

FRONTLINE



Market Update March 2020

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.

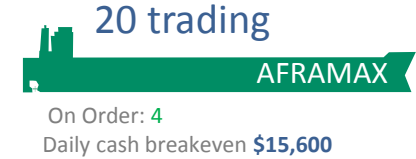
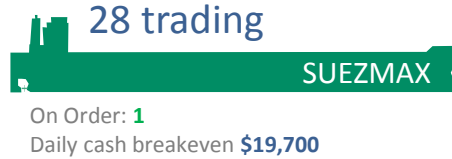
THE FORWARD-LOOKING STATEMENTS IN THIS DOCUMENT ARE BASED UPON VARIOUS ASSUMPTIONS, MANY OF WHICH ARE BASED, IN TURN, UPON FURTHER ASSUMPTIONS, INCLUDING WITHOUT LIMITATION, MANAGEMENT'S EXAMINATION OF HISTORICAL OPERATING TRENDS, DATA CONTAINED IN FRONTLINE'S RECORDS AND OTHER DATA AVAILABLE FROM THIRD 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.

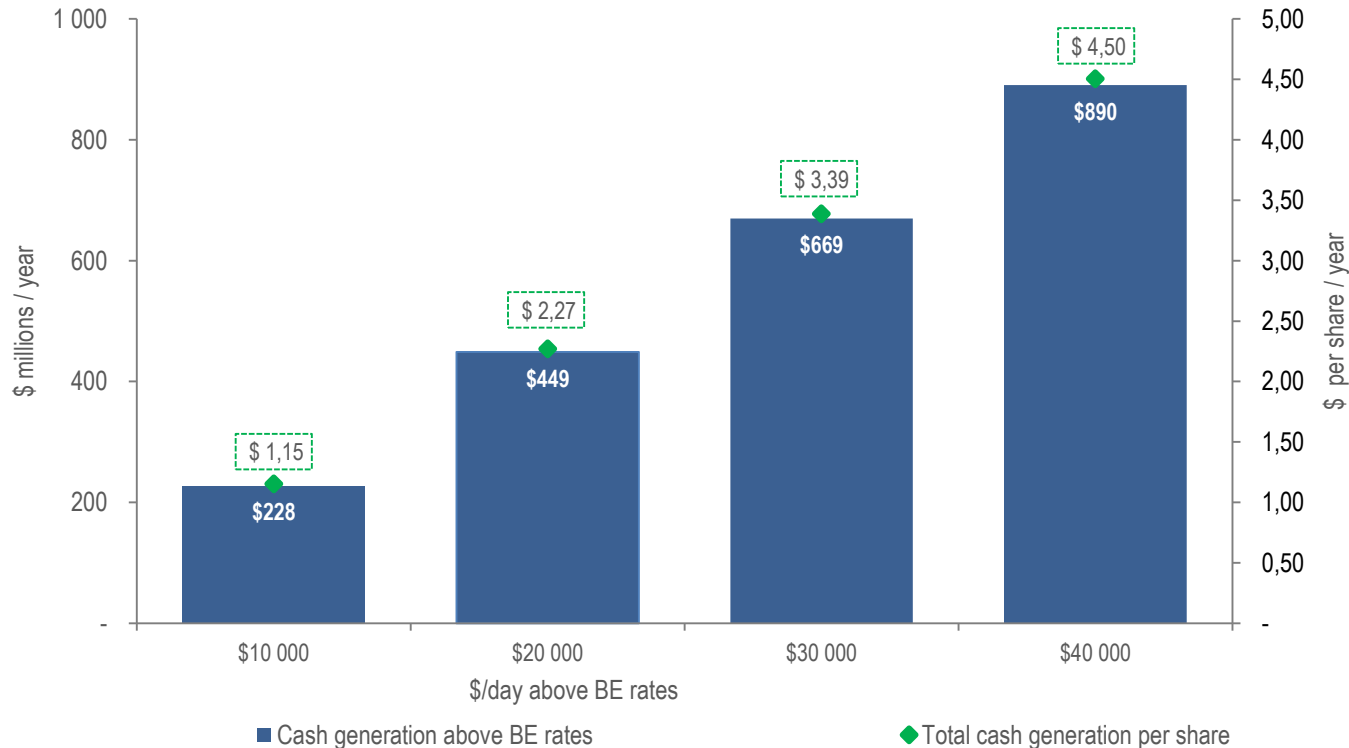
Frontline is now a Very Large Cash Cow

\$6 billion+ paid in dividends since 2001; *FRO set to increase this further*



\$19,400 full fleet average breakeven level – fleet average age of 4 years

Cash generation above breakeven rates

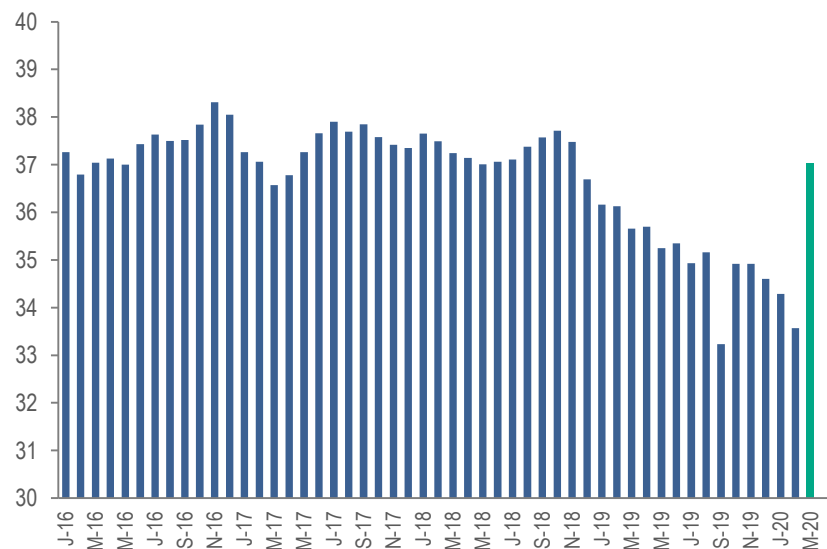


Note: Daily cash breakeven in USD based on estimate for the remainder of 2020

An Exciting Turn of Events in the Oil Market

- The markets expected OPEC+ to cut production, but the opposite happened!
- Saudi announced a production increase of 2.6 mbd, and Russia and the UAE have stated they will increase production by a combined 1.3 mbd
- Tanker demand increased by 7% overnight (*43% of daily world oil consumption is transported by tankers*)
- The tanker market was already showing signs of improvement with rates above seasonal norms
- Crude price and structure have moved dramatically as low prices spurred demand from refiners and traders, and a market in contango incentivized storing oil on tankers
- In short; ***the present tanker market outlook looks extraordinarily promising***

OPEC Supply (mmbbl/day)

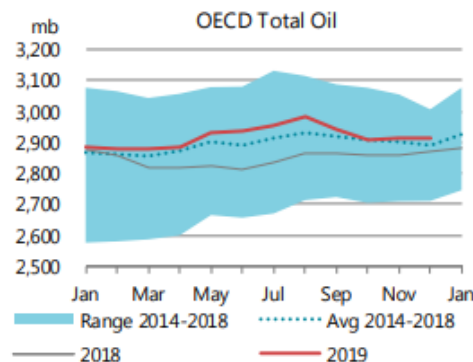
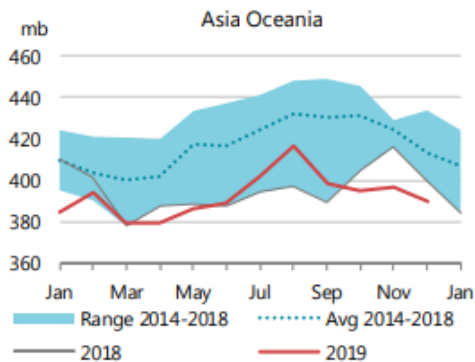
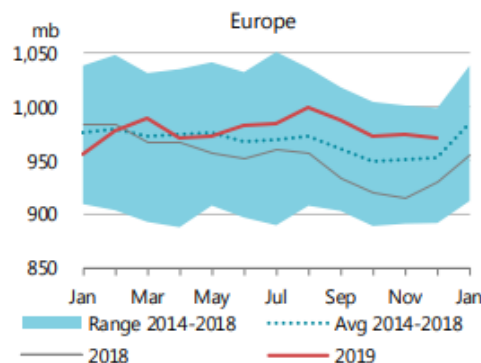
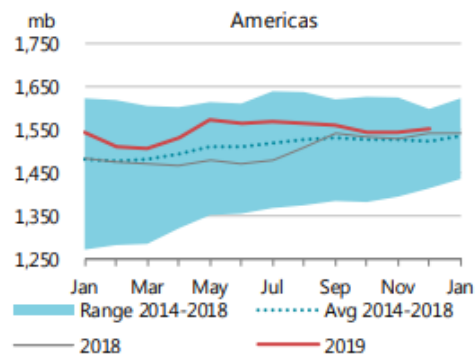


Brent Spot Price (\$/bbl)



Cheap Oil is Likely to Lead to Inventory Build

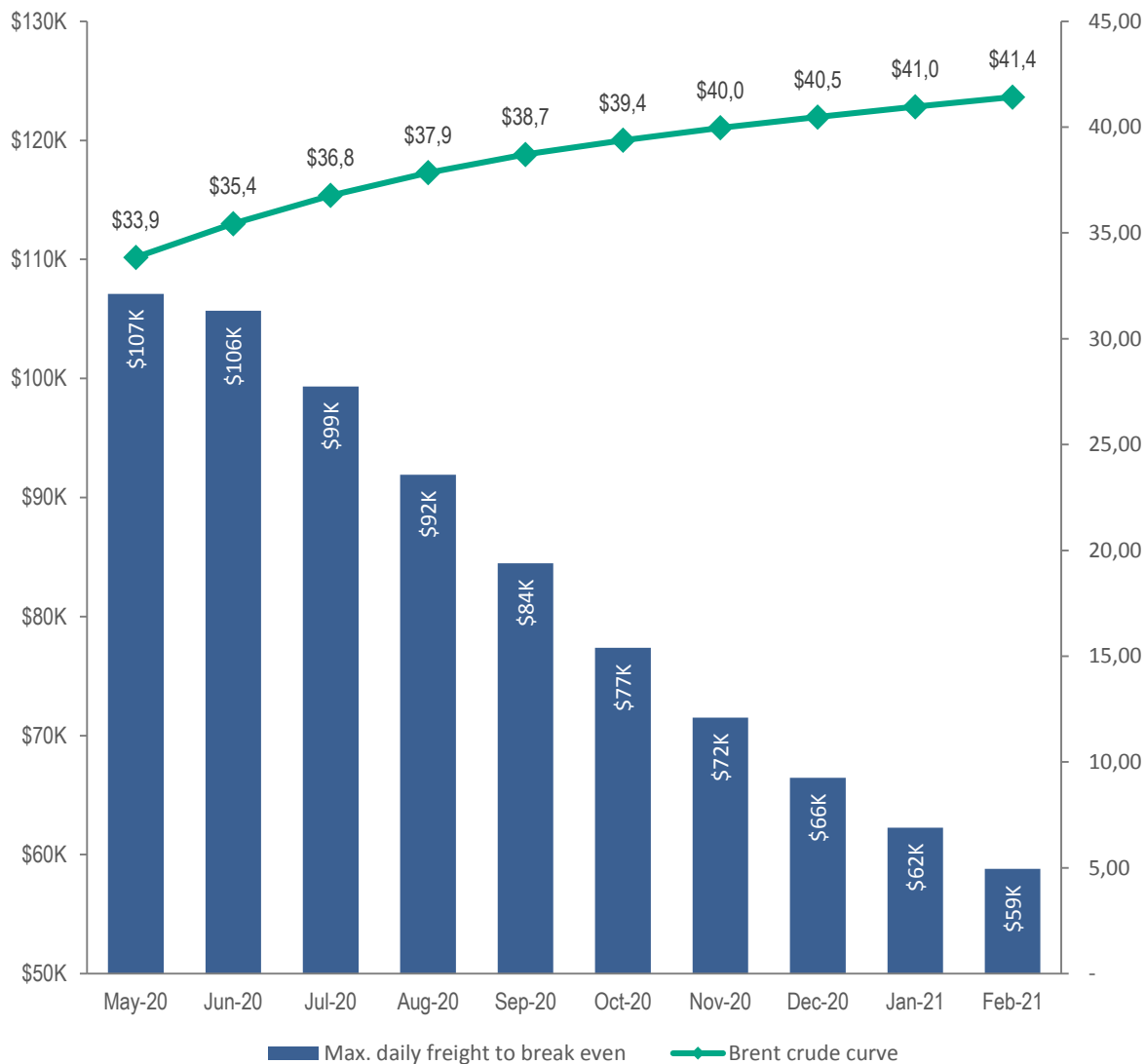
Global inventory capacity will be utilized



Commentary

- Americas and Europe inventories both within normal ranges
- USA has announced plan to increase SPR
- Asia Oceania inventories beneath historical range
- OECD total inventories around five-year averages
- Oil demand is current soft, but inventory build means that tanker rates are unlikely to feel the impact

Oil Markets are Supportive of Storage on Tankers



Commentary

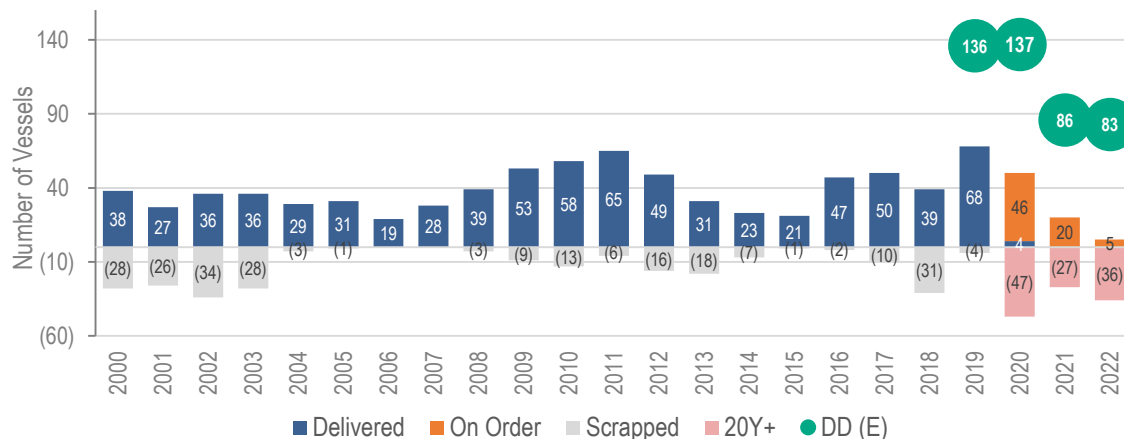
- In addition to land-based storage, crude oil may be stored on tankers
- The current forward curve yields very healthy rates for tankers used for storage
- Floating storage also takes capacity out of the trading fleet, driving utilization higher
- The number of ships storing oil is likely to increase drastically in the coming weeks, similar to 2015

Figures change constantly, these are illustrative as of March 16th 2020.

Low Fleet Supply Growth is Key for the Long Term

Virtually no new orders, and the fleet is aging

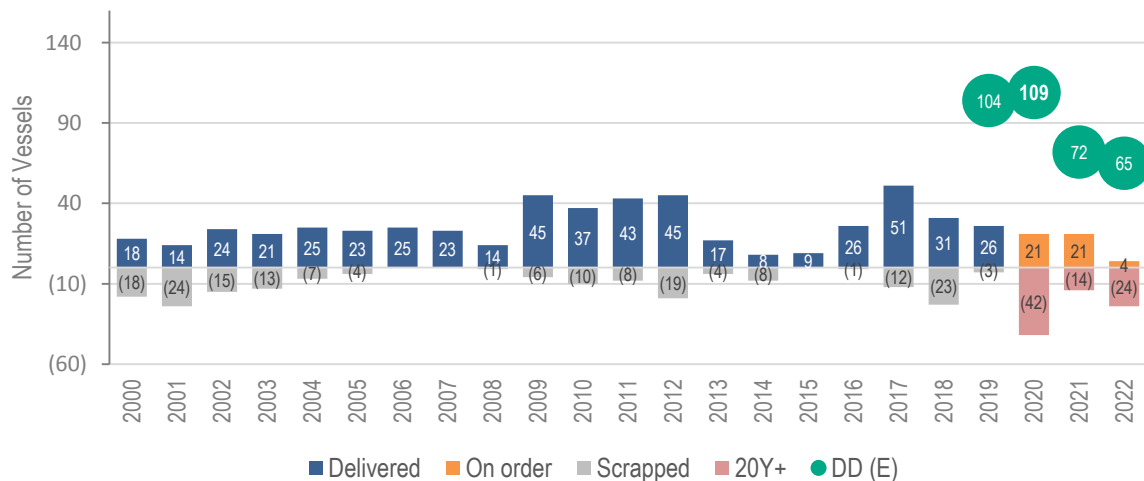
VLCC fleet



Commentary

- Fleet growth is always key to freight market balance
- Few orders placed recently, order book in % of fleet at record low
- Many ships are reaching key age barriers, 17.5 and 20 years
- Dry docking activity high in 2020
- Fleet supply has not looked this promising since 1997

Suezmax fleet



Questions & Answers

