

Frontline Ltd.
c/o Advokatfirmaet BA-HR DA
Att: Robin Bakken
By e-mail: rba@bahr.no

Your ref:

Our ref:

Date: 2 June 2015

Exemption from Norwegian rules on take-over bids

We refer to letter dated 27 May 2015 regarding application for exemption from Norwegian take-over rules in respect of Frontline Ltd. ("Frontline" or the "Company").

The rules on take-over bids are set out in chapter 6 of the Norwegian Securities Trading Act ("STA").

Section 6-23 of the STA states:

"Section 6–23 Takeover bids with links to more than one state

(1) The provisions of this chapter apply equally in relation to

- 1. companies with their registered office in another state whose shares or other securities comparable to shares are not quoted on a regulated market in the state in which the company has its registered office but on a Norwegian regulated market, and*
- 2. companies with their registered office in Norway whose shares are quoted on a regulated market in another EEA state.*

(2) The ministry may in cases as mentioned in subsection (1) lay down further regulations on the application of the provisions of this chapter as well as on the takeover supervisory authority and choice of law.

(3) The takeover supervisory authority may by individual decision make exception from some or all of the provisions of this chapter in the case of companies with their registered office in Norway whose shares are quoted on a regulated market both in Norway and a state outside the EEA. The same applies in relation to companies with their registered office in a state outside the EEA whose shares are quoted on a regulated market in Norway.

Oslo Børs ASA is the take-over supervisory authority in respect of companies listed on Oslo Børs.

Frontline is a Bermuda limited liability company. Hence, it is a company with registered office outside the EEA.

Frontline is listed on Oslo Børs.

Frontline is also listed on the New York Stock Exchange (“NYSE”), a regulated market in the U.S. The listing on NYSE is a primary listing and the listing on Oslo Børs is a secondary listing, cf. Listing Rules Oslo Børs section 9.2.

Frontline is not listed on a regulated market in the state in which the company has its registered office (Bermuda).

Frontline is not and has not applied for listing on any other regulated markets.

As a consequence of the listing on Oslo Børs, the Norwegian rules on take-over bids are applicable in relation to Frontline. However, Oslo Børs, in capacity as take-over supervisory authority, may decide to make exception from all or some of the provisions of the Norwegian rules on take-over bids in relation to companies with their registered office in a state outside the EEA, cf. the STA section 6-23, third paragraph.

Frontline has applied for an exemption from all provisions regulating voluntary and mandatory takeover bids in chapter 6 of the STA.

Frontline was admitted listing on Oslo Børs in 1998. The take-over rules in the Securities Trading Act of 1997 (“STA 1997”), which was in force at that time, did not apply to foreign companies listed on a Norwegian exchange. The scope of the Norwegian take-over rules was later extended when the current STA was implemented in 2007 (effective as of 1 January 2008). The new act automatically imposed the Norwegian take-over regulations also for companies incorporated outside Norway (and the EEA) with a listing on Oslo Børs, hereunder the Company.

Frontline was originally primary (and solely) listed on Oslo Børs. The Company became listed on NYSE in 2002. In connection with the listing on NYSE, the listing on Oslo Børs was amended to a secondary listing. As of then Frontline has been primary listed on NYSE.

Due to its primary listing on NYSE, Frontline is subject to tender offer rules set out in U.S. securities laws which amongst others include certain obligations towards the U.S. Securities and Exchange Commission.

In connection with this application Oslo Børs has received information from Frontline regarding applicable U.S tender offer laws.

Imposing the Norwegian take-over rules in addition to the U.S. tender offer rules results in duplication of regulation. A takeover process may be less predictable and more complex for all involved parties. There is also a risk that the rules of the two regimes may be contradictory.

Frontline has its primary listing on NYSE and its shares are actively traded in the U.S. market.

On this basis, Oslo Børs, in capacity as take-over supervisory authority, has resolved to exempt Frontline from all provisions regulating voluntary and mandatory takeover bids in Chapter 6 of the STA, cf. Section 6-23, third paragraph. Oslo Børs has particularly emphasized that the Company has been and is subject to U.S. tender offer rules, that the Company prior to the amendment of the STA of 2007 (effective in 2008) was not subject to the take-over rules of Norway, that the Company has been primary listed on

NYSE since 2002 and that the listing on Oslo Børs has since 2002 been of a secondary nature. Should the applicability of the U.S. tender offer laws in relation to the Company materially change, Frontline must notify Oslo Børs. Such notification shall be made prior to the event becoming effective and as early as possible.

Frontline shall make this decision and the implications of the decision public.

Yours sincerely,
OSLO BØRS ASA

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Head of Primary Market & Legal Affairs

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