

**Three and Nine Months Ended September 30, 2008  
Earnings Presentation  
November 14, 2008**



## Forward-Looking Statements

*Statements in this presentation may be "forward-looking statements" within the meaning of federal securities laws. The matters discussed herein that are forward-looking statements are based on current management expectations that involve risks and uncertainties that may result in such expectations not being realized. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous potential risks and uncertainties including, but not limited to, the need to manage our growth and integrate additional capital, acquire additional vessels, volatility in the dry-bulk shipping business and vessel charter rates, our ability to obtain sufficient capital, the volatility of our stock price, and other risks and factors. Forward-looking statements made during this presentation speak only as of the date on which they are made, and Euroseas does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation.*

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*This presentation also contains historical data about the dry bulk and containerized trade, dry bulk and containership fleet and dry bulk and containership rates. These figures have been compiled by the Company based on available data from a variety of sources like broker reports and various industry publications or represent Company's own estimates. The Company exercised reasonable care and judgment in preparing these estimates, however, the estimates provided herein may not match information from other sources.*

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## 2008 Year To-Date Overview

- **Financial Highlights 2008:**

|                              | <u>Third Quarter</u> | <u>Nine Months</u> |
|------------------------------|----------------------|--------------------|
| Net Revenues:                | \$ 35.5 million      | \$ 102.7 million   |
| Net income:                  | \$ 15.3 million      | \$ 46.2 million    |
| Adj. EBITDA <sup>(1)</sup> : | \$ 23.0 million      | \$ 65.7 million    |

- **Credit Crunch & Economic Slowdown**

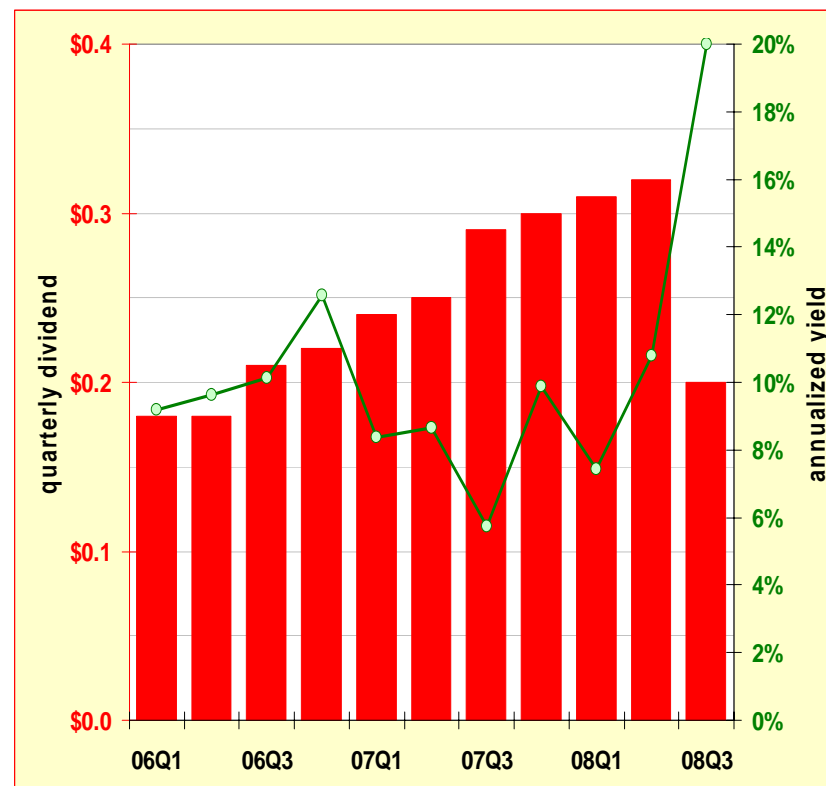
- Credit and financial crisis overwhelmed world markets
- Trade came, practically, to a halt
- Rates dropped to operating cost levels

- **Euroseas Position in the Market and Economic Developments**

- Avoided investing at the top of the market
- Strong balance sheet, liquidity and low leverage
- Ready to exploit opportunities to expand and renew

## Dividend Declaration

- **Declared dividend of \$0.20 per share for third quarter**
  - Annualized yield of 20% <sup>(1)</sup>
  - Reduced from \$0.32 per in second quarter
  - Total dividends for the nine months of 2008 are \$0.83 per share, up 6% from \$0.78 per share declared during same period of 2007
- **Intention to maximize purchasing power and flexibility**
- **Objective to provide substantial dividends through market cycles**



(1) Based on closing price of \$4.0 on 11/12/08

## World GDP & Shipping Demand Growth

| Real GDP (% p.a.)                  | 2006 | 2007 | 2008 | 2009           | 2010 | 2011-13 |
|------------------------------------|------|------|------|----------------|------|---------|
| USA                                | 3.3  | 2.5  | 1.6  | 0.6            | 2.0  | 2.5     |
| Eurozone                           | 3.0  | 2.7  | 1.2  | 0.6            | 1.3  | 2.1     |
| Japan                              | 2.8  | 1.9  | 0.7  | 0.6            | 1.3  | 2.5     |
| China                              | 10.5 | 11.2 | 9.8  | 8.5            | 8.7  | 8.4     |
| India                              | 9.5  | 9.0  | 7.3  | 6.8            | 7.5  | 7.8     |
| Russia                             | 7.4  | 8.1  | 7.5  | 6.8            | 6.0  | 6.0     |
| Brazil                             | 3.8  | 5.4  | 4.6  | 3.5            | 4.4  | 4.0     |
| NIE Asia                           | 5.6  | 5.6  | 4.0  | 3.2            | 4.7  | 4.9     |
| ASEAN-5                            | 5.7  | 6.3  | 5.5  | 4.9            | 5.8  | 6.2     |
| World                              | 5.1  | 5.0  | 3.9  | 3.0            | 4.2  | 4.8     |
| <i>Previous Forecasts (Aug-08)</i> |      |      |      | <i>3.8-4.0</i> |      |         |

### Dry Bulk Trade (% p.a.)

|           |     |     |     |     |
|-----------|-----|-----|-----|-----|
| Tons      | 6.0 | 6.5 | 5.0 | 3.5 |
| Ton-miles | 7.8 | 7.7 | 6.5 | 4.8 |

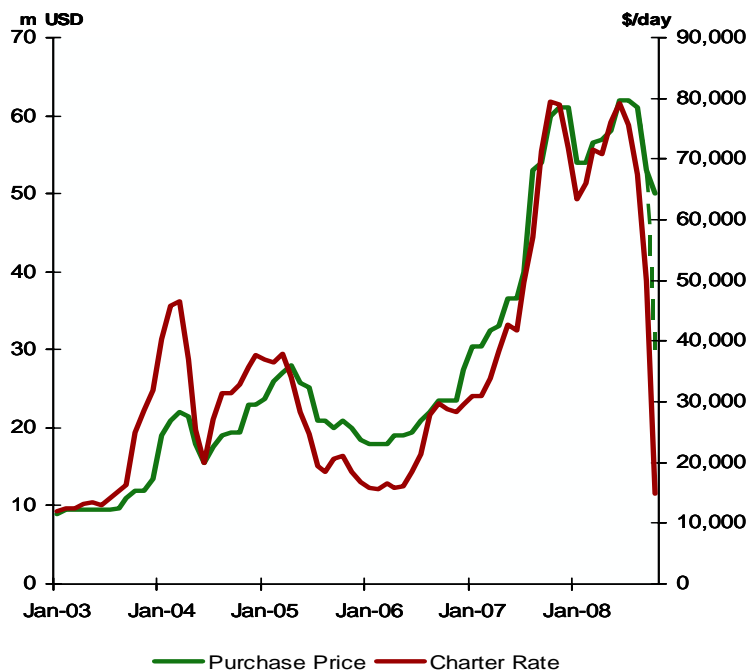
### Containerized Trade (% p.a.)

|     |      |      |     |     |
|-----|------|------|-----|-----|
| TEU | 10.7 | 10.4 | 6.8 | 6.5 |
|-----|------|------|-----|-----|

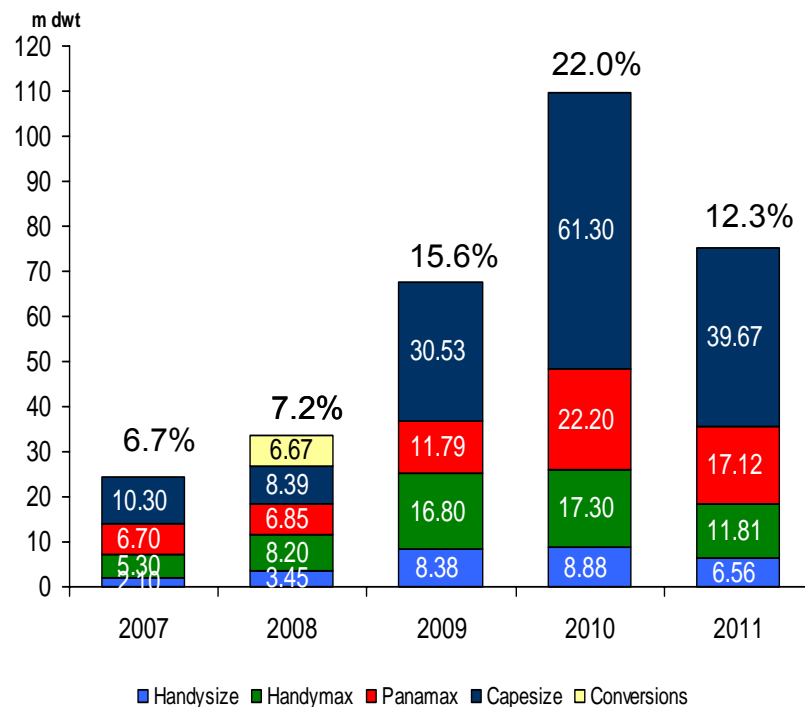
Sources: GDP - Economist Intelligence Unit & International Monetary Fund; Trade – Clarksons, Company estimates.  
2008 figures are estimates

# Drybulk Rates & Orderbook Delivery Schedule

## Panamax Dry Bulker – 15yr old<sup>(1)</sup>



## Dry Bulk Orderbook <sup>(1)</sup>



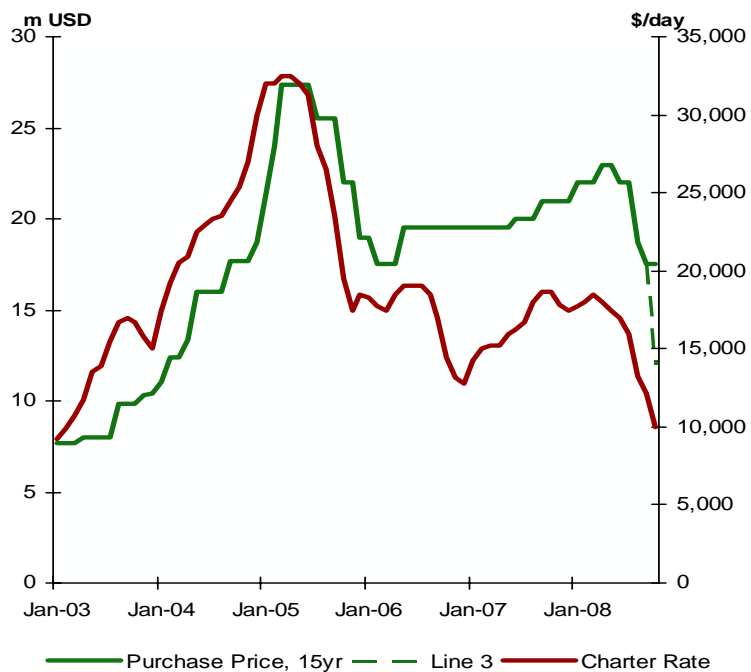
## Falling Rates and Vessel Prices

## How Many Will Be Delivered?

(1) Source: Clarksons - Deliveries as percent of fleet is calculated without accounting for scrapping, other removals or conversions

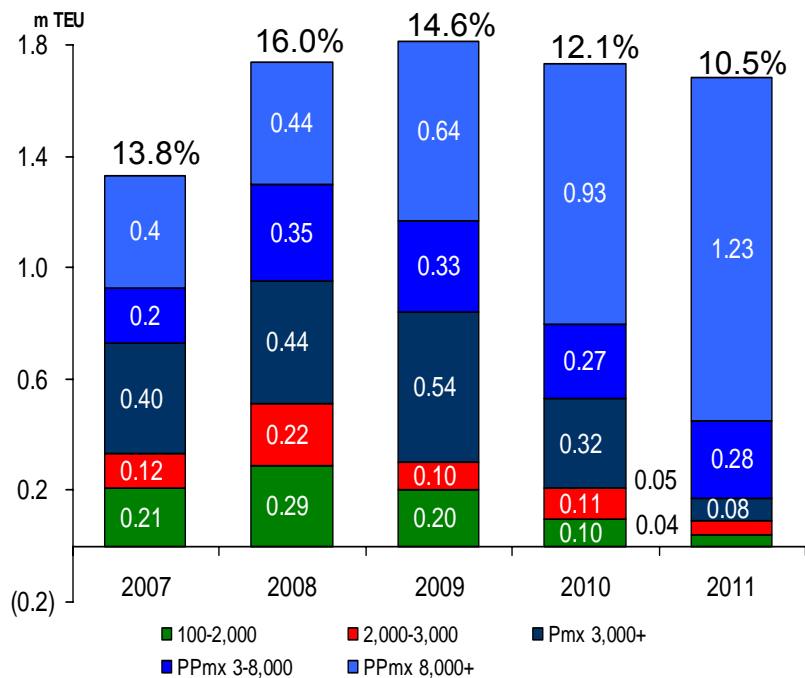
# Containership Rates & Orderbook Delivery Schedule

## Handysize Containership – 1700 teu, 15 yr<sup>(1)</sup>



**Rates & Asset Prices Falling too**

## Container Orderbook <sup>(1)</sup>



**Large Vessels Dominate Orderbook**

(1) Source: Clarksons - Deliveries as percent of fleet is calculated without accounting for scrapping or other removals



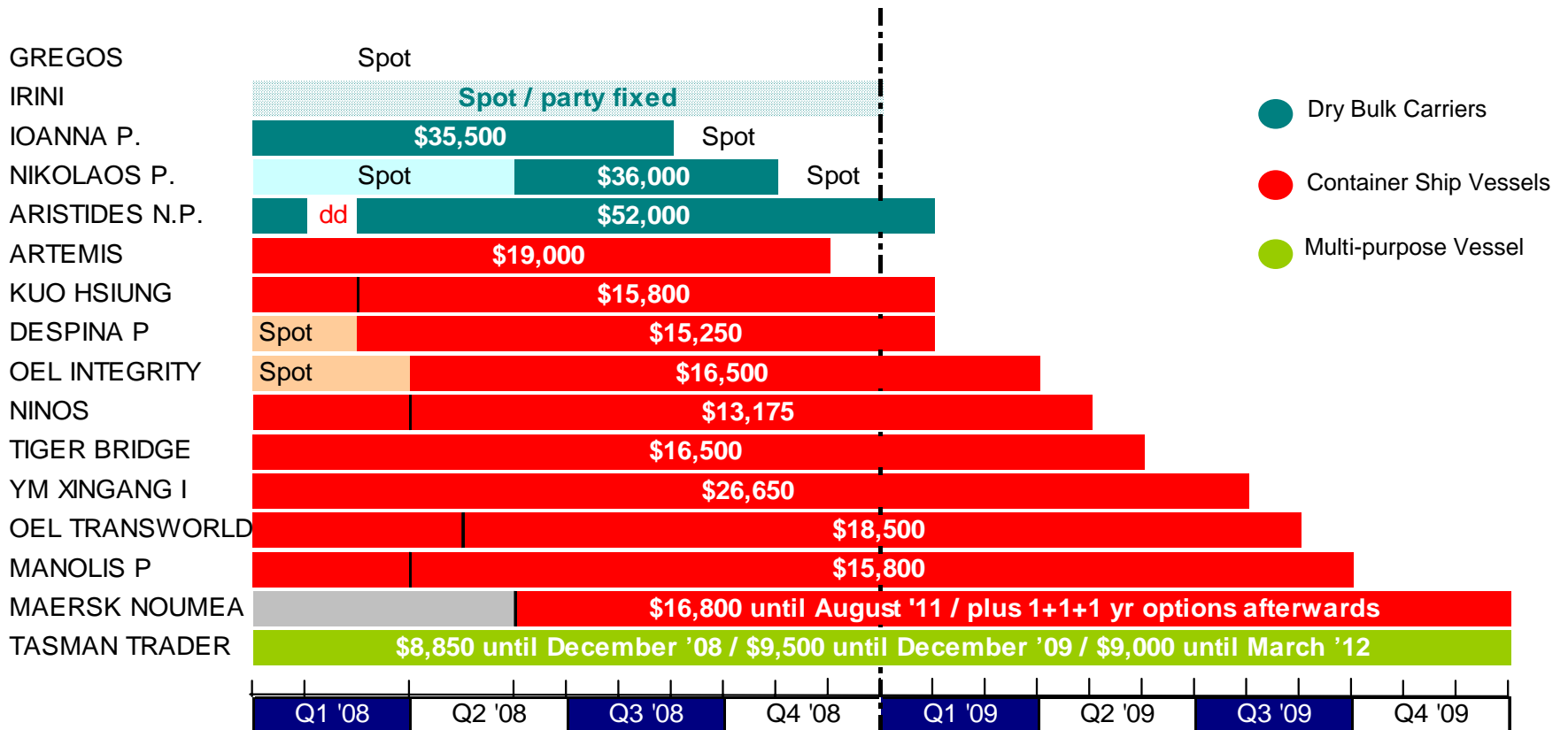
## Euroseas Strategy: Remains the Same

- **Selectively acquire vessels**
  - Time to renew / expand bulk carrier fleet
  - Difference of new to old vessel down to 20m from 70m
- **Continue focus on cost control**
  - One of the lowest cost structure amongst public companies
  - Q3 OPEX about 6% lower than Q2
- **Use leverage wisely**
  - Has one of the lowest leverage ratios
  - Repaid debt aggressively during good times
- **Balance employment between period and spot**
  - Focus on covering costs first
  - May use FFA to hedge bulker exposure



# Vessels Employment Chart

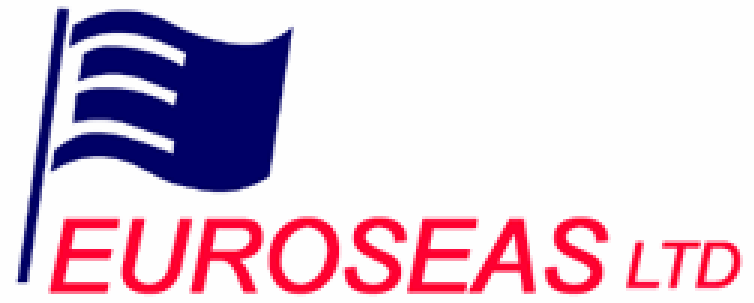
**33% coverage in 2009**



(1) The m/v "Irimi" participates in a short fund (contracts of affreightment to carry cargo) that reduce its exposure to the sport market

# Current Fleet

|                  | Name              | Type         | Size           |               | Year          |
|------------------|-------------------|--------------|----------------|---------------|---------------|
|                  |                   |              | DWT            | TEU           | Built         |
| Drybulk Carriers | Irini             | Panamax      | 69,734         | -             | 1988          |
|                  | Aristides N.P.    | Panamax      | 69,268         | -             | 1993          |
|                  | Ioanna P.         | Panamax      | 64,873         | -             | 1984          |
|                  | Gregos            | Handysize    | 38,691         | -             | 1984          |
|                  | Nikolaos P.       | Handysize    | 34,750         | -             | 1984          |
| Container ships  | Maersk Noumea     | Intermediate | 34,677         | 2,556         | 2001          |
|                  | Tiger Bridge      | Intermediate | 31,627         | 2,228         | 1990          |
|                  | Artemis           | Intermediate | 29,693         | 2,098         | 1987          |
|                  | Despina P.        | Handysize    | 33,667         | 1,932         | 1990          |
|                  | OEL Integrity     | Handysize    | 33,667         | 1,932         | 1990          |
|                  | OEL Transworld    | Intermediate | 30,007         | 1,742         | 1992          |
|                  | YM Xingang I      | Handysize    | 23,596         | 1,599         | 1993          |
|                  | Manolis P.        | Handysize    | 20,346         | 1,452         | 1995          |
|                  | Ninos             | Feeder       | 18,253         | 1,169         | 1990          |
|                  | Kuo Hsiung        | Feeder       | 18,154         | 1,169         | 1993          |
|                  | Tasman Trader     | Multipurpose | 22,568         | 950           | 1990          |
| <b>Total</b>     | <b>16 vessels</b> |              | <b>573,571</b> | <b>18,827</b> | <b>18 yrs</b> |

A large cargo ship is shown at sea, viewed from an elevated angle. The ship has a white superstructure with a prominent star on the bridge area and a dark hull. It is equipped with several large cranes along its deck. The ship is moving through the water, creating a white wake.

**Financial Overview**

## Financial Highlights: 3<sup>rd</sup> Quarter and Nine Months '07 and '08

| (in million USD except per share amounts)                | Third Quarter |        |                  | Nine Months |         |                  |
|--|---------------|--------|------------------|-------------|---------|------------------|
|  | 2007          | 2008   | % <sup>(4)</sup> | 2007        | 2008    | % <sup>(4)</sup> |
| Net Revenues   | \$21.5        | \$35.5 | 63.3%            | \$50.6      | \$102.7 | 131.2%           |
| Capital Gains  | -             | -      | -                | \$3.4       | -       | -                |
| Net Income   | \$9.5         | \$15.3 | 61.8%            | \$25.3      | \$46.2  | 82.2%            |
| Net Income excl. Cap. Gains                              | \$9.5         | \$15.3 | 61.8%            | \$21.9      | \$46.2  | 110.6%           |
| Adjusted EBITDA <sup>(1)</sup>                           | \$15.2        | \$23.0 | 51.0%            | \$40.2      | \$65.7  | 63.4%            |
| "GAAP" EPS, Diluted <sup>(2)</sup>                       | \$0.39        | \$0.50 |                  | \$1.30      | \$1.51  |                  |
| "GAAP" EPS excl. Cap. Gains, Diluted                     | \$0.39        | \$0.50 |                  | \$1.13      | \$1.51  |                  |
| "Operating" <sup>(3)</sup> EPS excl. Cap. Gains, Diluted | \$0.42        | \$0.46 |                  | \$1.22      | \$1.32  |                  |

(1) See press release of 11/13/2008 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Calculated on 24,061,880 and 19,557,805 weighted average number of diluted shares for 2007 and 30,551,315 and 30,555,095 diluted shares for 2008.

(3) "Operating" EPS excludes from Net Income the amortization of fair value of charters acquired. See press release of 11/13/2008 for reconciliation to Net Income.

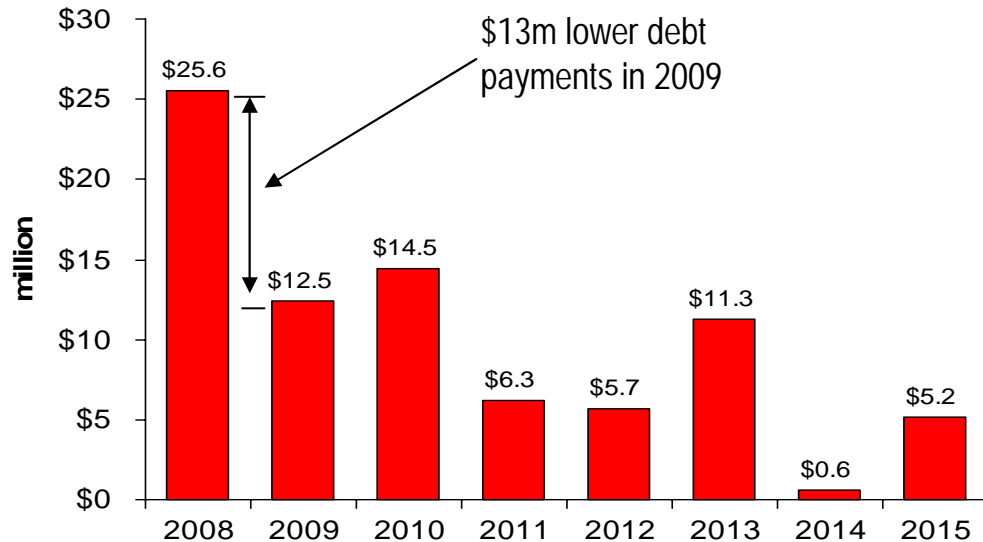
(4) Calculated based on figures in press release of 11/13/2008, i.e. before rounding to million USD.

## Fleet Data for 3<sup>rd</sup> Quarter and Nine Months of 2007 and 2008

| <u>Fleet Statistics</u>           | Third Quarter      |               | Nine Months        |               |
|-----------------------------------|--------------------|---------------|--------------------|---------------|
|                                   | 2007               | 2008          | 2007               | 2008          |
|                                   | <u>(unaudited)</u> |               | <u>(unaudited)</u> |               |
| Number of vessels                 | 12.13              | 16.00         | 10.41              | 15.48         |
| Utilization Rate %                | 100.0%             | 98.0%         | 99.9%              | 98.7%         |
| <u>Averages in usd/day/vessel</u> |                    |               |                    |               |
| Time Charter Equivalent (TCE)     | \$ 20,024          | \$ 25,951     | \$ 19,177          | \$ 25,868     |
| <u>Operating Expenses</u>         |                    |               |                    |               |
| Vessel Operating Expenses         | 5,233              | 5,674         | 4,797              | 5,770         |
| G&A Expenses                      | 434                | 671           | 411                | 774           |
| <b>Total Operating Expenses</b>   | <b>5,667</b>       | <b>6,345</b>  | <b>5,208</b>       | <b>6,544</b>  |
| Interest Expense                  | 1,105              | 415           | 829                | 401           |
| Drydocking Expense                | 720                | 1,316         | 1,189              | 1,229         |
| Loan Repayments                   | 3,781              | 3,240         | 4,778              | 4,540         |
| <b>Total Cash Flow Breakeven</b>  | <b>11,273</b>      | <b>11,316</b> | <b>12,004</b>      | <b>12,714</b> |

# Rapid Debt Repayment

## Debt Repayment Schedule – As of 9/30/2008



## Cash Flow Breakeven

- » \$13 m less debt repayments in 2009
  - \$2,250 / day / vessel lower cash flow breakeven
- » 2009 Cash Flow Breakeven rough estimate:

|                  | <u>\$/day</u>   |
|------------------|-----------------|
| OPEX             | \$ 7,000        |
| Interest         | \$ 450          |
| Drydock          | \$ 1,150        |
| <u>Loan Rpmt</u> | <u>\$ 2,150</u> |
| <b>TOTAL</b>     | <b>\$10,750</b> |



## Balance Sheet & Other Data

- » **Cash @ September 30, 2008: \$ 74.3m**
  - Also restricted cash of \$7.2m
- » **Debt: \$62.3 m as of September 30, 2008**
  - Debt to Capitalization ratio about 18%
  - Covenants comfortably satisfied and expected to be
- » **About \$120-125 m equity to fund growth**
  - \$70-75 m cash,  
plus
  - About \$50 m in debt raising capacity on existing fleet

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## Appendix

Please refer to the Company's press release of November 13, 2008 for financial statements and reconciliation of Adjusted EBITDA and "Operating" EPS to Net Income and Cash Flow from Operations