

FRONTLINE LTD.

FIRST QUARTER 2007 RESULTS

Highlights

- Frontline reports net income of \$158.8 million and earnings per share of \$2.12 for the first quarter of 2007.
- Frontline announces a cash dividend of \$1.50 per share for the first quarter of 2007.
- Frontline spun off the remaining 11 percent of Ship Finance March 22, 2007 with a market value at the time of the spin-off of \$2.79 per Frontline share.
- As of March 31, 2007 Frontline will no longer consolidate Ship Finance.
- Frontline incorporated Sealift in January 2007 and sold six subsidiaries to Sealift.
- Frontline incorporated Sea Production in February 2007 and sold its subsidiaries involved in the FPSO project to Sea Production.
- Frontline exercised options for four further Suezmax newbuilding contracts and the total newbuilding program now consists of four VLCCs and eight Suezmaxes

First Quarter 2007 Results

The Board of Frontline Ltd. (the "Company" or "Frontline") announces net income of \$158.8 million for the first quarter of 2007, equivalent to earnings per share of \$2.12. Operating income for the quarter was \$180.3 million, including a gain on sale of assets of \$21.3 million relating to the sale of Front Transporter, compared to operating income of \$225.1 million in the fourth quarter including a gain on sale of \$73.8 million. Net income also includes a gain on the issuance of shares of Sea Production Ltd. ("Sea Production") of \$39.8 million in the first quarter.

The earnings reflect an improved market in the first quarter. The average daily time charter equivalents ("TCEs") earned in the spot and period market by the Company's VLCCs, Suezmax tankers and Suezmax OBO carriers were \$50,200, \$34,900 and \$36,600, respectively compared with \$48,000, \$31,200 and \$34,200, respectively in the fourth quarter. The results show a continued differential in earnings between single and double hull tonnage. The spot earnings for the Company's double hull VLCC and Suezmax vessels were \$56,600 and \$48,100, respectively in the first quarter. Administrative expenses have decreased by \$2.5 million compared to the fourth quarter. Administrative expenses in the first quarter include non-recurring items of \$1.6 million for Ship Finance International Limited ("Ship Finance") and \$1.9 million for the Company's FPSO activities.

The remaining shares that Frontline held in Ship Finance have been dividended on a pro rata basis to the shareholders of Frontline on March 22, 2007. As a result of this spin-off, the Company no longer consolidates Ship Finance as of March 31, 2007. The Company is, however, presenting a consolidated income statement for the first quarter as if the spin-off occurred on March 31 and will, therefore, record a minority expense with full effect in the first quarter. As of March 31, 2007 the balance sheet reflects lease accounting for vessels leased from Ship Finance and reports vessels as vessels under capital lease, apart from two vessels reported as operating leases, and depreciates over the term of the lease. Similarly, the Company now reports its lease obligations under the long term charters with Ship Finance as obligations under capital leases, apart from the two charters which are reported as operating leases.

Interest income was \$11.7 million in the quarter, of which \$6.3 million relates to restricted deposits held by subsidiaries reported in Independent Tankers Corporation ("ITC") and \$1.4 million relates to Ship Finance. The Company recorded interest expense of \$55.9 million in the fourth quarter of which \$14.8 million relates to ITC and \$31.3 million relates to Ship Finance.

Other financial items in the first quarter were a gain of \$5.1 million compared to a gain of \$0.2 million in the fourth quarter. Valuation losses of \$2.5 million were recorded in interest rate swaps, in the first quarter compared to losses of \$1.0 million in the fourth quarter. Valuation gains of \$6.1 million were recorded in bond swaps compared to gains of \$2.0 million in the fourth quarter. All interest rate and bond swaps relate to Ship Finance and due to the deconsolidation of Ship Finance, the Company does not report any swaps in its balance sheet as of March 31, 2007. A loss of \$1.2 million was reported in the fourth quarter on the valuation of freight future agreements to market value. There was no activity in freight future agreements in the first quarter.

As of March 31, 2007, the Company had total cash, cash equivalents and restricted cash of \$821.1 million which includes \$571.5 million of restricted cash. Restricted cash includes \$331.4 million relating to deposits in ITC and \$240.0 million in Frontline Shipping Limited and Frontline Shipping II Limited which are restricted under the charter agreements with Ship Finance.

In January 2007, the Company incorporated Sealift Ltd. (“Sealift”) and sold six subsidiaries to Sealift. Concurrently, Sealift raised \$180 million in a private placement. Subsequent to the private placement, the Company held 33.33 percent of the shares in Sealift and accounts for its investment under the equity method. As part of the sale agreement, Frontline has undertaken to convert four of the vessels owned by the subsidiaries into heavy lift vessels. In May 2007, in line with the strategy previously advised, Sealift successfully completed the combination of its businesses with the Dockwise group of companies. Frontline is the second largest shareholder with an ownership of 17.1 percent in the combined company. The first heavy lift vessel is planned to be delivered May 30, 2007. The total estimated gain for Frontline deconsolidated with Ship Finance on the Sealift transaction is approximately \$155 million, subject to the actual heavy lift conversion costs for four of the vessels. Under revenue recognition rules, the gain on this transaction is currently being deferred. Frontline invested \$60 million in Sealift in a private placement and this investment has been recorded at \$39.8 million being 33.33 percent of the net book value of the vessels at the time of the sale to Sealift. The delivery of the converted heavy lift vessels is scheduled from the end of May 2007 until the second quarter of 2008.

In February 2007, the Company incorporated Sea Production and sold its subsidiaries involved in the FPSO project to Sea Production. Concurrently, Sea Production raised \$180 million in equity in a private placement. The Company holds 28.33 percent of the shares of Sea Production and accounts for this investment under the equity method. The Company has recorded a gain on the issuance of shares by Sea Production of \$39.8 million in the first quarter representing 71.67 percent of the total estimated gain. The balance of \$15.8 million relating to the 28.33 percent interest the Company holds in Sea Production is offset against the carrying cost of the Sea Production shares. This balance will be recognized as gain if and when the shares are sold. Front Puffin is planned to be delivered on contract June 5, 2007.

The balance sheet at December 31, 2006 has been restated to reflect a change in the accounting of Ship Finance’s investment in the subsidiary Rig Finance Limited (“Rig Finance”). Rig Finance is now consolidated whilst previously, Rig Finance was accounted for under the equity method.

As of May 2007, the Company has average cash breakeven rates on a TCE basis for VLCCs and Suezmaxes of approximately \$29,500 and \$22,000, respectively.

Fleet development

In January 2007, the single hull Suezmax tanker Front Transporter was sold for a gross sales price of \$38 million and delivery took place in the end of March 2007. Upon delivery, the long term charter party between Frontline and Ship Finance was terminated, and Frontline received a compensation payment in the amount of \$14.8 million for the early termination of the charter party.

In March 2007, Frontline sold six subsidiaries each owning a Suezmax single hull vessel to Sealift for a gross price of \$476 million, where Frontline has the responsibility for the conversion of four of these Suezmax vessels to heavy lift vessels. Estimated delivery for all the four units will be in the period May 2007 through May 2008. Three vessels are chartered back to Frontline on bareboat at a rate of \$15,000 per day per vessel from the end of March 2007 until the conversion takes place and two vessels are chartered back to Frontline on bareboat at a rate of \$12,500 per day per vessel from early May 2007 until March 2008 and May 2008, respectively.

In March 2007, the single hull VLCC Front Vanadis was sold and delivery took place in May 2007. Upon delivery, the long term charter party between Frontline and Ship Finance was terminated, and Frontline received a compensation payment in the amount of \$13.2 million for the early termination of the charter party, which will be recorded in the second quarter of 2007.

In March and April 2007, the Company exercised options for four further 156,000 dwt Suezmax newbuilding contracts at Jiangsu Rongsheng Heavy Industries Group Co. Ltd. in China. The vessels will be delivered in 2010.

Frontline’s total newbuilding program now consists of four VLCCs and eight Suezmaxes to be delivered in the period from third quarter 2008 through fourth quarter 2010.

Other Matters

On May 30, 2007, the Board declared a dividend of \$1.50 per share. The record date for the dividend is June 8, 2007, ex dividend date is June 6, 2007 and the dividend will be paid on or about June 22, 2007.

At March 31, 2007, 74,825,169 ordinary shares were outstanding and the weighted average number of shares outstanding for the quarter then ended was also 74,825,169.

The Company is currently analyzing the basis of consolidation of its 100 percent owned subsidiaries in the ITC group. Any change in the consolidation principle is not expected to impact the Company's net income, cash flow or dividend capacity, but rather the presentation in the Company's financial statements.

The Market

The VLCC segment was relatively stable, but weaker in the first quarter compared to previous last years and the average rate from MEG to Japan in the first quarter was about WS 70 (\$44,500 per day) compared to about WS 110 (\$71,300 per day) in the first quarter of 2006. The average rate for Suezmaxes from WAF to USAC in the first quarter of 2007 was about WS 122 (\$45,900 per day), compared to about WS 159 (\$50,900 per day) in the first quarter of 2006.

Bunker prices had an increasing trend throughout the quarter averaging about \$ 296/mt at Fujairah, but ended the quarter at \$341/mt.

The International Energy Agency (IEA) reported in May 2007 an average OPEC Oil production, including Iraq and Angola, of 30.25 million barrels per day during the first quarter of the year, a 0.50 million barrels per day or 1.7 percent decrease from the fourth quarter after adjusting for Angola..

IEA estimates that world oil demand averaged 85.3 million barrels per day in the first quarter, a 0.2 percent increase from the fourth quarter of 2006. IEA further predicts that the average demand for 2007 in total will be 85.7 million barrels per day, or a 1.8 percent growth from 2006, hence showing a firm belief in continued demand growth.

According to Fearnleys, the VLCC fleet totalled 485 vessels at the end of the first quarter with five deliveries, no vessels scrapped and four VLCCs ordered during the first three months of the year. The total orderbook amounted to 159 vessels at March 31, 2007, down from 160 vessels at the end of the fourth quarter of 2006. There are 23 additional deliveries expected in 2007 and 39 in 2008. The current orderbook represents 32.8 percent of the VLCC fleet.

The Suezmax fleet totalled 351 vessels at the end of the quarter, a two percent fleet growth from 344 vessels after the fourth quarter of 2006. No Suezmaxes were scrapped during the quarter whilst seven were delivered. The total orderbook at the end of the quarter was 129, an increase by six from the end of the fourth quarter. There are 19 additional deliveries expected in 2007 and 23 in 2008. The current orderbook represents 36.7 percent of the current Suezmax fleet.

Strategy

Frontline's core strategy will continue to be a leading pure crude oil transportation company.

The Company has reduced its single hull tanker exposure through chartering out most of its single hull VLCCs on time charters for the remainder of the fixed committed period, through the sale of its single hull VLCC tanker Front Vanadis, through the sale of six single hull Suezmax tankers to Sealift and through the sale of the single hull Suezmax tanker Front Transporter.

After the exercise in the first quarter of four further options for 156,000 dwt Suezmax newbuilding contracts at Jiangsu Rongsheng Heavy Industries Group Co. Ltd. in China, Frontline currently has four VLCC and eight Suezmax newbuildings on order, all favorably priced compared to current newbuilding prices. The ordering of the tonnage has been done as a combination of a renewal of the fleet and an opportunistic investment approach. Frontline's orderbook confirms the Company's position as a leading operator of quality Suezmax and VLCC tonnage.

Frontline has through the business combination between Sealift and Dockwise used its influence to seek further consolidation in the heavy lift market and will also pursue a consolidation in the FPSO and FSO market. The Company's mission in Sealift and Sea Production is to contribute to the development of two high quality and profitable companies and then most likely dividend the investment to the Frontline shareholders.

Frontline is actively evaluating opportunities in the time charter market. On the basis of the strength of the drybulk market, two three year charters, one four year charter and two five year charters were recently concluded for Front Breaker and Front Driver at a gross T/C rate of \$52,360 per day, for Front Rider at a gross T/C rate of \$50,000 per day and for Front Climber and Front Leader at a gross T/C rate of \$40,000 per day, respectively. The charters commence in the period June 2007 to January 2008. After this, all of Frontline's eight OBO carriers are now on long term charters at an average rate of \$39,000 per day in 2007 and \$43,400 per day in 2008. Frontlines charter coverage in 2007 and 2008 is estimated to 39 percent of the total fleet.

Frontline will continue to look for attractive opportunities in the Sales and Purchase market as well as in the charter market.

Outlook

World economic conditions indicate a good momentum for economic growth with a forecasted world GDP growth of 4.9 percent for 2007, which is slightly lower than 2006 world GDP growth of 5.4 percent, along with a forecast of 4.9 percent for 2008. IEA projects oil consumption to rise by 1.8 percent in 2007.

The overall orderbook for tankers has now approached 34 percent, and gives some reasons for concern. However, the fact that the orderbook is stretched over four years and that 27 percent of the fleet is non double hull reduces this concern.

The second quarter of 2007 has so far been in line with the second quarter of 2006 with average TCE rates for modern VLCCs, according to Clarkson, of \$53,385 per day so far this quarter.

The increased inefficiency of the single hull fleet caused by reduced acceptance by major charterers to employ such tonnage is likely to create a tighter market than anticipated until the large volumes of new building deliveries starts in 2009 and 2010.

Frontline has a large fleet, a low cost base, low cash breakeven rates and is thus in a good financial position. The increased value of Frontline's shareholding in Sealift and Sea Production, the reduction of the Company's single hull fleet and the increased charter coverage for the OBO carriers, reduces the risk in the Company and create a good platform for continued high return to shareholders.

Forward Looking Statements

This press release contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Frontline management's examination of historical operating trends. Although Frontline believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, Frontline cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in this press release include the strength of world economies and currencies, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the tanker market as a result of changes in OPEC's petroleum production levels and world wide oil consumption and storage, changes in the Company's operating expenses including bunker prices, drydocking and insurance costs, 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, and other important factors described from time to time in the reports filed by the Company with the United States Securities and Exchange Commission.

May 30, 2007
The Board of Directors
Frontline Ltd.
Hamilton, Bermuda

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FRONTLINE GROUP FIRST QUARTER REPORT (UNAUDITED)

INCOME STATEMENT <i>(in thousands of \$)</i>	2007 Jan-Mar	2006 Jan-Mar <i>(restated)</i>	2006 Jan-Dec <i>(restated)</i>
Total operating revenues	361,504	481,817	1,591,433
Gain from sale of assets	21,327	12,087	95,655
Voyage expenses and commission	88,716	117,789	396,576
Ship operating expenses	48,072	42,481	199,377
Charterhire expenses	6,809	6,174	24,923
Administrative expenses	9,953	4,731	32,443
Depreciation	48,992	52,206	203,849
Total operating expenses	202,542	223,381	857,168
Operating income	180,289	270,523	829,920
Interest income	11,746	10,685	47,941
Interest expense	(55,946)	(52,629)	(214,205)
Share of results from associated companies	(32)	(665)	1,397
Foreign currency exchange (loss) gain	(51)	(317)	1,056
Other financial items	5,149	15,025	8,735
Income before taxes and minority interest	141,155	242,622	674,844
Gain on issuance of shares by associates	39,832	-	-
Minority interest	(22,161)	(28,578)	(158,682)
Taxes	(35)	-	(162)
Net income	158,791	214,044	516,000
Basic earnings per share (\$)	\$2.12	\$2.86	\$6.90
Income on time charter basis (\$ per day per ship)			
VLCC	50,200	73,000	57,800
Suezmax	34,900	49,700	37,800
Suezmax OBO	36,600	31,700	31,700

BALANCE SHEET <i>(in thousands of \$)</i>	2007 Mar 31	2006 Mar 31 <i>(restated)</i>	2006 Dec 31 <i>(restated)</i>
ASSETS			
Short term			
Cash and cash equivalents	249,619	188,083	212,009
Restricted cash	571,464	604,012	623,061
Other current assets	312,398	391,956	246,129
Long term			
Newbuildings and vessel purchase options	108,785	66,993	166,851
Vessels and equipment, net	238,473	2,500,335	2,446,278
Vessels under capital lease, net	2,652,253	661,112	626,374
Investment in finance lease	73,743	83,386	248,865
Investment in associated companies	84,533	9,528	13,703
Deferred charges and other long-term assets	584	57,076	48,635
Total assets	4,291,852	4,562,481	4,631,905
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Short term debt and current portion of long term debt	112,945	261,652	283,137
Current portion of obligations under capital lease	139,716	26,030	28,857
Other current liabilities	104,104	139,604	135,098
Long term			
Long term debt	475,516	2,149,012	2,265,890
Obligations under capital lease	2,586,779	699,920	677,858
Other long term liabilities	357,930	21,174	31,382
Minority interest	-	483,923	541,122
Stockholders' equity	514,862	781,166	668,561
Total liabilities and stockholders' equity	4,291,852	4,562,481	4,631,905

STATEMENT OF CASHFLOWS <i>(in thousands of \$)</i>	2007 Jan-Mar	2006 Jan-Mar <i>(restated)</i>	2006 Jan-Dec <i>(restated)</i>
OPERATING ACTIVITIES			
Net income	158,791	214,044	516,000
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	49,665	52,206	207,427
Unrealized foreign currency exchange loss (gain)	76	(1,435)	75
Gain on sale of assets	(21,703)	(12,087)	(105,439)
Results from associated companies	32	665	(1,397)
Gain on issuance of shares by associates	(39,832)	-	-
Adjustment of financial derivatives to market value	(3,618)	(4,682)	9,348
Other, net	10,837	33,877	153,123
Change in operating assets and liabilities	20,514	2,373	54,148
Net cash provided by operating activities	174,762	284,961	833,285
INVESTING ACTIVITIES			
Maturity of restricted cash	38,114	32,778	13,730
Sale of subsidiary, net of cash sold	89,264	-	-
Deconsolidation of subsidiary	(146,435)	-	-
Acquisition of minority interest	-	(7,212)	(7,198)
Addition to newbuildings, vessels and equipment	(228,022)	(66,921)	(552,597)
Advances to associated companies, net	(110,788)	-	(2,113)
Receipt from investments in finance lease and loans receivable	-	-	22,387
Purchase of other assets	-	(71,067)	(71,067)
Proceeds from sale of other assets	-	92,260	154,409
Proceeds from sale of assets	425,300	-	284,959
Net cash provided by (used in) investing activities	67,433	(20,162)	(157,490)
FINANCING ACTIVITIES			
Proceeds from long term debt, net of fees paid	125,782	35,455	537,518
Repayments of long term debt	(135,914)	(64,521)	(430,451)
Repayment of capital leases	(6,143)	(5,471)	(24,706)
Dividends paid	(188,310)	(142,712)	(654,480)
Issue of shares to minority interest	-	-	7,800
Net cash used in financing activities	(204,585)	(177,249)	(564,319)
Net increase in cash and cash equivalents	37,610	87,550	111,476
Cash and cash equivalents at start of period	212,009	100,533	100,533
Cash and cash equivalents at end of period	249,619	188,083	212,009