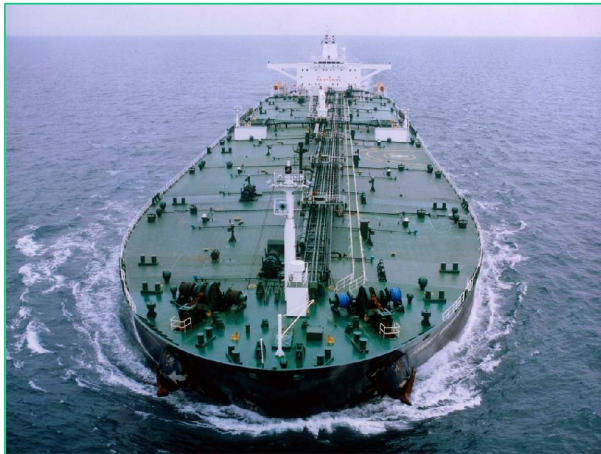




Presentation of Q4 2006 Results



**CEO Bjørn Sjaastad
CFO Inger M. Klemp**

February 27, 2007

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Agenda

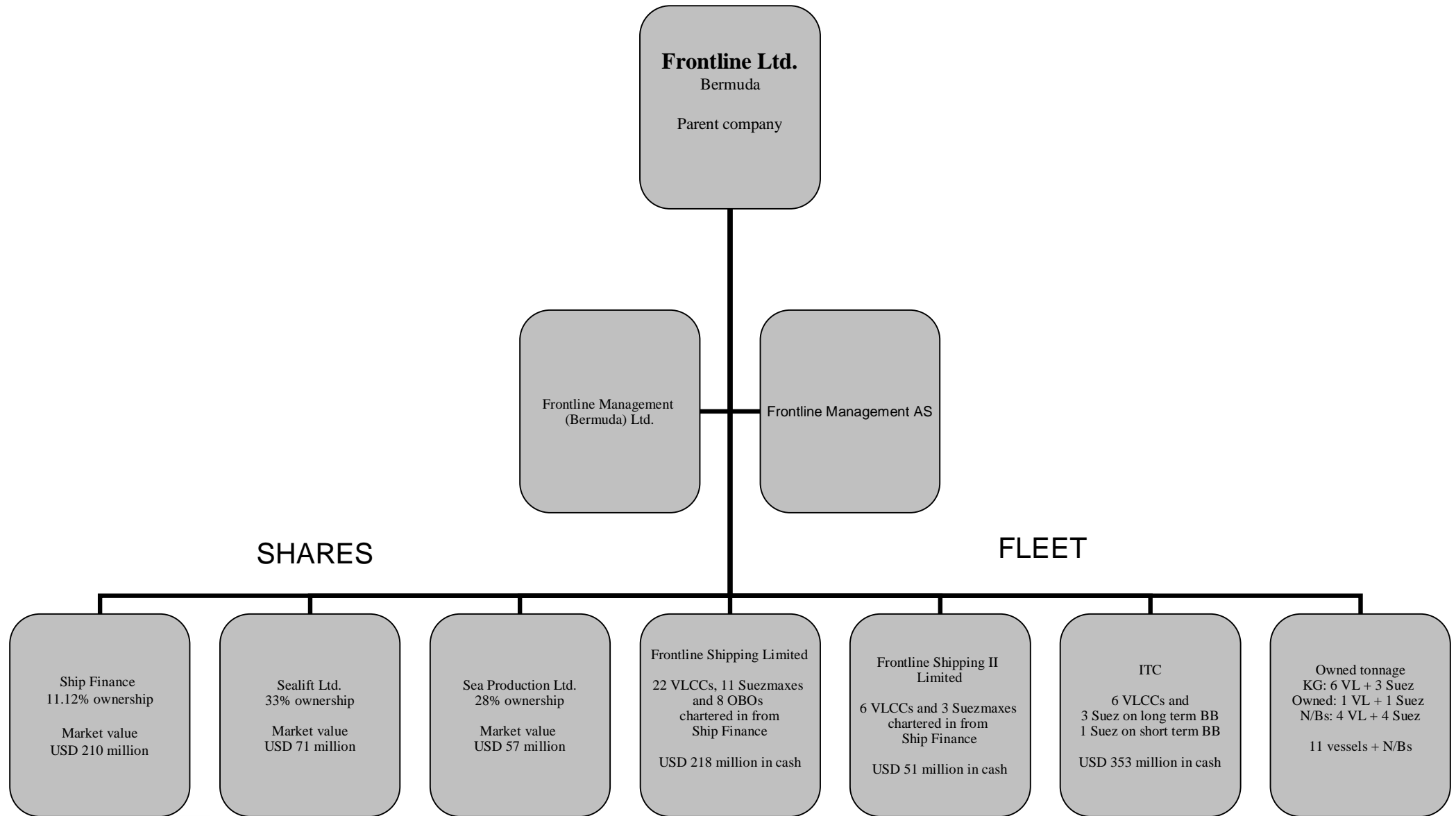
- **Introduction**
- **Fourth quarter 2006 Highlights**
- **Financial Review**
- **Sealift Ltd.**
- **Sea Production Ltd.**
- **Industry Overview & Company Outlook**
- **Questions**

Frontline Fleet

		Owned or Financial Lease	TC Coverage in 2007	Av. Net TC Rate
VLCC	DH	26	15 %	44 069
	DS	1		
	SS ¹⁾	8	88 %	34 863
	Newbuildings	4		
Suezmax	DH	9	10 %	36 291
	DS	2		
	SS ²⁾	6	10 %	28 341
	OBO	8	77 %	39 200
	Newbuildings	4		
ITC (Bareboat)	VLCC DH	6		
	Suezmax DH	3		
Com. Mng.	VLCC DH	8		
	Suezmax DH	3		
	Suezmax SS	2		
	Aframax DS	1		
Total Fleet (ex. Newbuildings)		83		

- 1) Most of the vessels are fixed on t/c for the remainder of the committed period
 2) - 3 SS Suezmaxes sold to Sealift and chartered back on short-term BB until conversion
 - Front Transporter sold with delivery Q1

Corporate structure



Newbuildings

VLCC

Hull No.	Yard	Price (\$)	Delivery
2396	Jiangnan	102 580 000	Q1 / 2009
2397	Jiangnan	102 580 000	Q2 / 2009
2419	Jiangnan	104 600 000	Q2 / 2010
2420	Jiangnan	104 600 000	Q3 / 2010

SUEZMAX

Hull No.	Yard	Price (\$)	Delivery
1017	Rongsheng	69 650 000	Q3 / 2008
1018	Rongsheng	69 650 000	Q1 / 2009
1019	Rongsheng	71 000 000	Q4 / 2008
1026	Rongsheng	71 000 000	Q2 / 2009

Financial Highlights

	YTD 2006	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Net Income (in \$ million)	516	135	99	69	214
EPS (\$)	6,90	1,80	1,32	0,92	2,86
Dividend per share (\$)	10,34	4,84 *)	2,5	1,5	1,5
TCE per day (\$)					
VLCC	57 800	48 000	59 800	50 600	73 000
Suezmax	37 800	31 200	40 000	30 600	49 700
Suezmax OBO	31 700	34 200	30 800	30 100	31 700

*) Cash dividend USD 2.05 and Share dividend of USD 2.79 based on a Ship Finance share price of USD 26 as of February 23, 2007

Major transactions Q4 2006

- Sale of VLCC Front Beijing for \$141.5 million - profit \$59 million
- Sale of VLCC Front Tobago for \$45 million – profit \$14.3 million
- NB contracts for 6 Suezmax tankers at Rongsheng to be delivered in 2008/2009, and sale of 2 of these contracts to Ship Finance International Limited
- Delivery of VLCC Front Shanghai for a price of approximately \$81 million
- Exercise and resale of two VLCC options at Jiangnan Shipyard in China for a profit of \$6.2 million

Major transactions Q1 2007

- Sealift Ltd. – Sale of 6 single hull Suezmax tankers for \$476 million. Frontline retains 33% ownership in Sealift Ltd
- Sea Production Ltd. – Sale of Front Puffin and the Sea Production Management Company for \$210 million. Frontline retains 28% ownership in Sea Production Ltd
- Sale of Suezmax Front Transporter for \$38 million. Compensation payment to Frontline of about \$15 million

Profit & Loss

2005 Oct-Dec	2006 Oct-Dec	INCOME STATEMENT <i>(in thousands of \$)</i>	2006 Jan-Dec	2005 Jan-Dec <i>(audited)</i>
			1,582,023	1,513,833
430,368	350,625	Total operating revenues		
(1,896)	73,799	Gain (loss) from sale of assets	95,655	76,081
96,646	87,168	Voyage expenses and commission	396,576	337,221
33,218	47,551	Ship operating expenses	199,377	148,702
5,324	6,268	Charterhire expenses	24,923	11,711
6,212	12,468	Administrative expenses	32,423	21,181
50,197	50,535	Depreciation	203,849	198,359
191,597	203,990	Total operating expenses	857,148	717,174
236,875	220,434	Operating income	820,530	872,740
11,197	13,829	Interest income	47,878	41,040
(53,812)	(52,560)	Interest expense	(208,716)	(215,994)
(154)	3,348	Share of results from associated companies	5,336	3,691
6,779	151	Other financial items	8,760	47,189
4,497	294	Foreign currency exchange gain (loss)	1,056	18,830
205,382	185,496	Income before taxes and minority interest	674,844	767,496
(69,833)	(50,855)	Minority Interest	(158,682)	(169,459)
(64)	(41)	Taxes	(162)	17
(1,706)	-	Discontinued operations	-	8,785
133,779	134,600	Net income	516,000	606,839
		Basic Earnings Per Share Amounts (\$)		
\$1.81	\$1.80	EPS from continuing operations before cumulative effect of change in accounting principle	\$6.90	\$7.99
\$1.79	\$1.80	EPS	\$6.90	\$8.11

Consolidated with Ship Finance International Limited

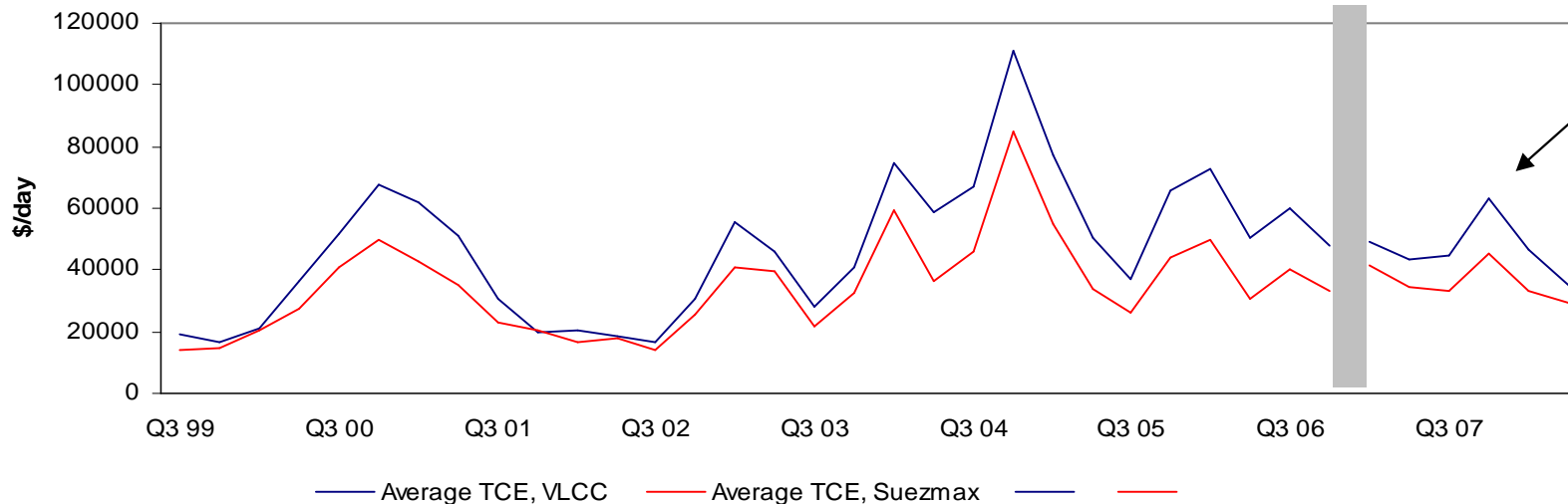
Income on time charter basis

Q4 2005	Q4 2006		2006	2005
65 800	48 000	VLCC all	57 800	57 400
68 800	53 300	*) VLCC spot	65 400	62 000
44 100	31 200	***) Suezmax all	37 800	40 300
32 900	34 200	OBO	31 700	34 900

*) VLCC Spot DH - \$56,500 / SH - \$37,600

***) Suezmax Spot DH - \$40,900 / SH - \$22,100

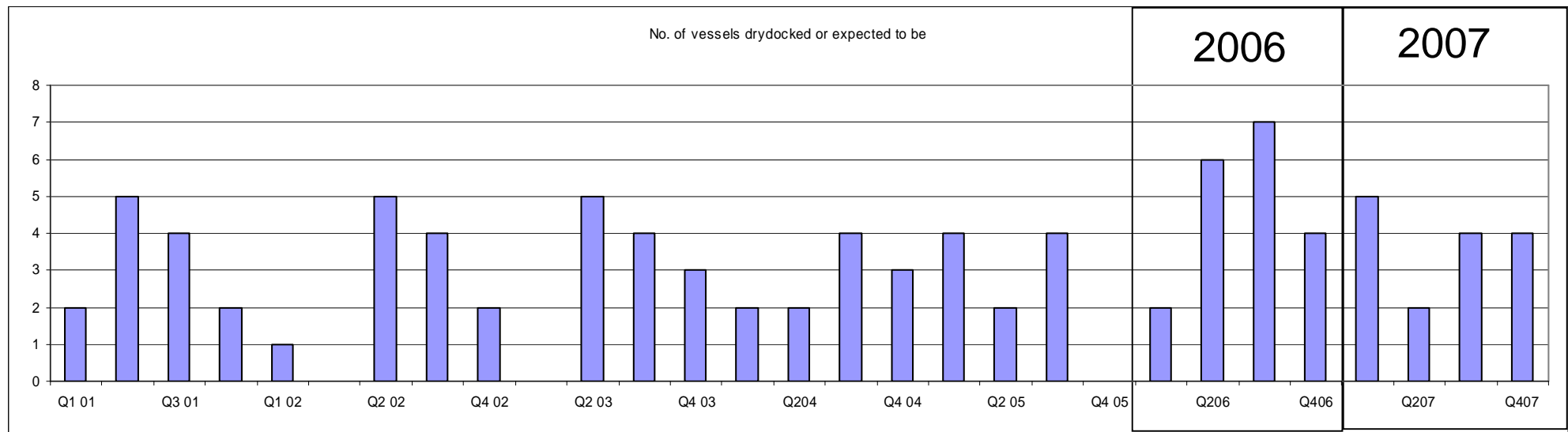
TCE



Imarex forward curve as of 23.02.07 for the period Q1 2007- Q2 2008

Ship operating expenses/Off-hire (\$/day)

	Q1 2006	Q2 2006	Q3 2006	Q4 2006	YTD 2006	YTD 2005
Total fleet	8 000	9 800	9 300	8 700	9 060	7 360
Off hire (days)	85	220	311	298	609	347
Number of vessels drydocked	2	6	7	4	19	10



Cash breakeven rates (\$/day)

VLCC	30 200
Suezmax	22 600
Suezmax OBO	23 000

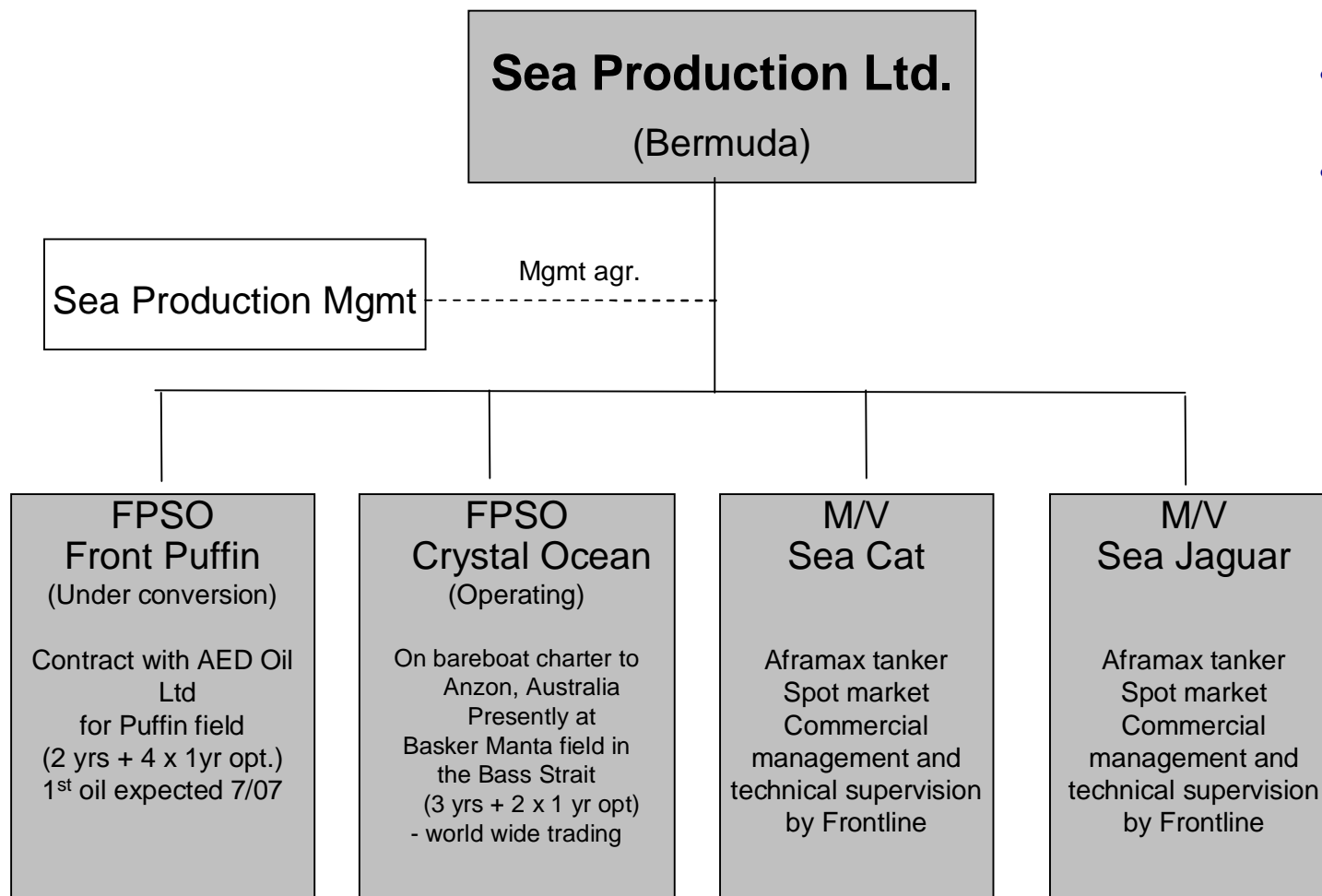
2007 estimate based on b/b rate, opex and other G&A

Balance sheet

BALANCE SHEET <i>(in thousands of \$)</i>	2006 Dec 31	2005 Dec 31 <i>(audited)</i>
ASSETS		
Short term		
Cash and cash equivalents	204,081	100,533
Restricted cash	623,061	636,790
Other current assets	222,520	398,148
Long term		
Newbuildings and vessel purchase options	166,851	15,927
Vessels and equipment, net	2,446,278	2,584,847
Vessels under capital lease, net	626,374	672,608
Investment in finance lease	73,724	96,057
Investment in associated companies	65,313	10,169
Deferred charges and other long-term assets	47,700	52,760
Total assets	4,475,902	4,567,839
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short term		
Short term debt and current portion of long term debt	258,292	240,191
Current portion of obligations under capital lease	28,857	25,142
Other current liabilities	134,230	187,645
Long term		
Long term debt	2,135,600	2,199,538
Obligations under capital lease	677,858	706,279
Other long term liabilities	31,382	23,128
Minority interest	541,122	470,750
Stockholders' equity	668,561	715,166
Total liabilities and stockholders' equity	4,475,902	4,567,839

Company overview

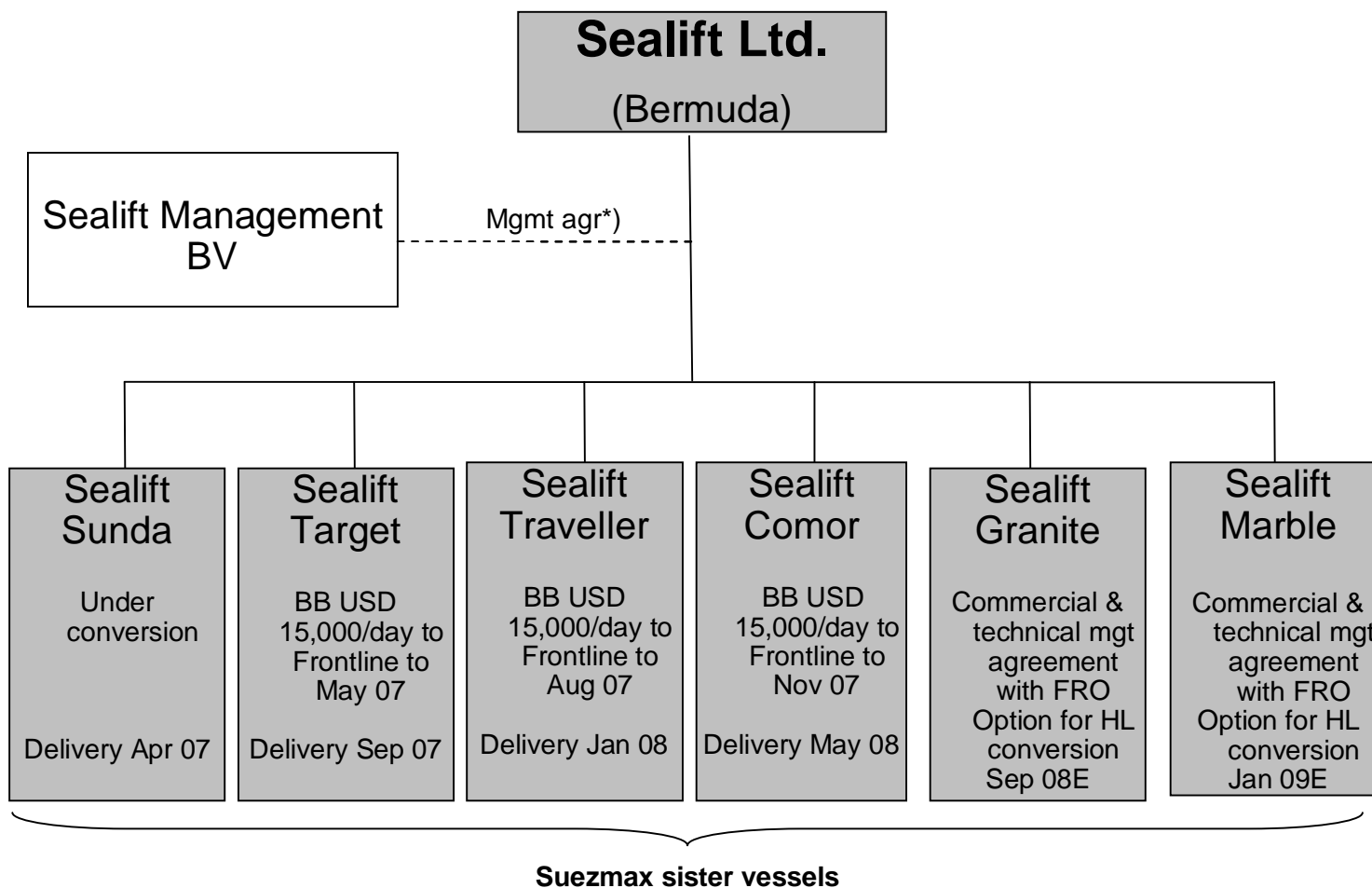
Frontline 28% / Keppel 5% / Investors 67%



- Floated and OTC Listed February 2007
- **Investment/funding**
 - USDm 415 acquisition
 - Front Puffin and management company USDm 210,
 - Crystal Ocean USDm 90,
 - Sea Cat and Sea Jaguar USDm 36 and
 - Working capital USDm 79
 - **To be financed with:**
 - Equity USDm 180
 - 1. pri. bank debt USDm 105
 - 2. pri. Bond USDm 130

Company overview

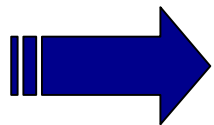
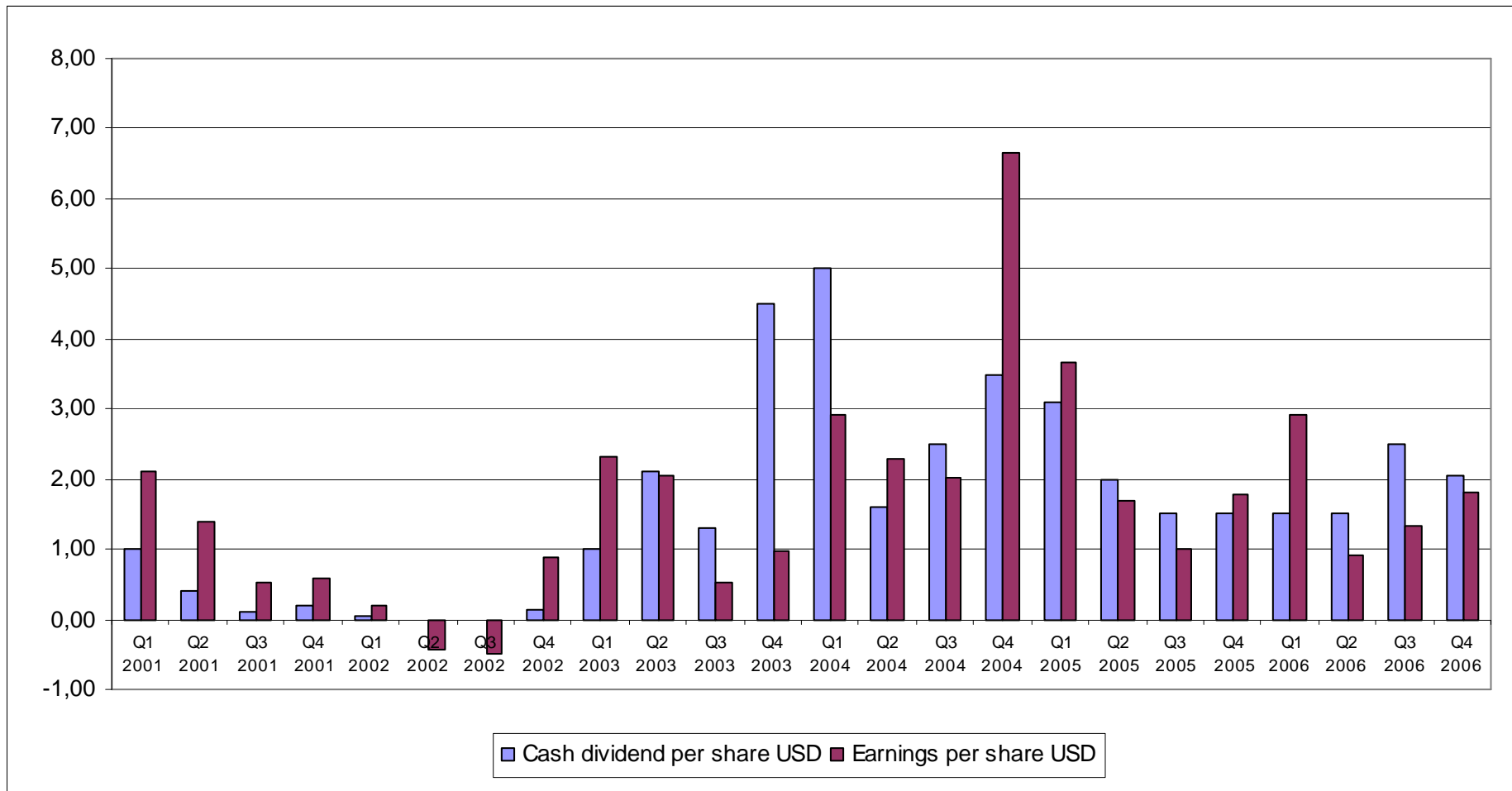
Frontline 33% Investors 67%



- Floated and OTC listed in January 2007
- **Investment / funding**
 - USDm 476 acquisition
 - HL vessels USDm 100
 - Suezmax vessels USDm 38
 - **To be financed with:**
 - Equity USDm 180
 - 1. pri. bank debt USDm 120
 - 2. pri. Bond USDm 110
 - Seller credit USDm 80

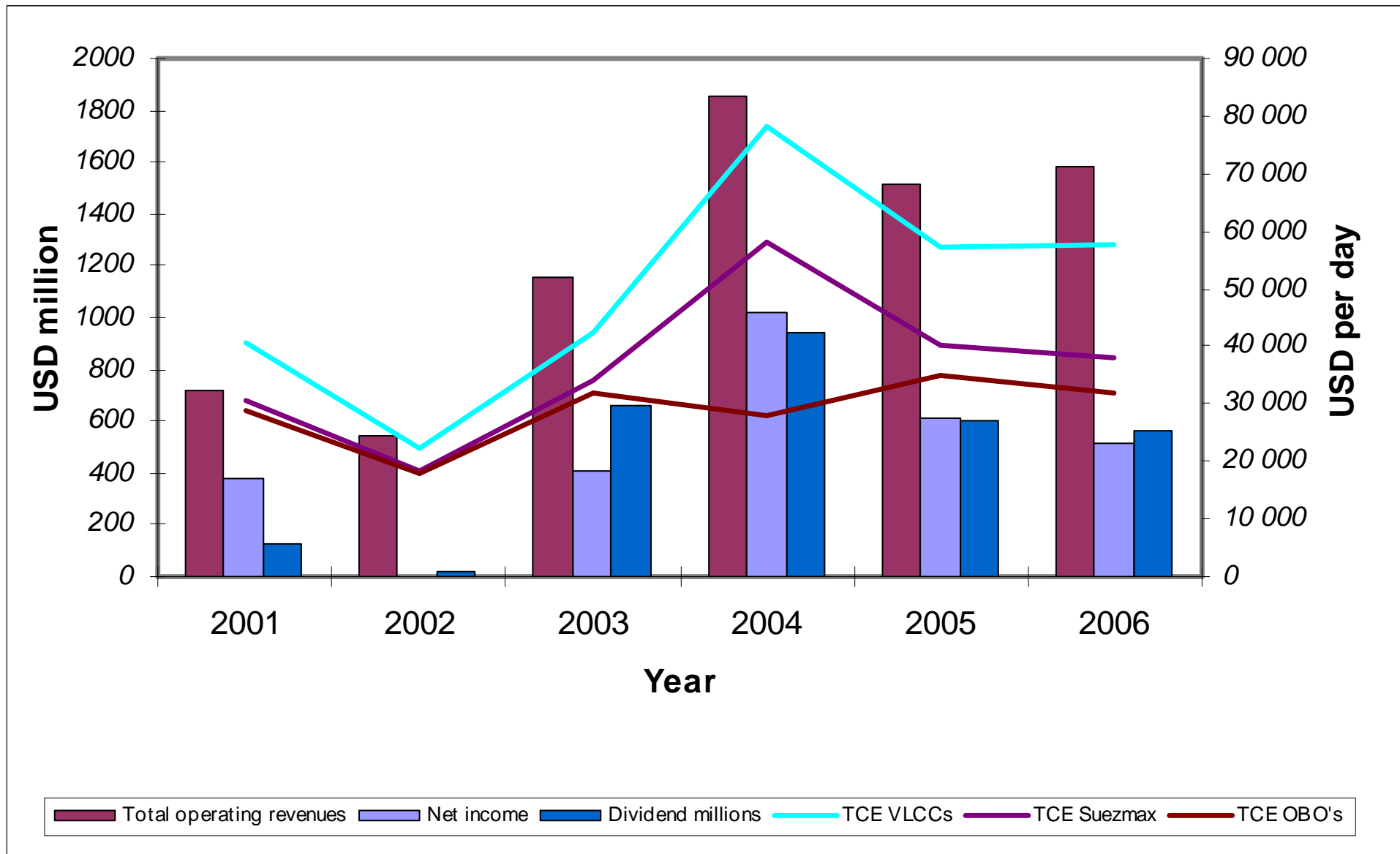
*) Temporary management agreement with Frontline Management

EPS and dividend per share



- Cash dividend paid in total => USD 39.05 per share
- Spin off Ship Finance – USD 2.79 based on share prices of USD 26 – 23.02.2007
- Spin off paid in total => USD 20.44 per share

Key figures

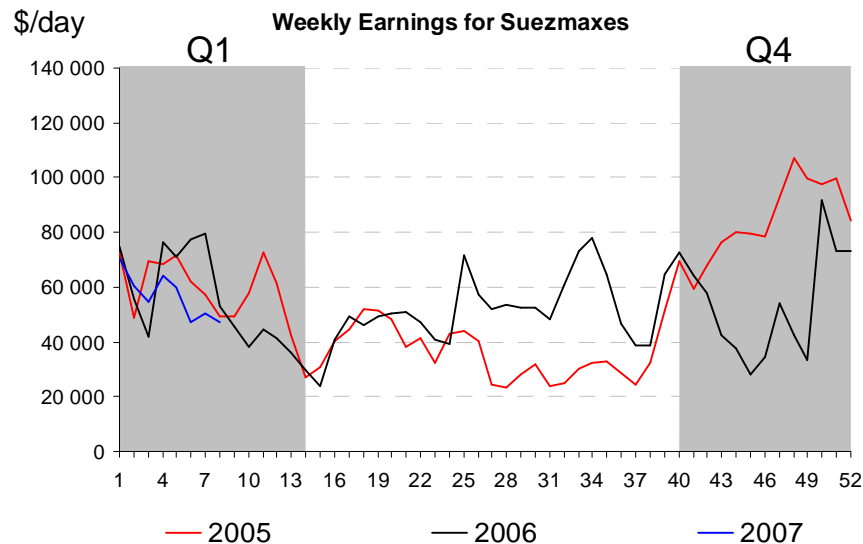
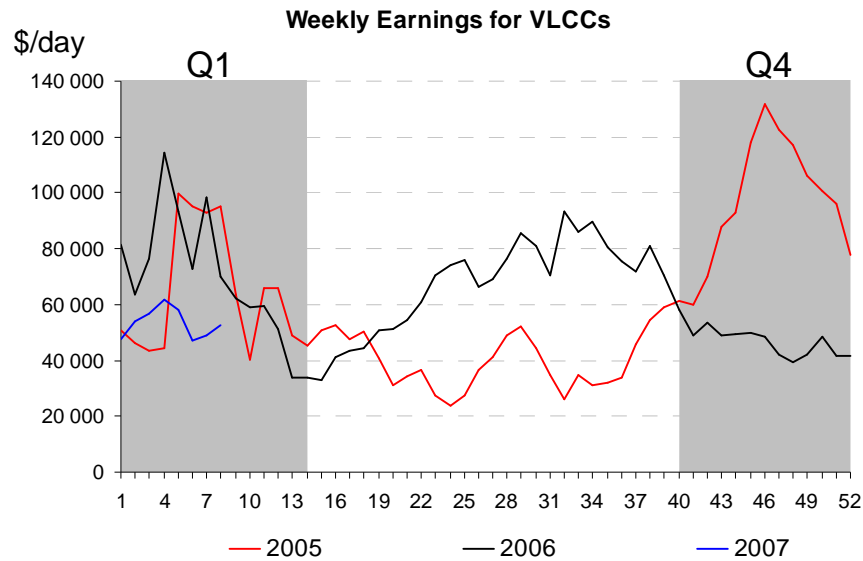


The Frontline Share



- Share price: \$36.32 as of date 23/02/07
- Shares outstanding: 74,825,169
- Market cap. \$2,718 million
- Enterprise value:\$4,991 million
- EBITDA 2006: \$866 million
- EPS 2006: \$6.90
- P/E: 5.26
- EV/EBITDA: 5.76
- Cash Yield: 20.79%

Entering the doldrums or steering clear ?



- Q4 relatively weak in both segments
- Stable fleet growth for Suezmaxes in 06 (y/y)
 - Lower fleet growth for VLCCs in 06 (y/y)
- External factors
 - Stock fluctuations
 - Oil price movements
 - Warm weather
 - Reduced delays
 - Absence of Hurricanes
 - Geopolitical tension reduced
 - Official OPEC cuts
- Oil demand at 85.5 mbd in 4Q06 (1.5% y/y)
 - Stable demand increase expected

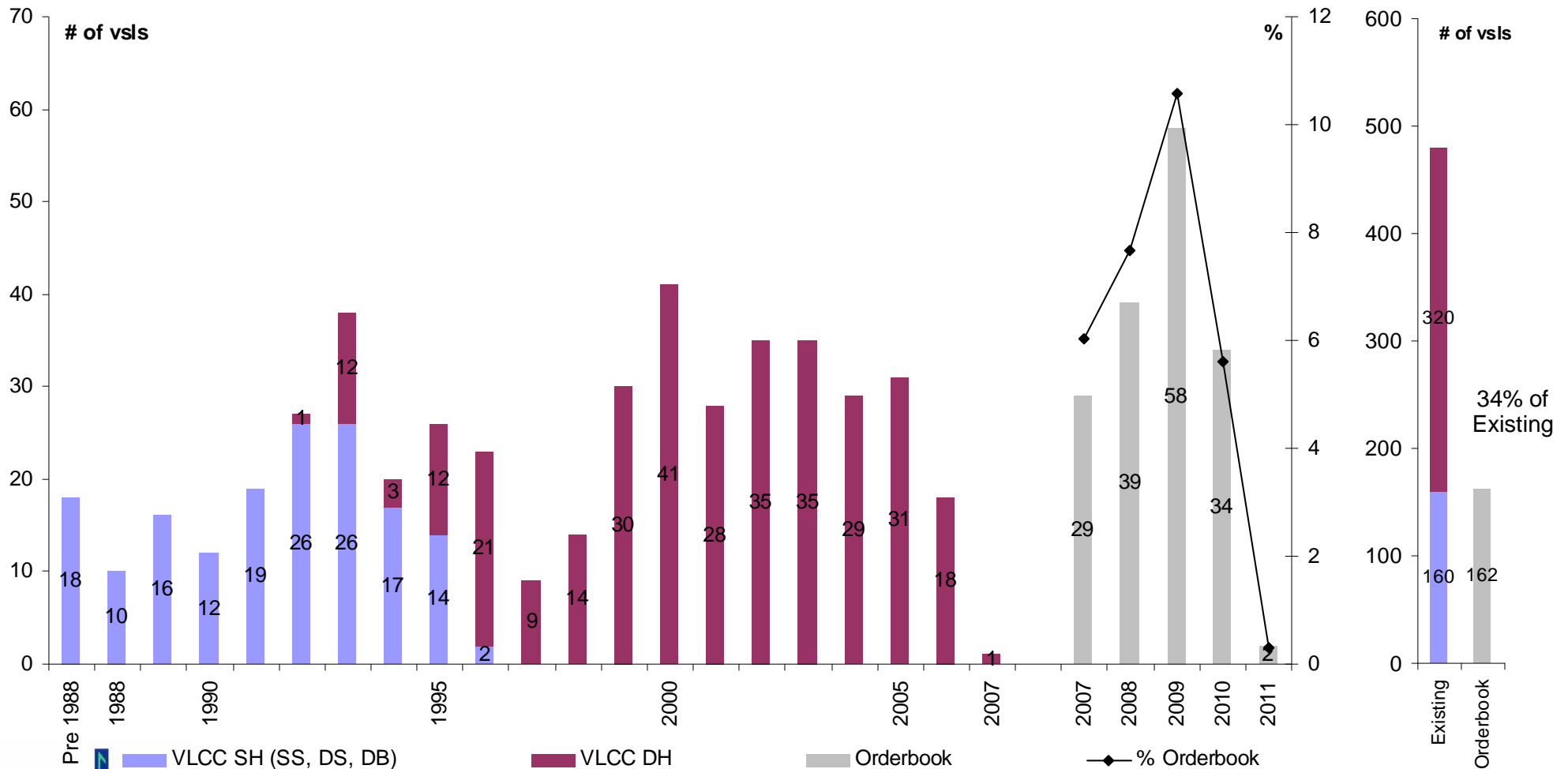
VLCC

Existing fleet

- 1 VLCC delivered in Jan 2007
 - 160 SH vs 320 DH

Orderbook

- Total orderbook at 162 VLCCs
 - 2 VLCCs ordered in Jan 2007



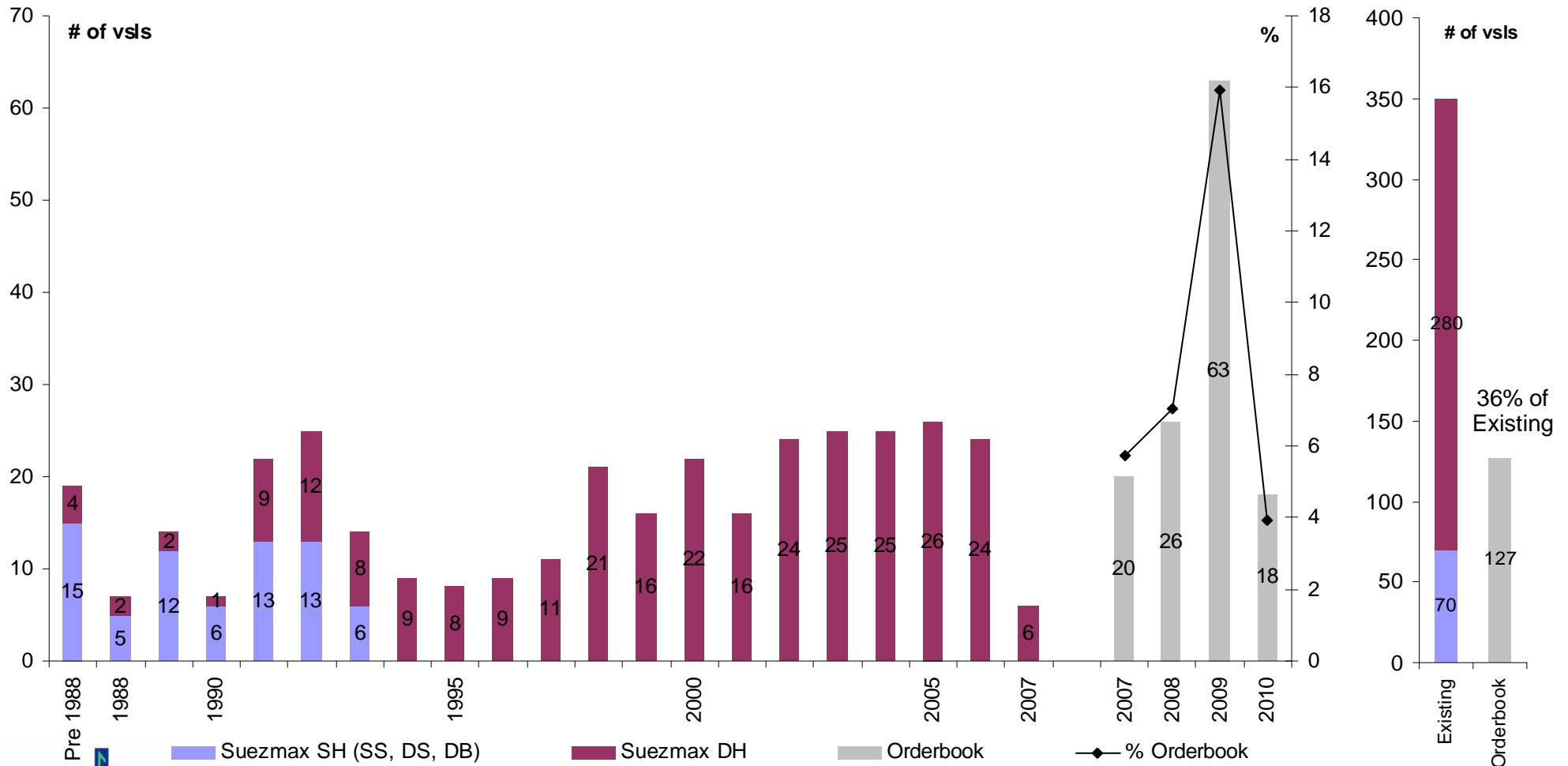
Suezmax

Existing fleet

- 6 Suezmaxes delivered in Jan 2007
 - 70 SH vs 280 DH

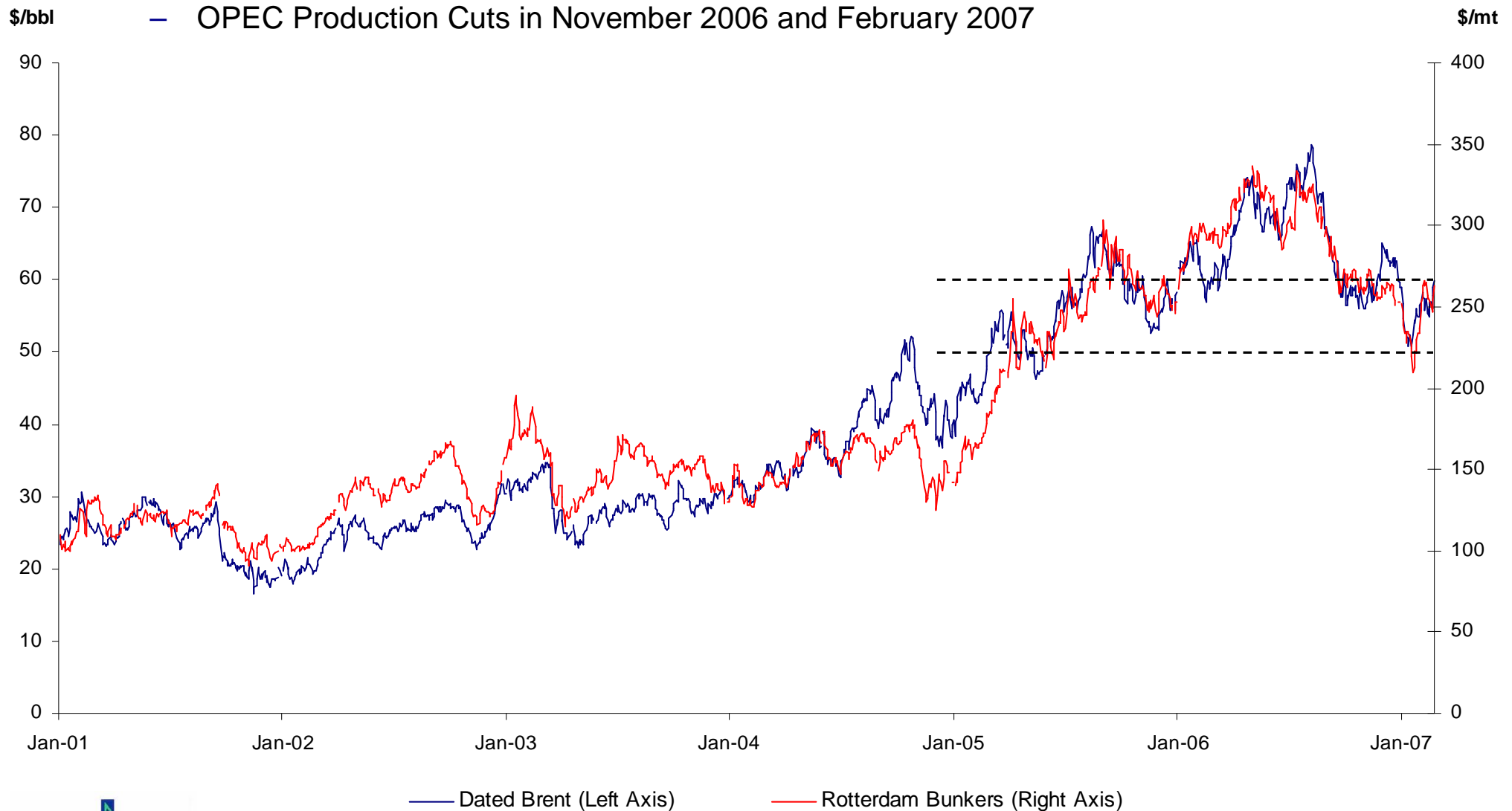
Orderbook

- Total orderbook at 127 Suezmaxes
 - 8 Suezmaxes ordered in Jan 2007



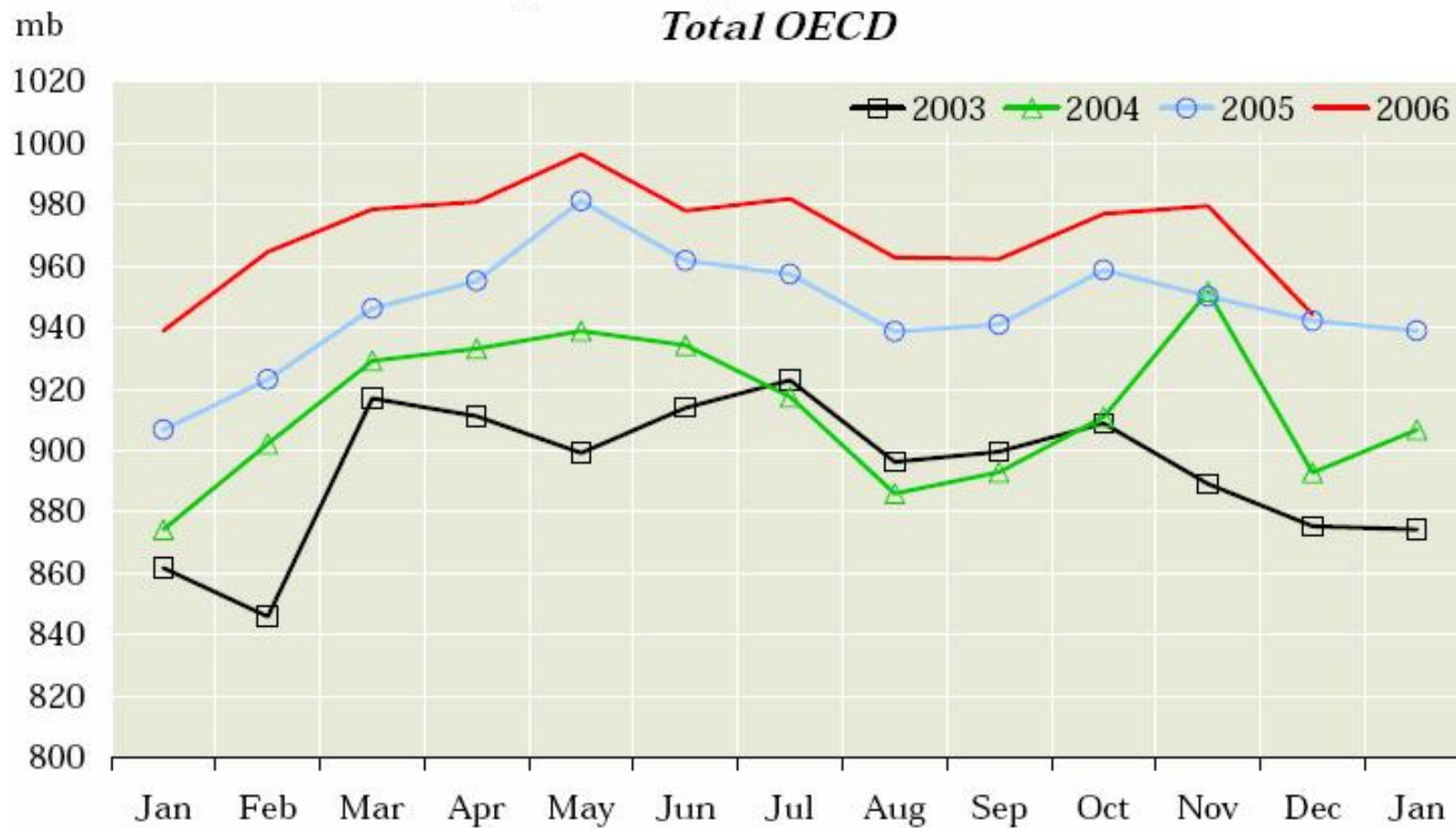
Trading within the \$50-60/bbl price band

Slightly improved sentiment



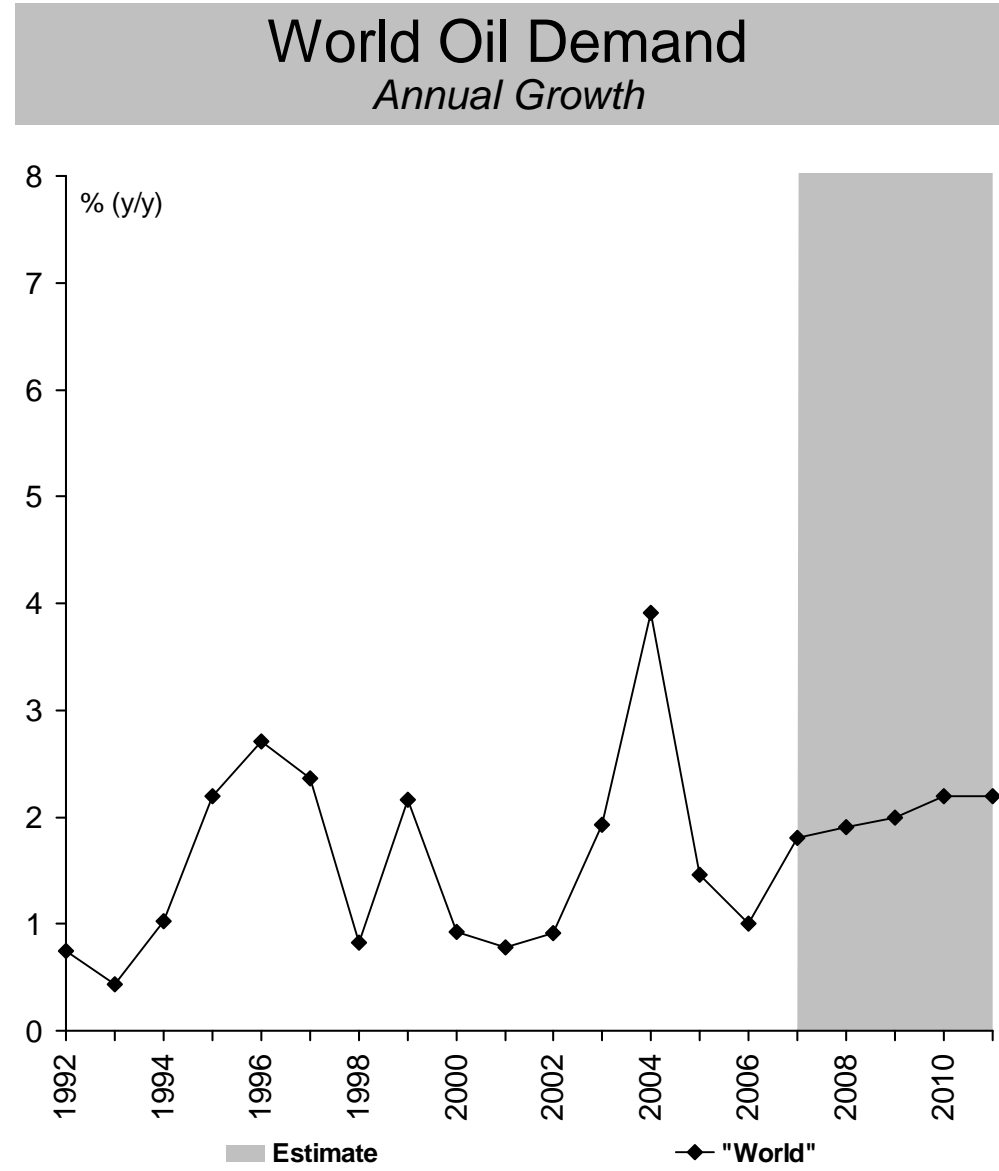
Crude Oil Inventory

- Falling – but still at high levels



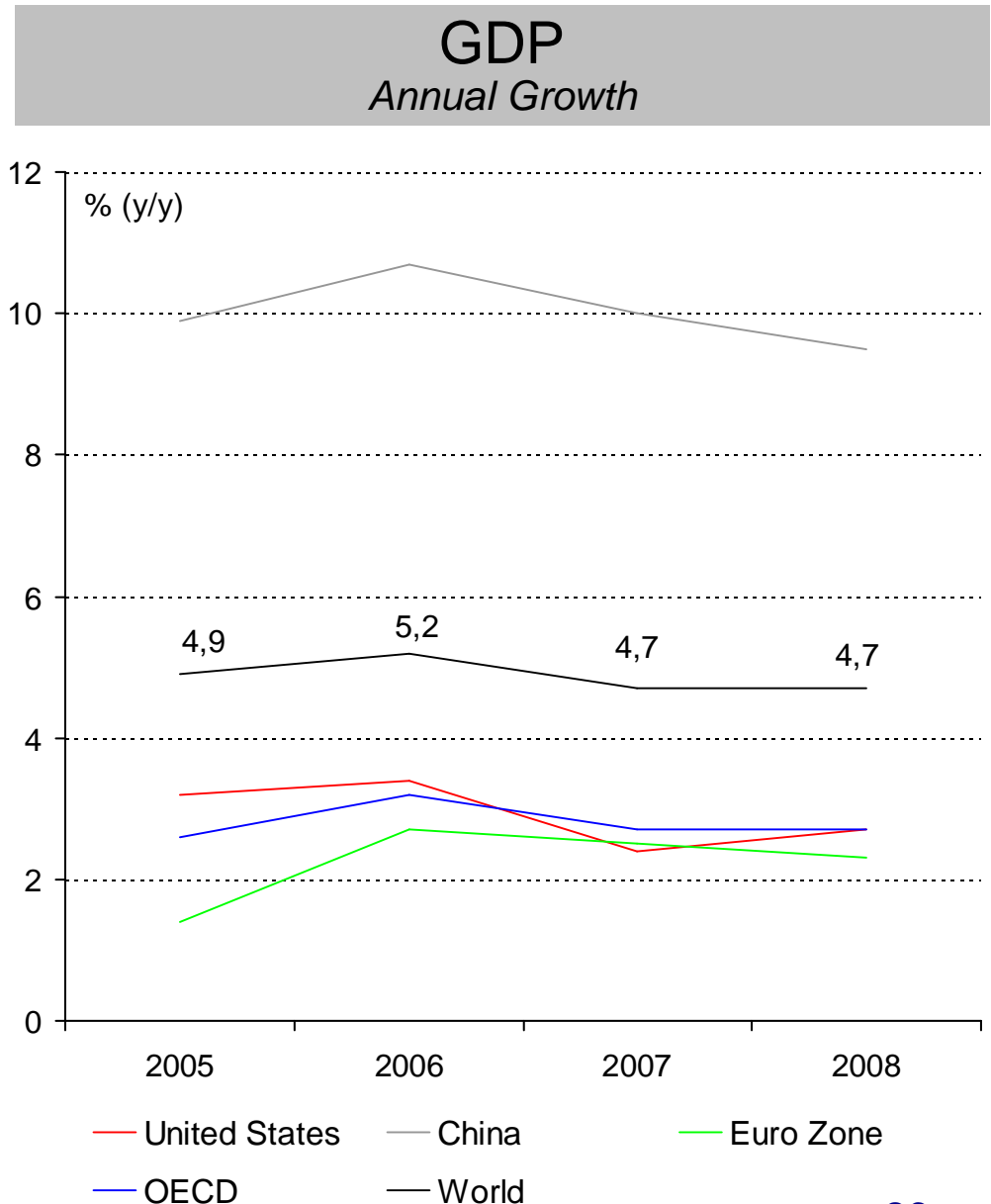
Demand growth adjusted up

- Growth to average 2.0% in 2006 – 2011
 - Strong demand growth in Asia and ME
 - Stable in remaining regions
 - OECD countries remain the largest consumer as a group
 - US Strategic Petroleum Reserves (SPRs)
- ➔ 2.7% growth in tonn-miles in 2007 (3.0% in 2006)



Robust world economy

- Mild deceleration in the United States
- Europe and Asia will resist US slowdown well
- Temporary inflation downturn due to lower oil prices
- Interest rates
 - Fed is expected to cut in the autumn
 - ECB expected to continue its rate hikes



Source: OECD, SEB

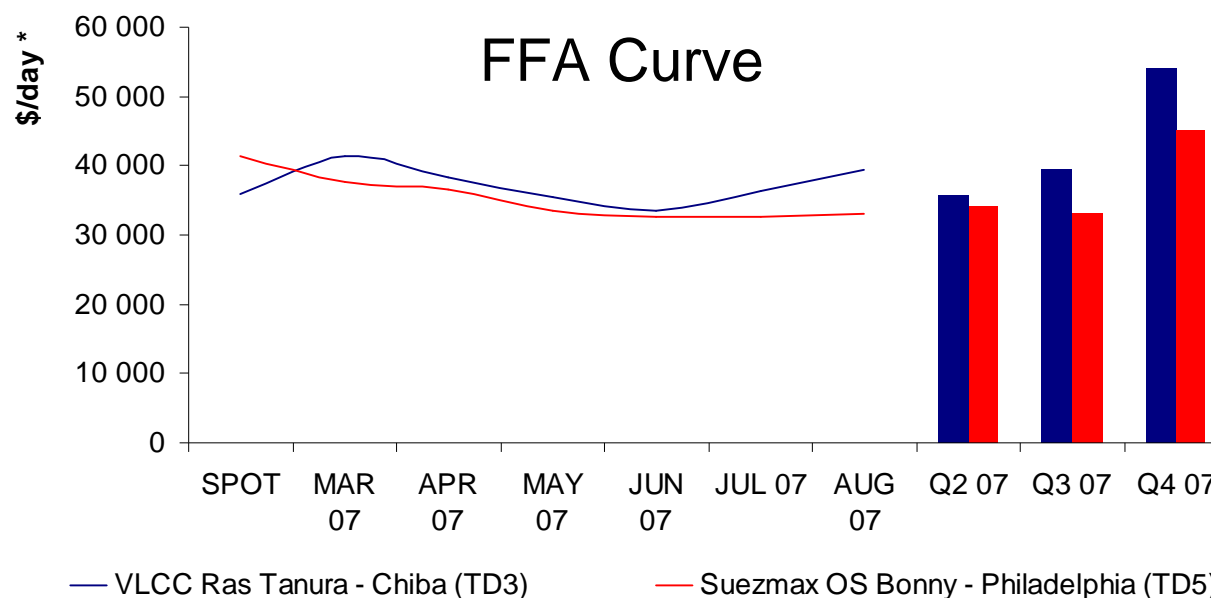
Outlook

Macro comments

- Healthy macroeconomic environment despite GDP growth cooling off
- Large orderbook, but 2007 not that bad
 - Single hull phase out
- Uncertainty on the supply side of oil / Further OPEC cuts unlikely
- Political Stability

Frontline specific comments

- Spin-offs / one off profit
- Single hull exposure
- Orderbook
- Breakeven rates
- T/C coverage



Q & A