non-controlling interest	0	0	0
Loss on termination of vessel lease, net of cash paid	6	0	4
Unrealized loss on marketable securities	0	0	0
Vessel impairment loss	0	143	164
Goodwill impairment loss	0	113	113
Loss on derivatives	0	0	3
Less:			
Gain on termination of lease	0	0	-21
Gain on sale of shares	-1	0	0
Gain on derivatives	-5	-2	-3
EBITDA adj.	40	62	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.