

FRONTLINE



Third Quarter Presentation Nov 2020

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.

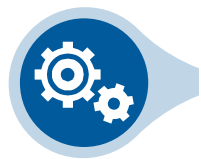
FRONTLINE DESIRES TO TAKE ADVANTAGE OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND IS INCLUDING THIS CAUTIONARY STATEMENT IN CONNECTION WITH THIS SAFE HARBOR LEGISLATION. THE WORDS "BELIEVE," "ANTICIPATE," "INTENDS," "ESTIMATE," "FORECAST," "PROJECT," "PLAN," "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.

Reported earnings basis load to discharge



	Q3 2020	Q4 2020 est.	% done
VLCC	\$49,200	\$22,600	74%
Suezmax	\$25,100	\$12,600	61%
LR2/Aframax	\$12,800	\$13,800	65%



- Net income of \$57.1 million, or \$0.29 per diluted share
- Adjusted net income of \$56.4 million, or \$0.29 per diluted share



- Entered into three term loan facilities of up to \$485.2 million;
- \$351.5 million to refinance two existing term loan facilities maturing in the 2nd quarter of 2021 and
- up to \$133.7 million to partially finance the 4 LR2 tankers under construction
- Divested 71.38% ownership interest in ship management company Sea Team Management Pte Ltd.

Income Statement – Highlights

	2020 Jul - Sep	2020 Apr - Jun	2019 Jan - Dec
<i>(in thousands of \$ except per share data)</i>			
Total operating revenues (net of voyage expenses)	177 815	301 120	561 841
Other operating gain	(1 313)	12 886	3 422
Contingent rental (income) expense	3 827	3 534	(2 607)
Ship operating expenses	52 775	38 866	157 007
Charter hire expenses	2 556	2 415	8 471
Administrative expenses	10 456	9 249	45 019
EBITDA	106 888	259 942	357 373
EBITDA adj (*)	108 374	258 635	359 473
Interest expense	(16 104)	(18 225)	(94 461)
Net income	57 068	199 661	139 973
Net income adj (*)	56 411	206 109	146 625
Diluted earnings per share	0,29	1,01	0,81
Diluted earnings per share adjusted	0,29	1,04	0,85

Adjustment items for Q3 2020:

- \$0.1 million unrealized gain on marketable securities
- \$0.6 million gain on derivatives
- \$1.4 million share of losses of associated companies
- \$1.3 million amortization of acquired time charters

Note: Diluted earnings per share is based on 197,796 and 197,810 weighted average shares (in thousands) outstanding for Q3 2020 and Q2 2020, respectively

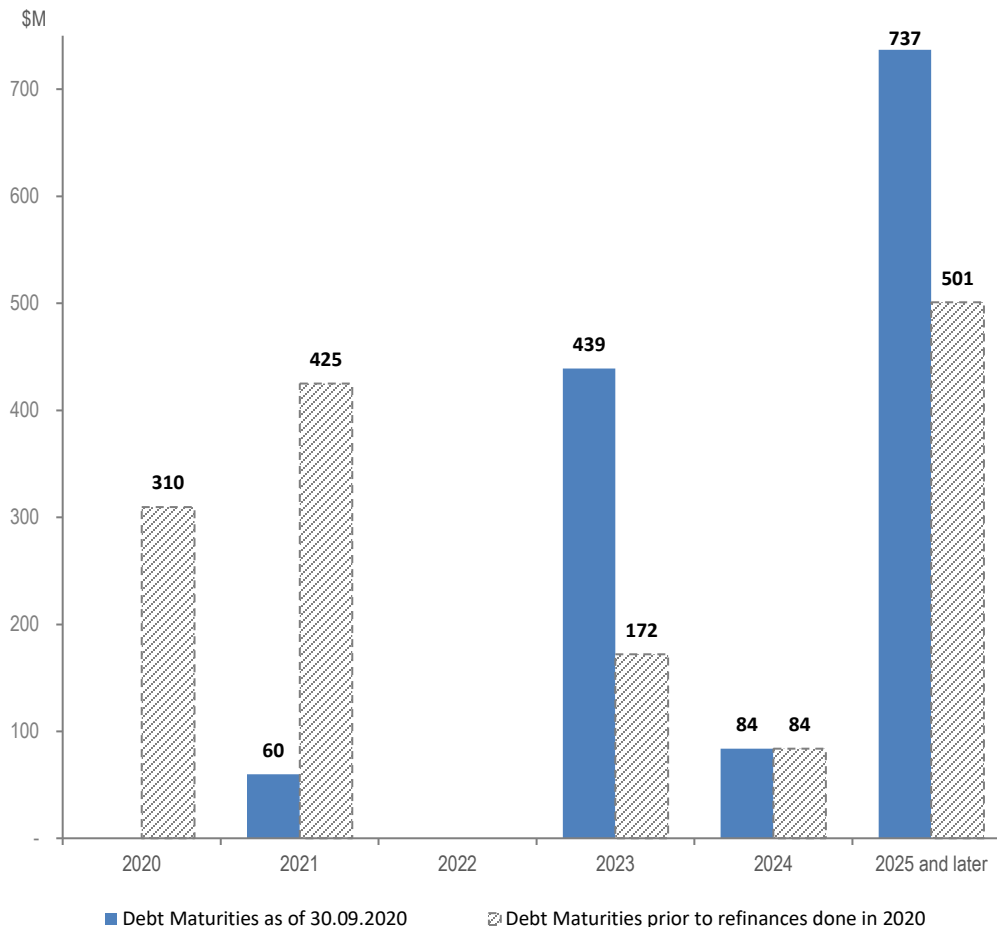
*See Appendix 1 for reconciliation to nearest comparable GAAP figures



Completed \$920 million loan facilities in 2020

\$725m to refinance and \$196m to partially finance new vessels

Following recently completed refinancing of two term loan facilities with total balloon payments of \$324.4m due in April 2021 and in June 2021 Frontline has no material maturities until 2023



All loan facilities done at very attractive terms with LIBOR + 190 basis points or better maintaining our competitive cost structure

Recently concluded refinancing:

\$250.7 million;

- Strong banking group consisting of the largest global shipping banks
- Refinance of the \$466.5 million facility due in April 2021
- Profile of 18 years counting as from delivery date from yard
- Maturity in May 2025
- Facility fully drawn in November 2020

\$100.8 million;

- ING and Credit Suisse
- Refinance of the \$109.2 million facility due in June 2021
- Profile of 17 years counting as from delivery date from yard,
- Maturity in November 2025
- Facility fully drawn in November 2020

“Fully funded” newbuilding program:

\$133.7 million (up to)

- CEXIM/Sinosure
- Profile of 17 years counting as from delivery date from yard
- Tenor of 12 years

Balance Sheet - Highlights

<i>(in millions \$)</i>	2020 Sep 30	2020 Jun 30	2019 Dec 31
Assets			
Cash	211	241	177
Other current assets	194	227	271
Non-current assets			
Vessels and newbuildings	3 443	3 450	3 067
Goodwill	112	112	112
Other long-term assets	24	20	70
Total assets	3 984	4 052	3 698
Liabilities and Equity			
Short term debt and current portion of long term debt	221	532	439
Obligations under finance and operational lease	15	18	288
Other current liabilities	127	116	121
Non-current liabilities			
Long term debt	1 936	1 653	1 254
Obligations under finance and operating lease	58	60	84
Other long-term liabilities	5	6	1
Frontline Ltd. stockholders' equity	1 621	1 666	1 510
Total liabilities and stockholders' equity	3 984	4 052	3 698

Notes

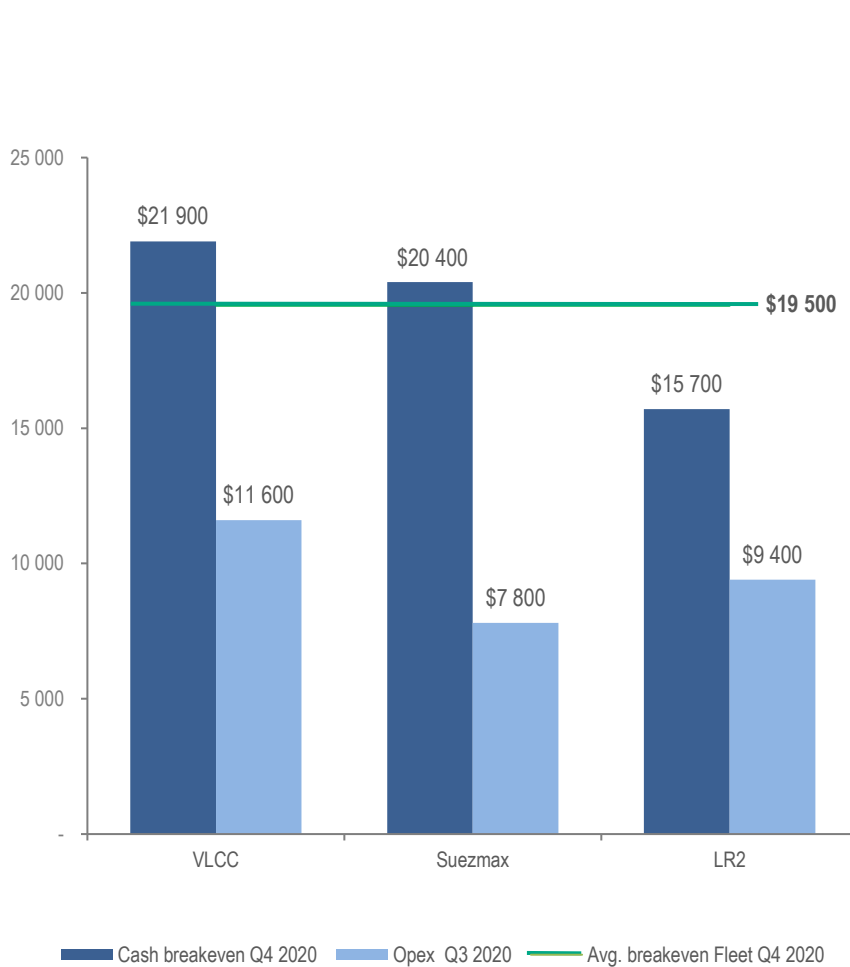
- \$432 million in cash and cash equivalents, including undrawn amount of unsecured facility, marketable securities and minimum cash requirements bank as per 30.09.20



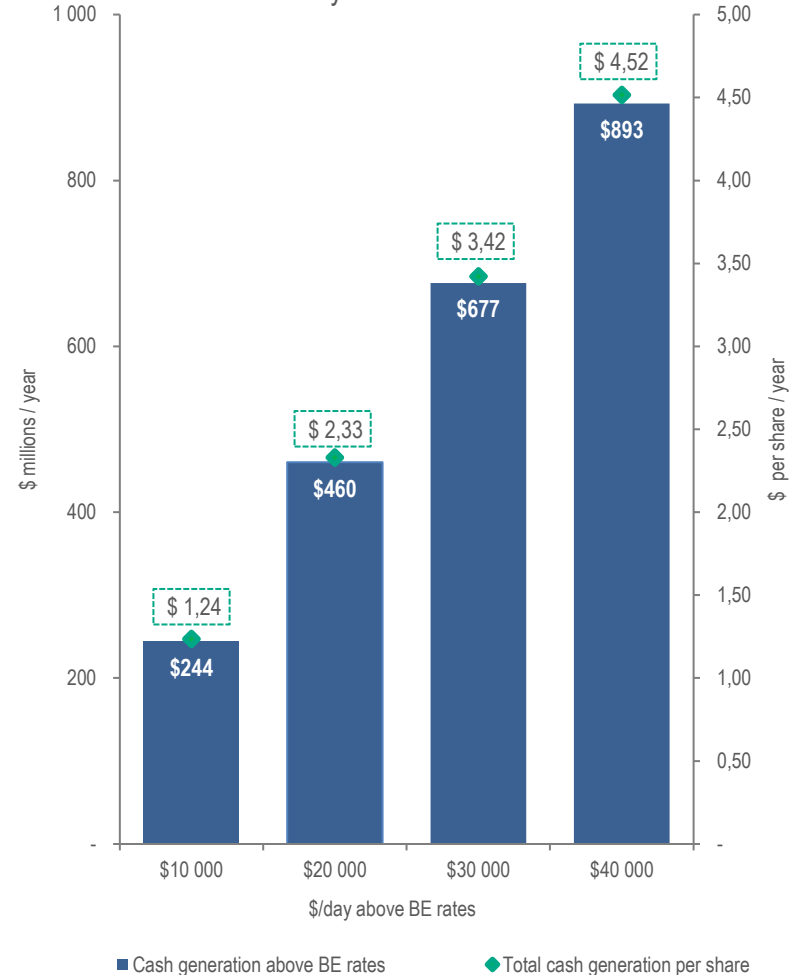
Cash Breakeven and Cash Generation Potential

Well positioned to generate significant cash flow

Daily cash breakeven and OPEX



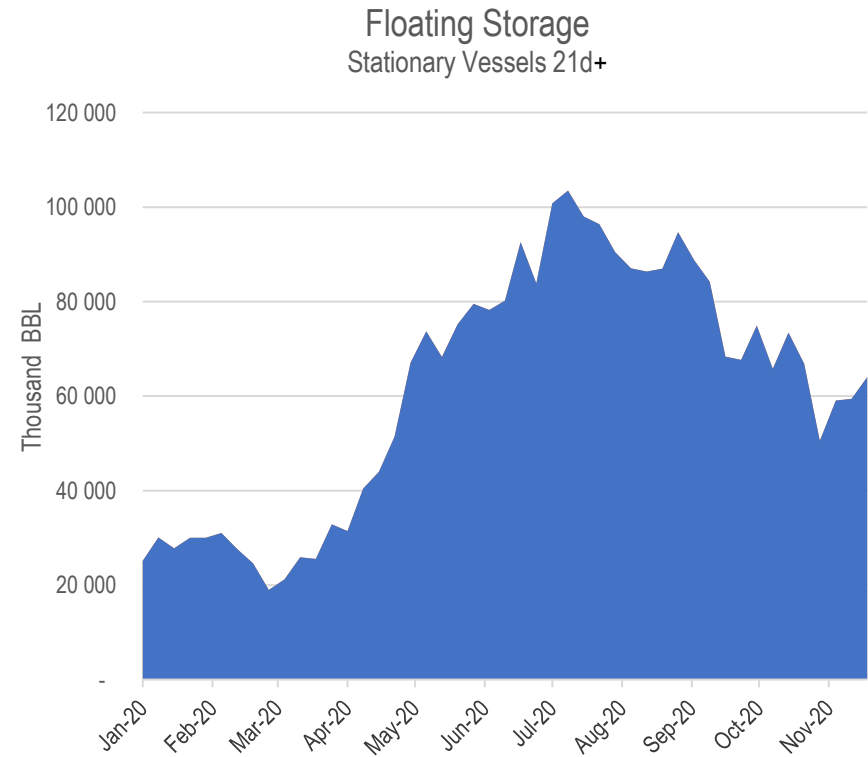
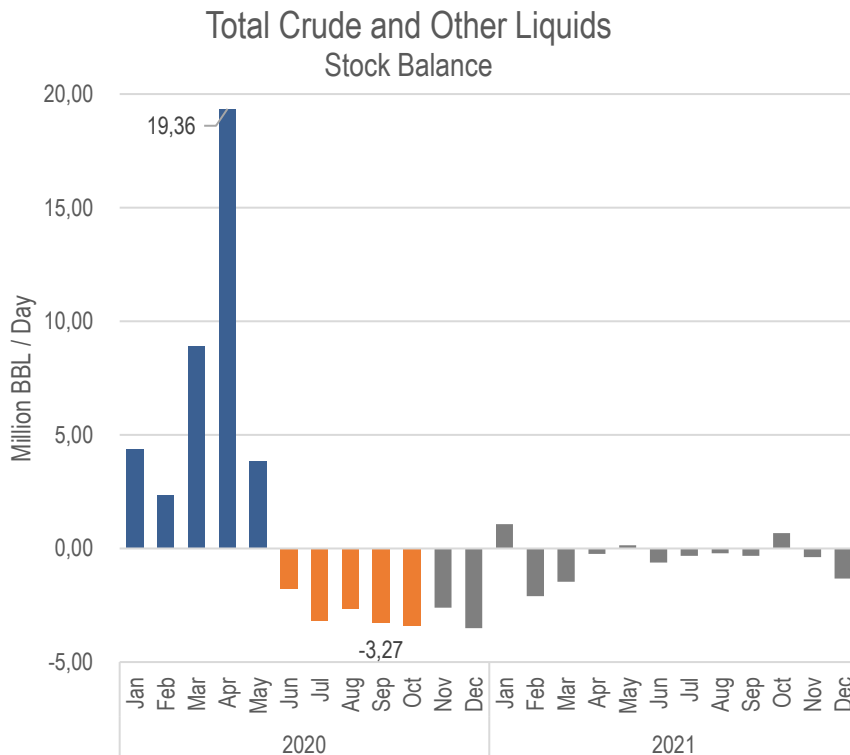
Cash sensitivity above breakeven levels



Note: Daily cash breakeven in USD based on estimate for Q4 2020. Cash generation 365 days from 1. October 2020 and adjusted for NB deliveries

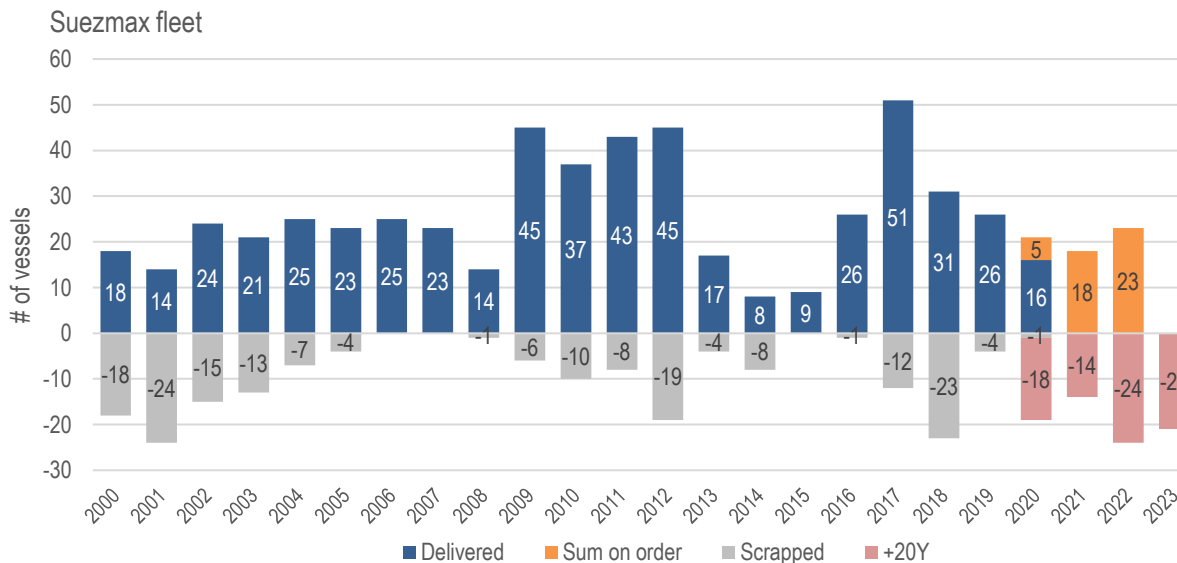
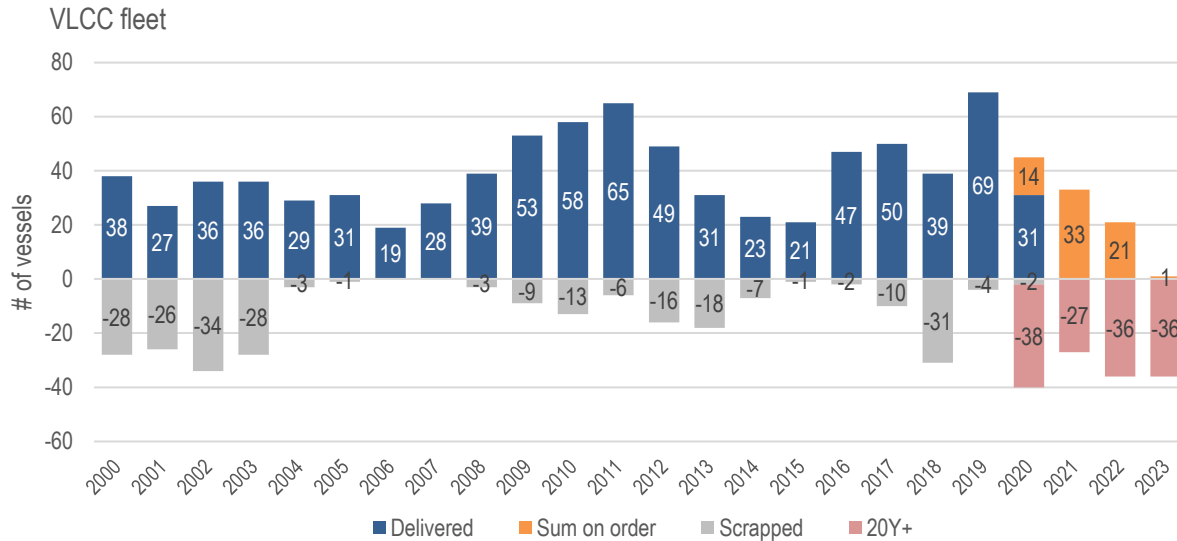
Q320 Tanker Market

- Oil demand recovering; inventories started to draw significantly
- OPEC+ production up ~1.6 mbd from June, but still ~ 5 mbd below Jan 2020 levels
- Crude oil curves tightened up, and vessels on floating storage released
- VLCC's outperformed other asset classes, LR2 also supported by extended storage
- Chinese oil demand returned to pre Covid-19 levels



Global fleet capacity continue to slow

Tanker orderbooks at 20-year lows and more vessels reach “retirement age”

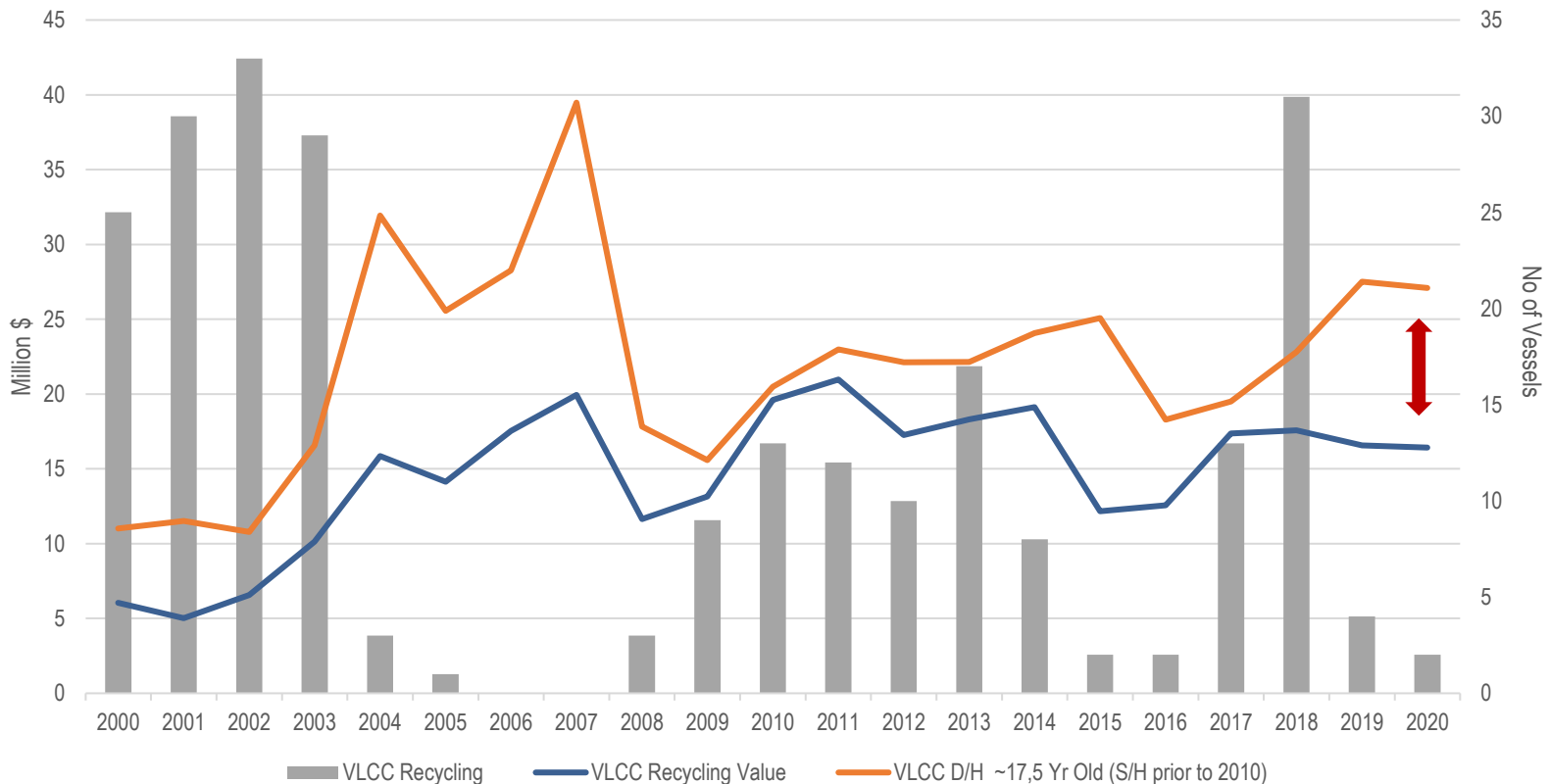


Commentary

- New vessels continue to enter the markets – many absorbed by clean products storage
- Delivery backlog seem to have been processed during Q3 and Q420
- Alternative use and storage continues to support the 20+ fleet
- Talk of new orders being placed, yet to be confirmed
- Propulsion discussion ongoing

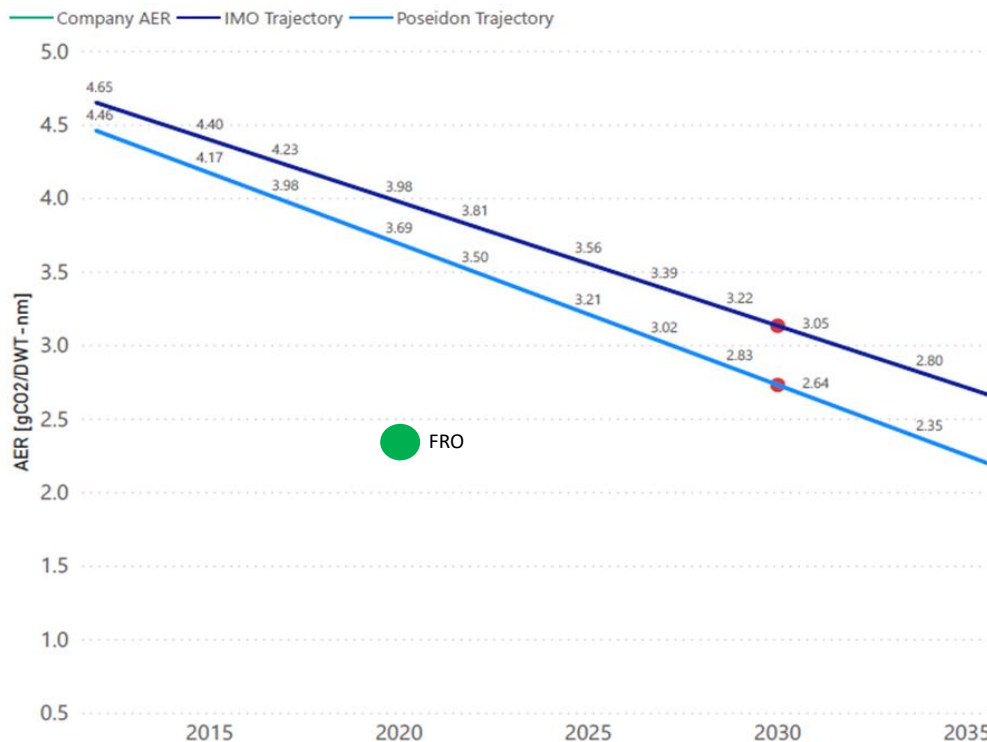
Recycling and prices - VLCC

- Owners of older tonnage needs to be incentivized to recycle
- Currently there is a disconnect between 'vintage' prices and recycling (steel) value
- The vintage price is driven by demand for storage and alternative use
- In time, prices converge, and recycling activity normally picks up
- Charterers and terminals strict vetting requirements limits these vessels ability to trade the spot market



Efficient, Safe and Transparent operations have been Frontline core values for years

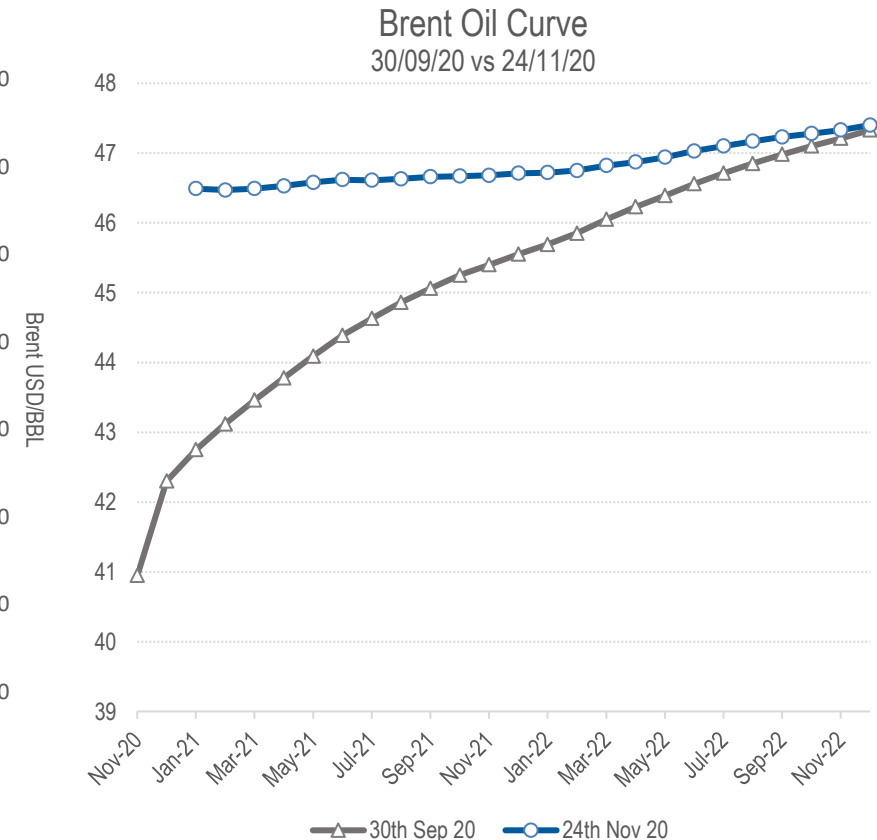
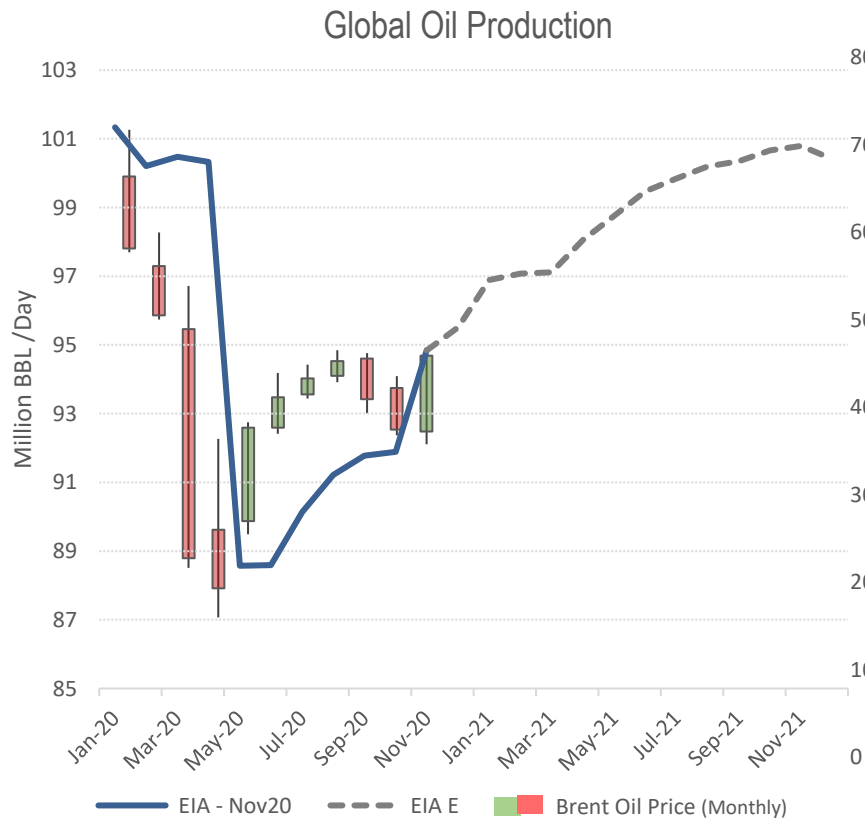
- Frontline ESG Strategy means to structure communication on how our core values are embedded in our day-to-day operations, through the lens of capturing ESG relevant markers
- As a significant force in the shipping industry, directly and indirectly through our business model, we have great influence on the standards we expect to be met
- Frontlines continued efforts to leverage on technology, and our scale, has put us in forefront when it comes to monitor, plan and improve our GHG footprint



Commentary

- The Frontline fleet is well within the boundaries of emission targets towards 2030
- 2020 is so far not a representative year due to delays and storage affecting miles travelled
- Our aim is to continue to improve going forward. Frontline is engaged in various industry initiatives on emissions and propulsion
- We are strong advocates for considering the shipowners standpoint, which is needed for a viable and sustainable industry shift

- Increased Oil Supply is the key to restoring tanker market balances
- Oil demand recovering fast, supply growth capped by the OPEC+ agreement
- Libyan supply growth has surprised the market, oil prices still advancing
- News of Covid-19 vaccines positively affecting the market sentiment
- The crude oil price curve is signaling increased inventory draws and oil markets tightening



- Frontline is financially strong, no material debt maturities until 2023
- The company is well positioned towards ESG related expectations
- Despite extended regional lockdowns, oil demand continues to recover
- Crude oil price action indicates a change in oil market sentiment
- Freight market volatility expected to increase going forward



Questions & Answers





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Appendix I Reconciliation

(Million \$ except per share)

	Q3 2020	Q2 2020	Q1 2020	FULL YEAR 2019
Total operating revenues net of voyage expenses				
Total operating revenues	247	387	412	957
Voyage expenses	-70	-86	-123	-395
Total operating revenues net of voyage expenses	178	301	289	562
Net income adj.				
Net income attributable to the Company	57	200	165	140
Add back:				
Unrealized loss on marketable securities	0	0	5	1
Share of losses of associated company	1	3	0	1
Loss on derivatives	0	6	16	12
Less:				
Gain on termination of lease (net of cash received)	0	0	-4	0
Share of results of associated company	0	0	-1	-3
Gain on settlement of claim	0	0	-2	0
Unrealized gain on marketable securities	0	-1	0	-3
Gain on derivatives	-1	0	0	-2
Amortization of acquired time charters	-1	-1	0	0
Net income adj.	56	206	179	147

(in thousands)

Weighted average number of ordinary shares (basic)	197 692	197 692	189 428	173 576
Weighted average number of ordinary shares (diluted)	197 796	197 810	197 764	179 315

(in \$)

Basic earnings per share adjusted for certain non-cash items	0,29	1,04	0,95	0,84
Diluted earnings per share adjusted for certain non-cash items	0,29	1,04	0,91	0,82

EBITDA adj.

Net income attributable to the Company	57	200	165	140
Add back:				
Interest expense	16	18	23	94
Depreciation	36	34	32	118
Income tax expense	0	0	0	0
Net income attributable to the non-controlling interest	0	0	0	0
Share of losses of associated company	1	3	0	1
Unrealized loss on marketable securities	0	0	5	1
Loss on derivatives	0	6	16	12
Less:				
Gain on termination of lease (net of cash received)	0	0	-4	0
Unrealized gain on marketable securities	0	-1	0	-3
Gain on settlement of claim	0	0	-2	0
Share of results of associated company	0	0	-1	-3
Gain on derivatives	-1	0	0	-2
Amortization of acquired time charters	-1	-1	0	0
EBITDA adj.	108	259	234	359

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.