FRONTLINE LTD /
Form 424B2
June 06, 2013
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Filed Pursuant to 424(b)(2)
Registration No. 333-185193

PROSPECTUS SUPPLEMENT

(To Prospectus dated February 11, 2013)

$40,000,000

FRONTLINE LTD.

Ordinary Shares

We have entered into an equity distribution agreement, dated June 6, 2013, with Morgan Stanley & Co. LLC, or Morgan Stanley, for the offer and sale of our ordinary shares having aggregate sales proceeds of up to $40.0 million, offered by this prospectus supplement and accompanying prospectus.

In accordance with the terms of the equity distribution agreement, we may offer and sell our ordinary shares at any time and from time to time through Morgan Stanley as our sales agent. Sales of the ordinary shares, if any, will be made by means of ordinary brokers transactions on the New York Stock Exchange, or the NYSE, or otherwise at market prices prevailing at the time of sale, at prices related to the prevailing market prices, or at negotiated prices.

Our ordinary shares are listed on the NYSE under the symbol FRO. The last reported sale price of our ordinary shares on the NYSE on June 4, 2013 was $1.94 per share.

Investing in our ordinary shares involves a high degree of risk. See Risk Factors beginning on page S-8 of this prospectus supplement and page 6 of the accompanying prospectus and in our Annual Report on Form 20-F for

the fiscal year ended December 31, 2012, filed with the Securities and Exchange Commission on March 21, 2013 and incorporated by reference herein, to read about the risks you should consider before purchasing our ordinary shares.

Neither the Securities and Exchange Commission, or the Commission, nor any state securities commission, the Registrar of Companies in Bermuda, nor the Bermuda Monetary Authority has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Morgan Stanley will receive from us a commission equal to 2.00% of the gross sales price per share for any ordinary shares sold through it as our sales agent under the equity distribution agreement. Under the equity distribution agreement, we have agreed to reimburse Morgan Stanley for certain expenses. See Plan of Distribution. Subject to the terms and conditions of the equity distribution agreement, Morgan Stanley will use its commercially reasonable efforts to sell on our behalf any ordinary shares to be offered by us under the equity distribution agreement.

MORGAN STANLEY

The date of this prospectus supplement is June 6, 2013

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with Commission utilizing a shelf registration process. This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and the securities offered hereby, and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the base prospectus. The second part, the base prospectus, dated February 11, 2013, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, the ordinary shares being offered and other information you should know before investing. You should read this prospectus supplement and the accompanying prospectus together with the additional information described under the heading, Where You Can Find Additional Information before investing in our ordinary shares.

Unless otherwise indicated, all references to dollars and $ in this prospectus supplement are to, and amounts presented in, United States dollars and financial information presented in this prospectus that is derived from financial statements incorporated by reference is prepared in accordance with accounting principles generally accepted in the United States. We have a fiscal year end of December 31.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus relating to this offering. We have not, and the sales agent has not, authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, ordinary shares only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in this document is accurate only as of the date such information was issued, regardless of the time of delivery of this prospectus supplement or any sale of our ordinary shares.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this prospectus supplement, the accompanying prospectus and the documents that we have filed with the Commission that are incorporated by reference in this prospectus supplement 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, but are not limited to, statements concerning plans, objectives, goals, strategies, future events or performance, underlying assumptions and other statements, which are other than statements of historical facts.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement pursuant to this safe harbor legislation. This prospectus supplement and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words believe, anticipate, intend, estimate, forecast, project, plan, potential, may, should, expect and similar expressio forward-looking statements.

The forward-looking statements in this prospectus supplement, the accompanying prospectus and the documents that we have filed with the Commission that are incorporated by reference in this prospectus supplement are based upon various assumptions, many of which are based, in turn, upon further assumptions,

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including, without limitation, management s examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe 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 our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors and matters discussed elsewhere herein, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

- the strength of world economies;
- our ability to generate cash to service our indebtedness;
- our ability to continue to satisfy our financial and other covenants, or obtain waivers relating to such covenants from our lenders, under our credit facilities;
- our ability to obtain financing in the future to fund capital expenditures, acquisitions and other general corporate activities;
- our counterparties ability or willingness to honor their obligations under agreements with us;
- fluctuations in currencies and interest rates;
- general market conditions including fluctuations in charterhire rates and vessel values;
- changes in supply and generally the number, size and form of providers of goods and services in the markets in which we operate;
- changes in demand in the markets in which we operate;
- changes in demand resulting from changes in the Organization of the Petroleum Exporting Countries petroleum production levels and world-wide oil consumption and storage;
- developments regarding the technologies relating to oil exploration;
- increased inspection procedures and more restrictive import and export controls;
- the imposition of sanctions by the Office of Foreign Assets Control of the Department of the U.S. Treasury or pursuant to other applicable laws or regulations against us or any of our subsidiaries;

changes in our operating expenses, including bunker prices, drydocking and insurance costs;

performance of our charterers and other counterparties with whom we deal;

timely delivery of vessels under construction within the contracted price;

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;

piracy or political events; and

other important factors described under the heading Risk Factors in this prospectus supplement, in the accompanying prospectus and in our Annual Report on Form 20-F for the year ended December 31, 2012, as well as those described from time to time in other reports filed by us with the Commission.

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This prospectus supplement may contain assumptions, expectations, projections, intentions and beliefs about future events. These statements are intended as forward-looking statements. We may also from time to time make forward-looking statements in our periodic reports that we will file with the Commission, in other information sent to our security holders, and in other written materials. We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material.

We undertake no obligation to publicly update or revise any forward-looking statement contained in this prospectus supplement, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus supplement might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.

Specific permission is required from the Bermuda Monetary Authority, or the BMA, pursuant to the provisions of the Exchange Control Act of 1972 and related regulations, other than in cases where the BMA has granted a general permission. The BMA in its policy dated June 1, 2005 provides that, where any equity securities of a Bermuda company are hosted on an appointed stock exchange, general permission is given for the issue and subsequent transfer of any securities of such company from and/or to a non-resident of Bermuda, for so long as any equity securities of such company remain so listed. The NYSE is deemed to be an appointed stock exchange under Bermuda Law. This prospectus will be filed with the Registrar of Companies in Bermuda in accordance with the provisions of Part III of the Companies Act of 1981 of Bermuda, as amended. In granting such permission and accepting this prospectus for filing, neither the BMA nor the Registrar of Companies in Bermuda accepts any responsibility for our financial soundness or the correctness of any of the statements made or opinions expressed in this prospectus of the registration statement of which it forms part.

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PROSPECTUS SUPPLEMENT SUMMARY

This section summarizes some of the information that is contained later in this prospectus supplement, the accompanying prospectus or in other documents incorporated by reference into this prospectus. As an investor or prospective investor, you should review carefully the risk factors and the more detailed information that appear in this prospectus supplement, the accompanying prospectus, any free writing prospectus that may be provided to you in connection with this offering or that are contained in the documents that we incorporate by reference into this prospectus supplement before making an investment decision.

Unless the context otherwise requires, as used in this prospectus supplement, the terms Company, we, us, and our refer to Frontline Ltd. and al of its subsidiaries. Frontline Ltd. refers only to Frontline Ltd. and not its subsidiaries.

We use the term deadweight, or dwt, in describing the size of vessels. Dwt, expressed in metric tons, each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry.

THE COMPANY

We are an international shipping company incorporated in Bermuda as an exempted company under the Bermuda Companies Act of 1981 on June 12, 1992 (Company No. EC-17460). Our registered and principal executive offices are located at Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM 08, Bermuda, and our telephone number at that address is +(1) 441 295 6935.

We are engaged primarily in the transportation of crude oil through the ownership and operation of oil tankers. We own and operate oil tankers of two sizes: VLCCs, which are between 200,000 and 320,000 dwt, and Suezmax tankers, which are vessels between 120,000 and 170,000 dwt. Our VLCCs are specifically designed for the transportation of crude oil and, due to their size, are primarily used to transport crude oil from the Middle East Gulf to the Far East, Northern Europe, the Caribbean and the Louisiana Offshore Oil Port. Our Suezmax tankers are similarly designed for worldwide trading, but the trade for these vessels is mainly in the Atlantic Basin, the Middle East and Southeast Asia.

We operate through subsidiaries and partnerships located in the Bahamas, Bermuda, the Cayman Islands, India, the Isle of Man, Liberia, Norway, the United Kingdom and Singapore. We are also involved in the charter, purchase and sale of vessels.

As of May 31, 2013, our tanker fleet consisted of 35 vessels, including nine vessels owned through our majority-owned subsidiary, Independent Tankers Corporation Limited, or ITCL, comprised of 25 VLCCs and 10 Suezmax tankers, which were either owned or chartered in. We also had two Suezmax newbuildings on order, six VLCCs and six Suezmax tankers under commercial management. As of May 31, 2013, our tanker fleet had total tonnage of approximately 11.7 million dwt, including 2.6 million dwt under our commercial management, and an average age of approximately 12 years.

Although there has been a trend towards consolidation over the past 15 years, the tanker market remains highly fragmented. We estimate, based on available industry data, that we currently own or operate approximately 4.9% of the world VLCC fleet and 3.3% of the world Suezmax tanker fleet.

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OUR FLEET

The following table sets forth certain information regarding the fleet that we operated as of May 31, 2013 (including contracted newbuildings not yet delivered):

Vessel	Built	Approximate Dwt.	Construction	Flag	Type of Employment
Tonnage Owned Directly					
VLCCs					
Ulriken (ex-Antares Voyager)	1998	310,000	Double-hull	BA	Spot market
Ulysses (ex Phoenix Voyager)[1]	1999	308,500	Double-hull	BA	Spot market
Pioneer (ex-British Pioneer)	1999	307,000	Double-hull	IoM	Spot market
British Pride	2000	307,000	Double-hull	IoM	Bareboat charter
British Progress[2]	2000	307,000	Double-hull	IoM	Bareboat charter
British Purpose	2000	307,000	Double-hull	IoM	Bareboat charter
Suezmax Tankers					
Cygnus Voyager[3]	1993	157,000	Double-hull	BA	Bareboat charter
Altair Voyager[3]	1993	136,000	Double-hull	BA	Bareboat charter
Sirius Voyager[3]	1994	156,000	Double-hull	BA	Bareboat charter
Hull 1161 (Newbuilding)	2013	157,000	Double-hull	n/a	n/a
Hull 1162 (Newbuilding)	2014	157,000	Double-hull	n/a	n/a
Tonnage Chartered in from Ship Finance International Limited (NYSE:SFL)					
VLCCs					
Front Vanguard	1998	300,000	Double-hull	MI	Spot market
Front Century	1998	311,000	Double-hull	MI	Spot market
Front Champion	1998	311,000	Double-hull	BA	Spot market
Front Comanche	1999	300,000	Double-hull	LIB	Spot market
Golden Victory	1999	300,000	Double-hull	MI	Time charter
Front Circassia	1999	306,000	Double-hull	MI	Spot market
Front Opalia	1999	302,000	Double-hull	MI	Spot market
Front Commerce	1999	300,000	Double-hull	LIB	Spot market
Front Scilla	2000	303,000	Double-hull	MI	Spot market
Front Ariake	2001	299,000	Double-hull	BA	Spot market
Front Serenade	2002	299,000	Double-hull	LIB	Spot market
Front Hakata	2002	298,000	Double-hull	BA	Spot market
Front Stratus	2002	299,000	Double-hull	LIB	Spot market
Front Falcon	2002	309,000	Double-hull	BA	Spot market
Front Page	2002	299,000	Double-hull	LIB	Spot market
Front Energy	2004	305,000	Double-hull	MI	Spot market
Front Force	2004	305,000	Double-hull	CYP	Spot market
Suezmax Tankers					
Front Glory	1995	150,000	Double-hull	MI	Spot market
Front Splendour	1995	150,000	Double-hull	MI	Spot market

Front Ardenne	1997	150,000	Double-hull	MI	Spot market
Front Brabant	1998	150,000	Double-hull	MI	Spot market
Mindanao	1998	150,000	Double-hull	SG	Spot market

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Vessel	Built	Approximate Dwt.	Construction	Flag	Type of Employment
Tonnage Chartered in from Third Parties					
VLCCs					
Front Tina(4)	2000	299,000	Double-hull	LIB	Spot market
Front Commodore(4)	2000	299,000	Double-hull	LIB	Spot market
Suezmax Tankers					
Front Melody(4)	2001	150,000	Double-hull	LIB	Spot market
Front Symphony(4)	2001	150,000	Double-hull	LIB	Spot market
Tonnage under Commercial Management					
VLCCs					
Front Kathrine	2009	297,974	Double-hull	MI	Spot market
Front Queen	2009	297,000	Double-hull	MI	Spot market
Front Eminence	2009	321,300	Double-hull	MI	Time charter
Front Endurance	2009	321,300	Double-hull	MI	Spot market
Front Cecilie	2010	297,000	Double-hull	HK	Spot market
Front Signe(5)	2010	297,000	Double-hull	HK	Spot market
Suezmax Tankers					
Northia	2010	156,000	Double-hull	MI	Spot related time charter
Naticina	2010	156,000	Double-hull	MI	Spot related time charter
Front Njord	2010	156,000	Double-hull	HK	Spot market
Front Odin	2010	156,000	Double-hull	MI	Spot market
Glorycrown	2009	156,000	Double-hull	HK	Bareboat
Everbright	2010	156,000	Double-hull	HK	Bareboat

Key to Flags: BA Bahamas, IoM Isle of Man, LIB Liberia, SG Singapore, MI Marshall Islands, CYP Cyprus, HK Hong Kong.

(1) Vessel was redelivered from its bareboat charter in March 2013 and commenced trading in the spot market.
(2) The charterer gave twelve months notice of its intention to terminate the bareboat charter in January 2013. Termination will take effect on February 2, 2014.
(3) Vessel is owned by a wholly-owned subsidiary, which is accounted for under the equity method.
(4) The lessor has a fixed price option to sell this vessel to us at the end of the lease on December 31, 2015.
(5) For the purpose of this prospectus, we consider the Front Signe to be employed in the spot market as a result of the short expiry of its current time charter of January 2014.

Our chartered in fleet is contracted to us under leasing arrangements with fixed terms of between two and fifteen years.

Frontline Management AS and Frontline Management (Bermuda) Ltd., our wholly-owned subsidiaries, referred to collectively as Frontline Management, are responsible for the commercial management of our vessel-owning subsidiaries, including chartering and insurance matters.

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SeaTeam Management, a ship management company we established in Singapore in 2009, also provides ship management services to our fleet that are complementary to ship management services provided to us by external ship management companies. The establishment of SeaTeam Management did not constitute a change in our outsourcing strategy; rather, we believe it has enabled us to strengthen our position towards our third-party service providers to enhance and secure delivery of high-quality service at low cost. SeaTeam Management was certified and received its ISM Document of Compliance by Det Norske Veritas on February 3, 2010, and is an approved ship management company.

DIVIDEND POLICY

The timing and amount of dividends, if any, is at the discretion of our Board. The level of dividend is guided by present earnings, market prospects, current capital expenditure programs as well as investment opportunities. We have not paid any cash dividends since the third quarter in 2011.

RESTRUCTURING

In December 2011, we completed a restructuring as well as the sale of 15 wholly-owned special purpose companies to Frontline 2012 Ltd., or Frontline 2012. For a discussion of the restructuring see our Annual Report on Form 20-F for the fiscal year ended December 31, 2011.

RECENT DEVELOPMENTS

Private Placement by Frontline 2012

In January 2013, we purchased 1,142,857 shares of Frontline 2012 in a private placement by Frontline 2012, whereby Frontline 2012 issued and sold 59,000,000 new ordinary shares at a subscription price of $5.25 per share. We purchased the shares at the subscription price for aggregate consideration of approximately $6.0 million.

As of the date of this prospectus supplement, we own approximately 6.3% of Frontline 2012 s outstanding shares.

Changes to our Board of Directors

In April 2013, Cecile Fredriksen and Tony Curry resigned from their positions as members of our Board. Both Miss Fredriksen and Mr. Curry will continue to be board members in other related group companies. One of the vacancies created by these departures was filled by Georgina Sousa. Mrs. Sousa joined the Company as Head of Corporate Administration in 2007 and is also a director of Golar LNG Limited, Golden Ocean Group Limited and Frontline 2012 Ltd. The other vacancy has not yet been filled.

Term Notes

In April 2013, we sold $1.7 million of 7.84% term notes due 2021 of Windsor Petroleum Transport Corporation, our indirect-subsidiary, or the Term Notes, held by us, resulting in proceeds of $1.0 million.

In May 2013, we sold $8.5 million of Term Notes held by us, resulting in proceeds of $5.2 million.

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Results of Operations

We recorded a net loss of $18.8 million, equivalent to a loss per share of $0.24, in the first quarter of 2013 and our cash position decreased from $137.6 million to $109.5 million. Based on rates achieved so far in the second quarter, increased dry docking costs in the second quarter and the current outlook, we expect the operating result in the second quarter to be weaker than in the first quarter and we expect our cash position to fall further in the second quarter. We are of the opinion that the tanker market is massively oversupplied today and that it may take some time before a reasonable market balance is restored and sustained recovery of the tanker market occurs. We believe that such a market balance and sustained recovery of the tanker market will be dependent on the extent of phase out of existing tonnage as well as global growth conditions.

Par Value Reduction

On May 8, 2013, at a Special General Meeting of the Company, it was resolved that our issued and paid-up share capital be reduced from $194,646,255 to $77,858,502, with effect from May 14, 2013, by cancelling the paid-up capital of $1.50 on each of the ordinary shares in issue so that each of the 77,858,502 shares of par value $2.50 shall have a par value of $1.00. It was also resolved that the amount of credit arising be credited to our additional paid in capital account and that our authorized share capital be maintained at $312,500,000 comprising 312,500,000 shares of $1.00 each.

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THE OFFERING

Issuer	Frontline Ltd.
Ordinary shares outstanding as of the date of this prospectus supplement	77,858,502 ordinary shares
Ordinary shares to be offered	Ordinary shares with an aggregate offering price of up to $40,000,000 or 21,505,376 ordinary shares at an assumed offering price of $1.86 per share, which was the last reported closing price of our ordinary shares on the NYSE on May 31, 2013.
Ordinary shares to be outstanding immediately after this offering, if all offered shares are sold:	99,363,878 ordinary shares(1)
Use of proceeds	We intend to use the net proceeds of this offering for general corporate purposes and to supplement our working capital requirements. We expect that the net proceeds of this offering will be $38.75 million, after deducting estimated commissions and estimated offering expenses, and assuming a sale of 21,505,376 ordinary shares at an assumed offering price of $1.86 per share, the last reported closing price of our ordinary shares on the NYSE on May 31, 2013.
Dividend Policy	The timing and amount of dividends, if any, is at the discretion of our Board. The level of dividend is guided by present earnings, market prospects, current capital expenditure programs as well as investment opportunities. We have not paid any cash dividends since the third quarter in 2011.
Risk Factors	Investing in our ordinary shares involves a high degree of risk. See Risk Factors beginning on page S-8 of this prospectus supplement and page 6 of the accompanying prospectus and in our Annual Report on Form 20-F for the fiscal year ended December 31, 2012, filed with the Commission on March 21, 2013 and incorporated by reference herein, to read about the risks you should consider before purchasing our ordinary shares.
Tax Considerations	For a discussion of the principal U.S. federal income tax and Bermuda tax considerations associated with our operations and the acquisition, ownership and disposition of our ordinary shares see Taxation in our Annual Report on Form 20-F for the fiscal year ended December 31, 2012.
Listing	The primary trading market for our ordinary shares is the NYSE, where our ordinary shares are listed under the symbol FRO. Our ordinary shares are also traded on the Oslo Stock Exchange and the London Stock Exchange under the symbol FRO.

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(1) This number is based on shares outstanding as of the date of this prospectus supplement and (i) assumes the sale of 21,505,376 ordinary shares offered hereunder, (ii) excludes an aggregate of 677,667 ordinary shares issuable upon the exercise of outstanding options with a weighted average exercise price of NOK 130.46 per share (or $22.26 per share based on an exchange rate of NOK5.86:$1.00 as of June 3, 2013) granted pursuant to our Share Option Scheme up to the date of this prospectus supplement and (iii) excludes 5,881,275 ordinary shares issuable upon conversion of our 4.5% convertible bonds due 2015, or our Convertible Bonds, based on the current conversion price of $36.5567.

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RISK FACTORS

An investment in our ordinary shares involves a high degree of risk, including the risks we face described in the accompanying prospectus and the documents incorporated by reference herein. Our business, financial condition, and results of operations could be materially and adversely affected by any of these risks. The trading price of our ordinary shares could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement, the accompanying prospectus, and the documents incorporated by reference herein also contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face described in the accompanying prospectus and the documents incorporated by reference herein.

Before you decide to invest in our ordinary shares, you should carefully consider the risks and the discussion of risks under the heading Risk Factors beginning on page 6 of the accompanying prospectus and in our Annual Report for the year ended December 31, 2012 on Form 20-F, filed with the Commission on March 21, 2013 and incorporated by reference herein, as well as other information included in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference in this prospectus supplement that summarize the risks that may materially affect our business. Please refer to the sections entitled Where You Can Find Additional Information in this prospectus supplement and in the accompanying prospectus for discussions of these other filings.

If the tanker industry, which historically has been cyclical and volatile, continues to be depressed or declines further in the future, our revenues, earnings and available cash flow may be adversely affected.

Historically, the tanker industry has been highly cyclical, with volatility in profitability, charter rates and asset values resulting from changes in the supply of, and demand for, tanker capacity. After reaching highs during the summer of 2008, charter rates for crude oil carriers fell dramatically in connection with the commencement of the global financial crisis and current rates continue to remain at relatively low levels compared to the rates achieved in the years preceding the global financial crisis. Fluctuations in charter rates and tanker values result from changes in the supply of and demand for tanker capacity and changes in the supply of and demand for oil and oil products. Our ability to re-charter our vessels on the expiration or termination of their current spot and time and bareboat charters and the charter rates payable under any renewal or replacement charters will depend upon, among other things, economic conditions in the tanker market and we cannot guarantee that any renewal or replacement charters we enter into will be sufficient to allow us to operate our vessels profitably.

The factors that influence demand for tanker capacity include:

- supply of and demand for oil and oil products;
- global and regional economic and political conditions, including developments in international trade, national oil reserves policies, fluctuations in industrial and agricultural production and armed conflicts;
- regional availability of refining capacity;
- environmental and other legal and regulatory developments;

the distance oil and oil products are to be moved by sea;

changes in seaborne and other transportation patterns, including changes in the distances over which tanker cargoes are transported by sea;

increases in the production of oil in areas linked by pipelines to consuming areas, the extension of existing, or the development of new, pipeline systems in markets we may serve, or the conversion of existing non-oil pipelines to oil pipelines in those markets;

currency exchange rates;

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- weather and acts of God and natural disasters;
- competition from alternative sources of energy and from other shipping companies and other modes of transport;
- international sanctions, embargoes, import and export restrictions, nationalizations, piracy and wars; and
- regulatory changes including regulations adopted by supranational authorities and/or industry bodies, such as safety and environmental regulations and requirements by major oil companies.

The factors that influence the supply of tanker capacity include:

- current and expected purchase orders for tankers;
- the number of tanker newbuilding deliveries;
- any potential delays in the delivery of newbuilding vessels and/or cancellations of newbuilding orders;
- the scrapping rate of older tankers;
- the successful implementation of the phase-out of single-hull tankers;
- technological advances in tanker design and capacity;
- tanker freight rates, which are affected by factors that may effect the rate of newbuilding, swapping and laying up of tankers;
- port and canal congestion;
- price of steel and vessel equipment;
- conversion of tankers to other uses or conversion of other vessels to tankers;
- the number of tankers that are out of service; and
- changes in environmental and other regulations that may limit the useful lives of tankers.

The factors affecting the supply of and demand for tankers have been volatile and are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable, including those discussed above. The current global economic downturn may reduce demand for transportation of oil over longer distances and increase supply of tankers to carry that oil, which may have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends.

If the tanker market does not recover in the short term and no additional equity can be raised or assets sold there is a risk that we will have insufficient cash to satisfy liquidity requirements and to repay the existing $225 million convertible bond loan at maturity in April 2015. Such a situation might force a restructuring of the Company, including modifications of charter lease obligations and debt agreements.

In the event that our cash flow from operations does not enable us to satisfy our short-term or medium- to long-term liquidity requirements, we will have to consider alternatives, such as raising additional equity, which could dilute our shareholders or selling assets, which could negatively impact our financial results depending on market conditions at the time.

We cannot assure you that we will be able to raise equity sufficient to meet our future capital and operating needs.

We expect that the net proceeds of this offering will be $38.75 million, after deducting estimated commissions and offering expenses and assuming a sale of 21,505,376 ordinary shares at an assumed offering price of $1.86 per share, the last reported closing price of our ordinary shares on the NYSE on May 31, 2013; however we cannot assure you that we will be able to sell that amount of our ordinary shares. Furthermore, even if we raise the net proceeds discussed above, we cannot assure you that such proceeds will be sufficient to meet our ongoing capital and operating needs.

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Investors may experience significant dilution as a result of this offering and future offerings.

Based on an assumed offering price of $1.86 per share, which was the last reported closing price of our ordinary shares on the NYSE on May 31, 2013, the offering of $40.0 million of our ordinary shares would result in the offer and sale of 21,505,376 ordinary shares, following which we would have 99,363,878 ordinary shares outstanding (excluding ordinary shares issuable upon the exercise of options granted pursuant to our Share Option Scheme and ordinary shares issuable upon conversion of our Convertible Bonds), which as of the date of this prospectus represents an increase of approximately 28% in our issued and outstanding ordinary shares. Because the sales of the shares offered hereby will be made directly into the market or in negotiated transactions, the prices at which we sell these shares will vary and these variations may be significant. Purchasers of the shares we sell, as well as our existing shareholders, will experience significant dilution if we sell shares at prices significantly below the price at which they invested. In addition, we may offer additional ordinary shares in the future, which may result in additional significant dilution.

Our ability to obtain debt financing may be dependent on the performance of our then-existing charters and the creditworthiness of our charterers.

Following the Restructuring and as of the date of this prospectus, we do not have any outstanding bank debt. We may, however, incur bank debt in the future to fund, among other things, our general corporate purposes or the expansion of our fleet. The actual or perceived credit quality of our charterers, and any defaults by them, may materially affect our ability to obtain the capital resources required to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain financing at anticipated costs or at all may materially affect our results of operation and our ability to implement our business strategy.

Our ordinary share price may be highly volatile and future sales of our ordinary shares could cause the market price of our ordinary shares to decline.

Our ordinary shares commenced trading on the New York Stock Exchange in August 2001. We cannot assure you that an active and liquid public market for our ordinary shares will continue. The market price of our ordinary shares has historically fluctuated over a wide range and may continue to fluctuate significantly in response to many factors, such as actual or anticipated fluctuations in our operating results, changes in financial estimates by securities analysts, economic and regulatory trends, general market conditions, rumors and other factors, many of which are beyond our control. Since 2008, the stock market has experienced extreme price and volume fluctuations. If the volatility in the market continues or worsens, it could have an adverse affect on the market price of our ordinary shares and impact a potential sale price if holders of our ordinary shares decide to sell their shares.

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USE OF PROCEEDS

We will use the net proceeds from the sale of the ordinary shares offered by this prospectus supplement for general corporate purposes and to supplement our working capital requirements. We expect that the net proceeds of this offering will be $38.75 million, after deducting commissions and estimated issuance costs, comprised of estimated offering expenses, and assuming a sale of 21,505,376 ordinary shares at an assumed offering price of $1.86 per share, the last reported closing price of our ordinary shares on the NYSE on May 31, 2013.

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CAPITALIZATION

The following table sets forth our cash, cash equivalents, restricted cash and capitalization as of March 31, 2013:

- on an actual basis;
- on an as adjusted basis giving effect to the decrease in the par value of our ordinary shares from $2.50 to $1.00 per share, effective May 14, 2013; and
- on an as further adjusted basis to give effect to the issuance and sale of $40.0 million of our ordinary shares in this offering, or 21,505,376 ordinary shares at an assumed offering price of $1.86 per share, which was the last reported closing price of our ordinary shares on the NYSE on May 31, 2013, resulting in net proceeds of $38.75 million after deducting commissions and expected offering expenses.

There have been no significant adjustments to our capitalization since March 31, 2013, as so adjusted. This table should be read in conjunction with the section of this prospectus supplement entitled Use of Proceeds, the unaudited condensed consolidated financial statements and the condensed consolidated financial statements and related notes included in our Annual Report for the year ended December 31, 2012 on Form 20-F, filed with the Commission on March 21, 2013 and incorporated by reference herein.

	As of March 31, 2013		
(In thousands of U.S. dollars)	**Actual**	**As Adjusted[3]**	**As Further Adjusted for this Offering**
Cash and cash equivalents	109,495	109,495	148,245
Restricted cash	71,097	71,097	71,097
Total cash and cash equivalents and restricted cash	180,592	180,592	219,342
Debt:			
Long term debt, including current portion[1]	478,298	478,298	478,298
Obligations under capital leases, including current portion	932,553	932,553	932,553
	1,410,851	1,410,851	1,410,851
Equity:			
Share capital	194,646	77,858	99,364
Additional paid in capital	911	117,699	134,943
Contributed surplus	474,129	474,129	474,129
Accumulated other comprehensive loss	(4,164)	(4,164)	(4,164)
Retained deficit	(564,521)	(564,521)	(564,521)
Total equity attributable to Frontline Ltd.	101,001	101,001	139,751
Noncontrolling interest	11,194	11,194	11,194
Total equity[2]	112,195	112,195	150,945

Total capitalization	1,523,046	1,523,046	1,561,796

(1) $263,298 of this amount represents indebtedness in connection with the issuance of term notes by subsidiaries of ITCL, which is secured by assets held by those subsidiaries. $215,000 of this amount relates to the Convertible Bonds.

(2) This number excludes (i) an aggregate of 677,667 ordinary shares issuable upon the exercise of outstanding options with a weighted average exercise price of NOK 130.46 per share (or $22.26 per share based on an exchange rate of NOK5.86:$1.00 as of June 3, 2013) granted pursuant to our Share Option Scheme up to the date of this prospectus supplement and (ii) 5,881,275 ordinary shares issuable upon conversion of our Convertible Bonds, based on the current conversion price of $36.5567.

(3) Excluding the sale of $10.2 million of Term Notes in April and May of 2013, resulting in proceeds of $6.2 million.

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PRICE RANGE OF OUR ORDINARY SHARES

Our ordinary shares are traded on the NYSE, the Oslo Stock Exchange, or OSE, and on the London Stock Exchange, or LSE, under the symbol FRO.

The NYSE is our primary listing. As an overseas company with secondary listings on the OSE and LSE, we are not required to comply with certain listing rules applicable to companies with a primary listing on the OSE or LSE. Our ordinary shares have been thinly traded on the London Stock Exchange since 1999 and as a result, historical LSE trading information is not provided below.

The tables below set forth the high and low prices for our ordinary shares on the NYSE and OSE for each of the periods indicated.

	NYSE		OSE	
For the Fiscal Year ended December 31:	**High**	**Low**	**High**	**Low**
2012	$ 9.47	$ 3.02	NOK 48.50	NOK 17.24
2011	$ 27.76	$ 2.52	NOK 169.50	NOK 14.76
2010	$ 38.85	$ 24.98	NOK 236.70	NOK 146.40
2009	$ 33.29	$ 15.78	NOK 235.00	NOK 107.00
2008	$ 72.36	$ 25.00	NOK 376.50	NOK 165.25

	NYSE		OSE	
For the Quarter Ended:	**High**	**Low**	**High**	**Low**
March 31, 2013	$ 3.77	$ 1.81	NOK 20.60	NOK 10.95
December 31, 2012	$ 4.03	$ 3.07	NOK 22.90	NOK 17.50
September 30, 2012	$ 4.72	$ 3.02	NOK 28.00	NOK 17.24
June 30, 2012	$ 7.69	$ 3.88	NOK 44.70	NOK 23.98
March 31, 2012	$ 9.47	$ 4.03	NOK 48.50	