



**Three Months Ended March 31, 2011  
Earnings Presentation  
May 20, 2011**



## 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.*

*Because forward-looking statements are subject to risks and uncertainties, we caution you not to place undue reliance on any forward-looking statements. All written or oral forward-looking statements by Euroseas or persons acting on its behalf are qualified by these cautionary statements.*

*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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## 2011 First Quarter Overview

- **Financial Highlights First Quarter 2011:**

Net Revenues:	\$ 14.2 million
Net loss:	\$ (0.6) million, or, (\$0.02)/share, basic & diluted
Adj. Net income <sup>(1)</sup> :	\$ (1.3) million, or, (\$0.04)/share, basic & diluted
Adj. EBITDA <sup>(1)</sup> :	\$ 3.7 million
Dividend declared:	\$ 0.07 / share, the twenty third consecutive quarterly dividend

- **Other Developments**

- Completed drydockings of three more ships
  - In 2010 and 2011Q1 all but three of our ships were dry-docked
- All vessels are employed at rates contributing positively to our cash flow
  - 4 charter renewals this year were at charter rates 69% higher than previous levels

(1) See press release of 5/19/2011 for reconciliation of Adj., Net Income to Net Income and Adjusted EBITDA to Net Income and Cash Flow from Operations

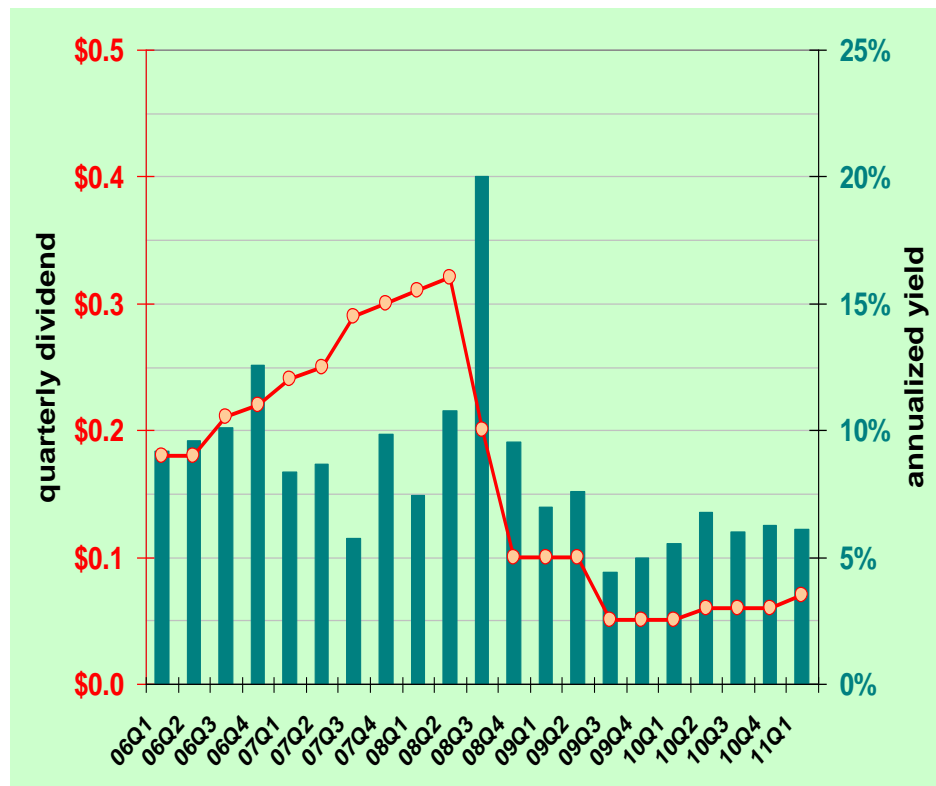
## Euroseas Market Position

- **Exposure to the “right” sectors**
  - Containership feeders which face lower deliveries
  - Fully covered drybulk vessels which seem to have weak outlook
- **Strong balance sheet**
  - Debt / market value of fleet less than 40%
  - Strong cash position
- **Efficient operations**
  - Amongst the most cost effective in the industry
- **Strategy to grow with accretive acquisitions**
  - Via Euromar joint venture and own acquisitions

(1) See press release of 5/19/2011 for reconciliation of Adj., Net Income to Net Income and Adjusted EBITDA to Net Income and Cash Flow from Operations

# Dividend Declaration

- Declared the 23<sup>rd</sup> consecutive dividend of \$0.07 per share for the first quarter of 2011
- Annualized yield of about 6.1% <sup>(1)</sup>
- Intention to maintain policy of providing healthy dividends throughout market cycles without compromising growth opportunities



(1) Based on closing price of \$4.58 on 5/18/2011

## Current Fleet *(not including Euromar vessels)*

	Name	Type	Size		Year	Acquisition
			DWT	TEU	Built	Year
Drybulk Carriers	<b>Pantelis</b>	<b>Panamax</b>	<b>74,020</b>	<b>-</b>	<b>2000</b>	<b>2009</b>
	<b>Eleni P</b>	<b>Panamax</b>	<b>72,119</b>	<b>-</b>	<b>1997</b>	<b>2009</b>
	<b>Irini</b>	<b>Panamax</b>	<b>69,734</b>	<b>-</b>	<b>1988</b>	<b>2002</b>
	<b>Aristides NP</b>	<b>Panamax</b>	<b>69,268</b>	<b>-</b>	<b>1993</b>	<b>2006</b>
	<b>Monica P</b>	<b>Handymax</b>	<b>46,667</b>	<b>-</b>	<b>1998</b>	<b>2009</b>
Container ships	<b>Maersk Noumea</b>	<b>Intermediate</b>	<b>34,677</b>	<b>2,556</b>	<b>2001</b>	<b>2008</b>
	<b>Tiger Bridge</b>	<b>Intermediate</b>	<b>31,627</b>	<b>2,228</b>	<b>1990</b>	<b>2007</b>
	<b>Angeliki P</b>	<b>Handysize</b>	<b>30,360</b>	<b>2,008</b>	<b>1998</b>	<b>2010</b>
	<b>Despina P</b>	<b>Handysize</b>	<b>33,667</b>	<b>1,932</b>	<b>1990</b>	<b>2007</b>
	<b>Jonathan P</b>	<b>Handysize</b>	<b>33,667</b>	<b>1,932</b>	<b>1990</b>	<b>2007</b>
	<b>Captain Costas</b>	<b>Intermediate</b>	<b>30,007</b>	<b>1,742</b>	<b>1992</b>	<b>2007</b>
	<b>YM Port Klang</b>	<b>Handysize</b>	<b>23,596</b>	<b>1,599</b>	<b>1993</b>	<b>2006</b>
	<b>Manolis P</b>	<b>Handysize</b>	<b>20,346</b>	<b>1,452</b>	<b>1995</b>	<b>2007</b>
	<b>Ninos</b>	<b>Feeder</b>	<b>18,253</b>	<b>1,169</b>	<b>1990</b>	<b>2001</b>
	<b>Kuo Hsiung</b>	<b>Feeder</b>	<b>18,154</b>	<b>1,169</b>	<b>1993</b>	<b>2002</b>
	<b>Tasman Trader</b>	<b>Multipurpose</b>	<b>22,568</b>	<b>950</b>	<b>1990</b>	<b>2006</b>
<b>Total</b>	<b>16 vessels</b>	<b>628,730</b>	<b>18,737</b>	<b>17.3 yrs</b>		

# Euromar Fleet

Container ships

Name	Type	Size		Year	Acquisition
		DWT	TEU	Built	Year
<b>CMA-CGM TELOPEA<sup>(1)</sup></b>	<b>Intermediate</b>	<b>37,180</b>	<b>2,785</b>	<b>2007</b>	<b>2010</b>
<b>EM ATHENS</b>	<b>Intermediate</b>	<b>32,350</b>	<b>2,506</b>	<b>2000</b>	<b>2010</b>
<b>EM CHIOS</b>	<b>Intermediate</b>	<b>32,350</b>	<b>2,506</b>	<b>2000</b>	<b>2010</b>
<b>MAERSK NAIROBI</b>	<b>Intermediate</b>	<b>33,771</b>	<b>2,556</b>	<b>2001</b>	<b>2010</b>
<b>EM HYDRA</b>	<b>Handy</b>	<b>23,570</b>	<b>1,740</b>	<b>2005</b>	<b>2010</b>
<b>EM SPETSES</b>	<b>Handy</b>	<b>23,570</b>	<b>1,740</b>	<b>2007</b>	<b>2010</b>
<b>Total</b>	<b>6 vessels</b>	<b>182,791</b>	<b>13,833</b>	<b>7.2</b>	



**Market Overview**



# World GDP & Shipping Demand Growth

Real GDP (% p,a,)	2008	2009	2010	2011f	2012f	2013-16f
USA	1.1 (1.8)	-2.6 (-1.6)	2.8 (2.7)	2.8(3.0)	2.9(2.7)	2.7
Eurozone	0.8 (1.8)	-4.1 (-2.0)	1.8 (1.0)	1.6 (1.5)	1.8(1.7)	1.8
Japan	-0.7 (1.4)	-6.3 (-2.6)	4.3 (1.7)	1.4 (1.6)	2.1(1.8)	1.4
China	9 (10.1)	9.2 (6.7)	10.3 (10.0)	9.6 (9.6)	9.5(9.5)	9.5
India	7.3	5.7 (5.1)	9.7(7.7)	8.2 (8.4)	7.8(7.6)	8.1
Russia	5.6	-7.9 (-0.7)	3.7 (3.6)	4.8 (4.5)	4.5(4.4)	3.5
Brazil	5.1	-0.6 (-1.8)	7.5 (4.7)	4.5 (4.5)	4.1(4.1)	4.0
NIE Asia	1.6	-0.9 (3.9)	8.2 (4.8)	4.9 (4.7)	4.5(4.5)	4.3
ASEAN-5	4.8 (5.5)	1.7 (2.7)	6.7 (4.7)	5.4 (5.5)	5.7(5.7)	4.6
<b>World</b>	<b>3.2(4.1)</b>	<b>-0.5(3.4)</b>	<b>5.0 (3.9)</b>	<b>4.4 (4.4)</b>	<b>4.5(4.5)</b>	<b>4.7</b>

Figures in parantheses: (Begin of respective year forecasts, '08-10) ; (2011/12:Last forecast, Jan-11)

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

Tons	3.3 (4)	-5 (-3)	11 (5)	6 (6)	6.0	6.0
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## Containerized Trade (% p,a,)

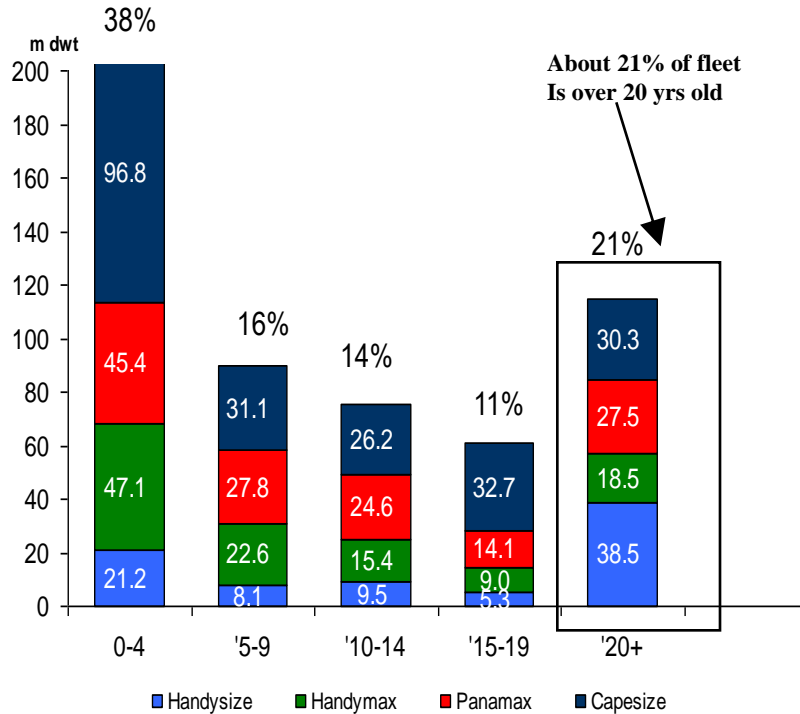
TEU	6.1(10)	-9.4 (5.5)	12 (8)	9.7 (10)	8-10	8-10
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Figures in parantheses: (Begin of respective year forecasts, '08-10) ; (2011-16:Last forecast, Jan-11)

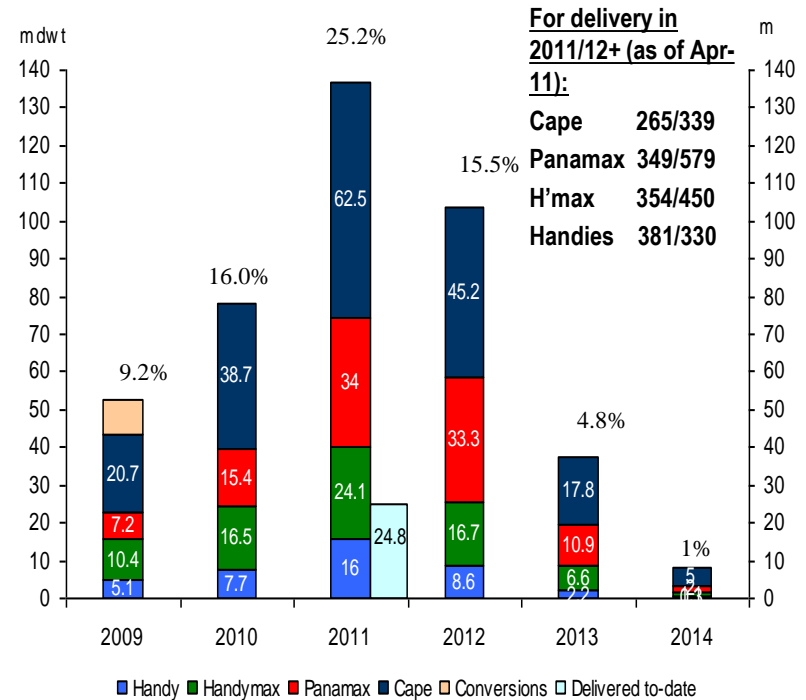
Sources: GDP - International Monetary Fund (April 2011), Company estimates (April 2011);  
Trade – Clarksons, Company estimates April 2011)

# Drybulk Age Profile & Orderbook Delivery Schedule

## Dry Bulk Age Profile



## Dry Bulk Orderbook (1)



**Large bulkers are still young**

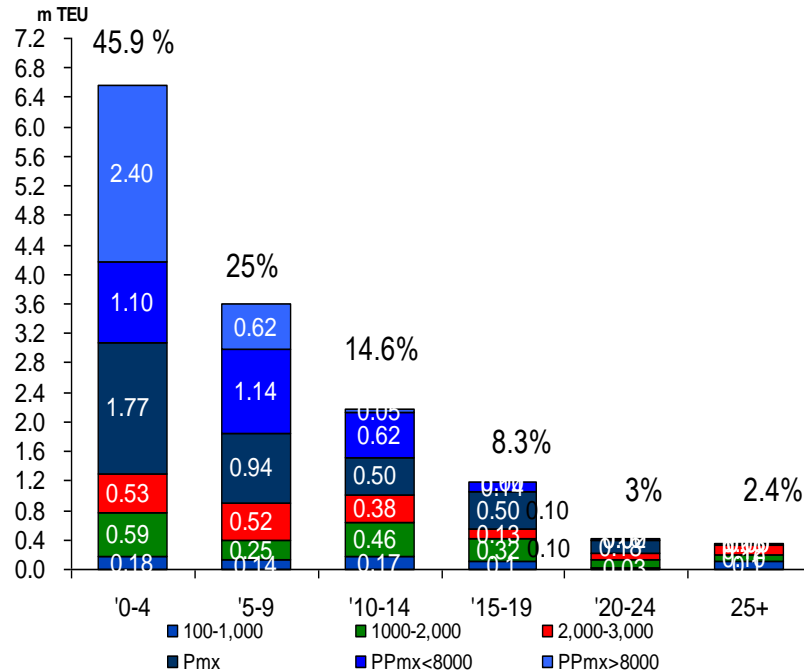
**Large Vessels Dominate Orderbook**

Source: Clarksons, as of April 2011

- (1) 2009-2010 fleet percent change includes scrapping and other additions and removals. In 2009, scrapping accounted for 10 m dwt, conversions for 10.9 m dwt and other removals for 1.7 m dwt, and, slippage and cancellations (28.5 m dwt) accounted for 40% of the scheduled deliveries. In 2010, scrapping accounted for 5.7 m dwt, slippage and cancellations (47 m dwt) accounted for 38% of the scheduled deliveries.
- (2) 2011 on deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions (April 2011)

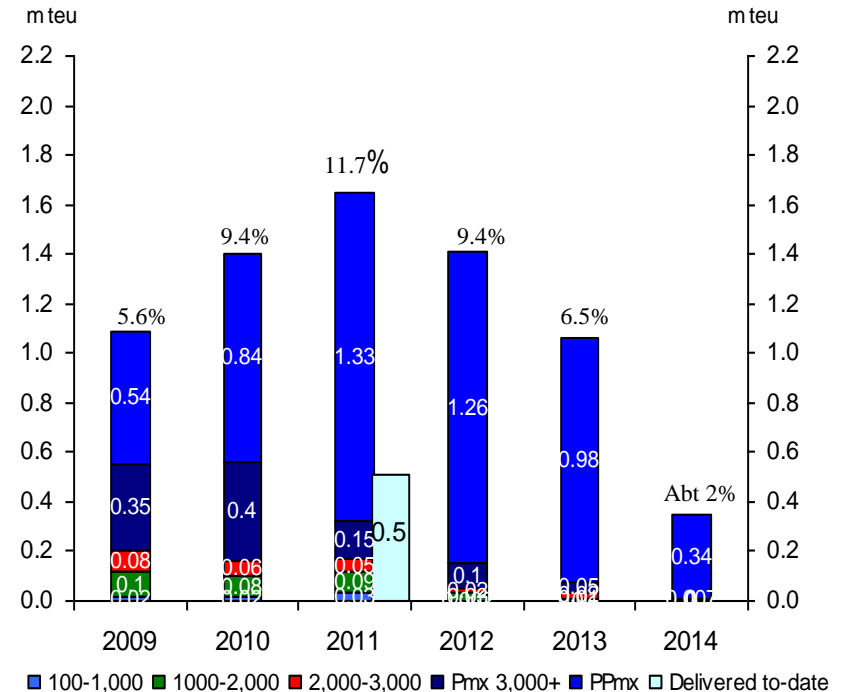
# Containership Age Profile & Orderbook Delivery Schedule

## Containership Age Profile<sup>(1)</sup>



**Overall A Young Fleet**

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



**Large Vessels Dominate Orderbook**

Source: Clarksons as of April 2011

- (1) 2009-2010 fleet percent change includes scrapping and other additions and removals. From 2011 onwards, percent fleet change is calculated based on the fleet of the previous year calculated without accounting for scrapping, other removals or conversions.
- In 2009, scrapping accounted for 0.35 m teu, or 2.9% of the fleet. Slippage and cancellations of about 1.0 m teu accounted for about 48% of the scheduled deliveries.
- In 2010, scrapping accounted for 0.26 m teu, or 1.0% of the fleet. Slippage and cancellations of about 500m teu accounted for about 28% of the scheduled deliveries.

## Market Trends - 2011

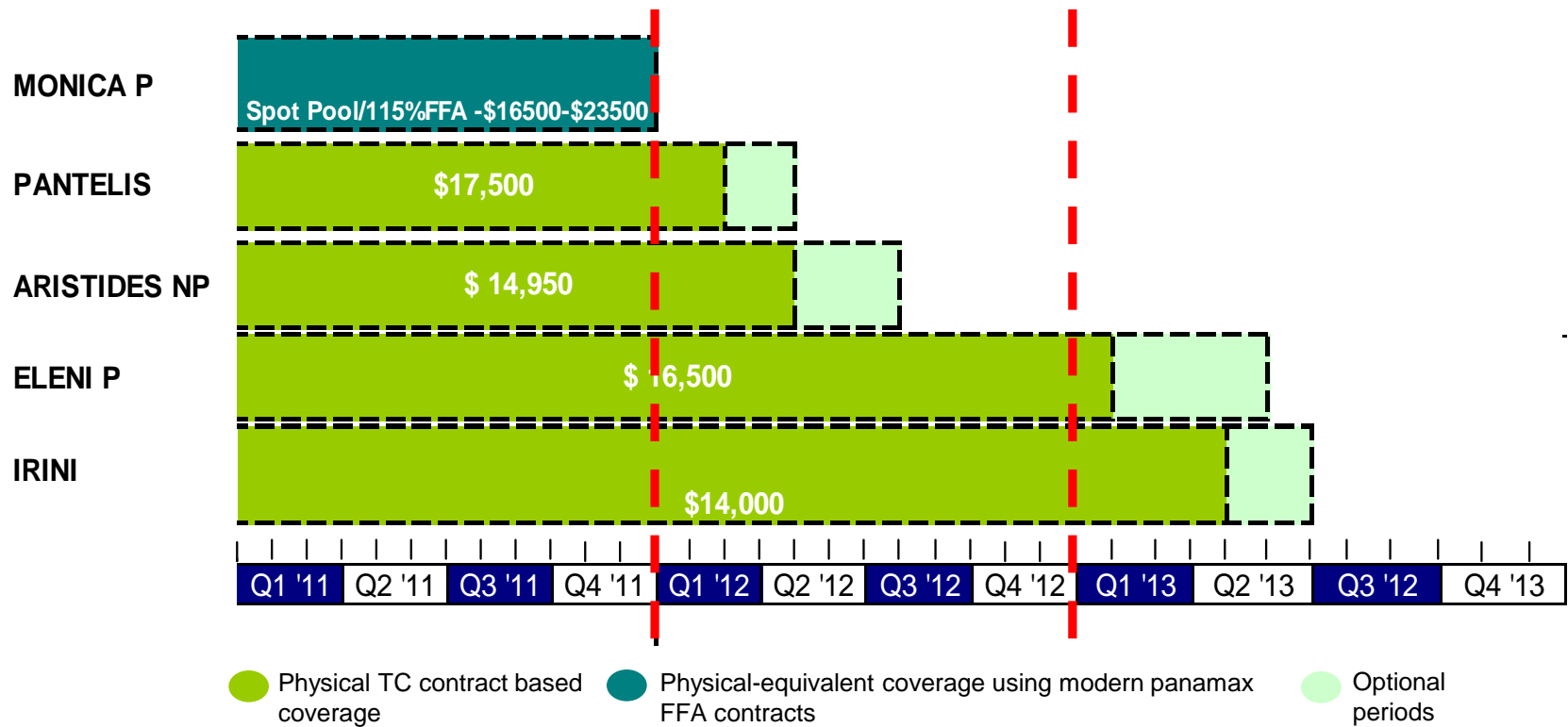
- » **Drybulk– The current low market environment is expected to continue**
  - Drybulk trade growth is expected to be strong for 2011 but...
  - .. the fleet will probably grow at a higher pace
  - Record scheduled deliveries in 2011 (mainly) and 2012 even after assuming 40% slippage and cancellations
  - Even increased scrapping will probably not suffice to balance the market
  
- » **Containerships - Trade outlook is positive / Supply growth moderate**
  - Containerized trade growth rate is returning to pre-crisis levels i.e.8-10% p.a.
  - Supply side growth mainly in large sizes
  - Limited supply growth in feeder sizes we operate
  - Slow steaming is becoming a big factor, especially as fuel prices remain high



**Chartering, Operations & Investment Strategy**

# Vessels Employment Chart – Bulkers

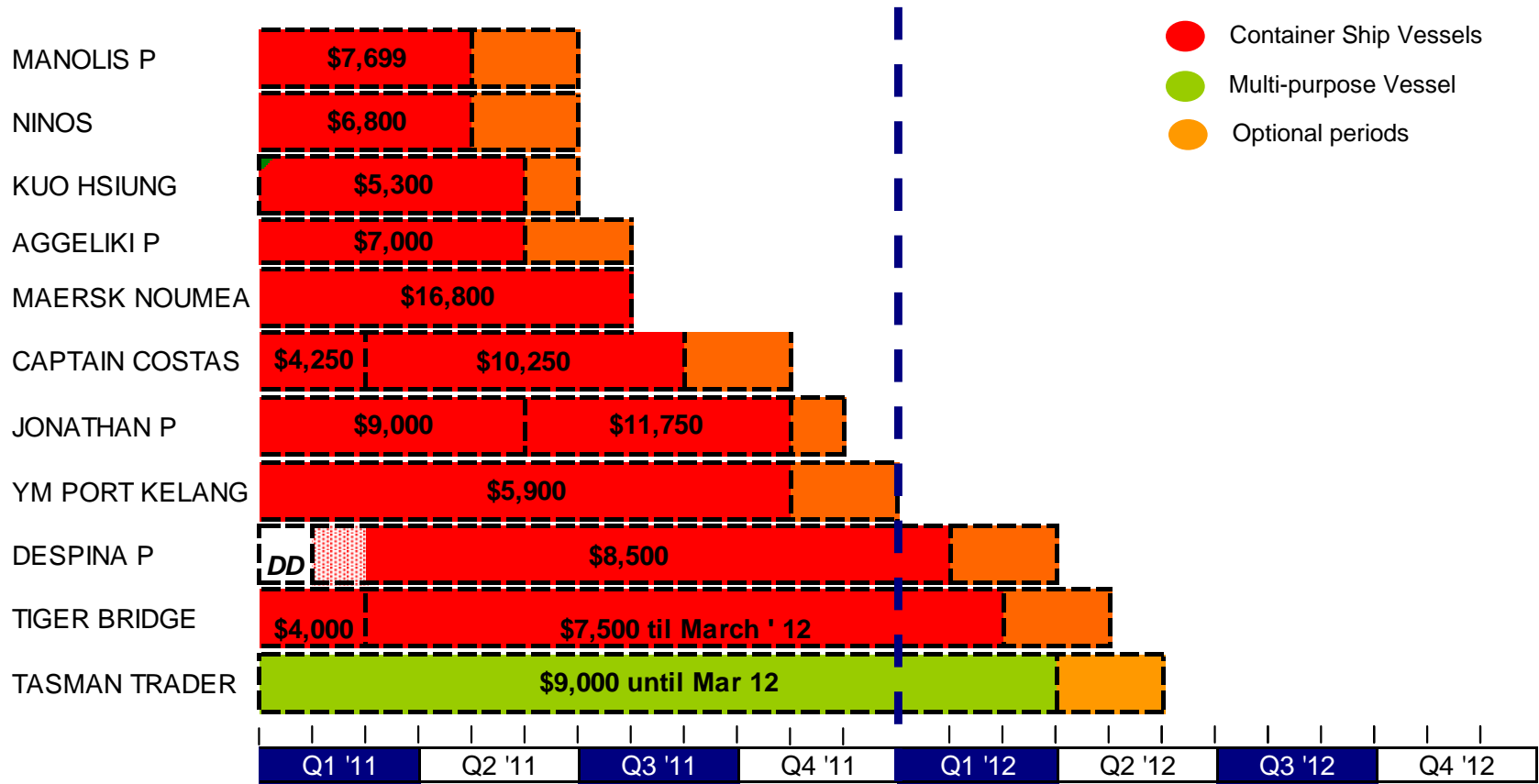
Coverage: 100+ % in 2011 / 50% in 2012 / 8% in 2013



Notes: 1) Irimi is equivalent to 86% of a modern panamax; Aristides NP to 89%; Monica P to 86%; Eleni P to 93% and Pantelis to 99%.

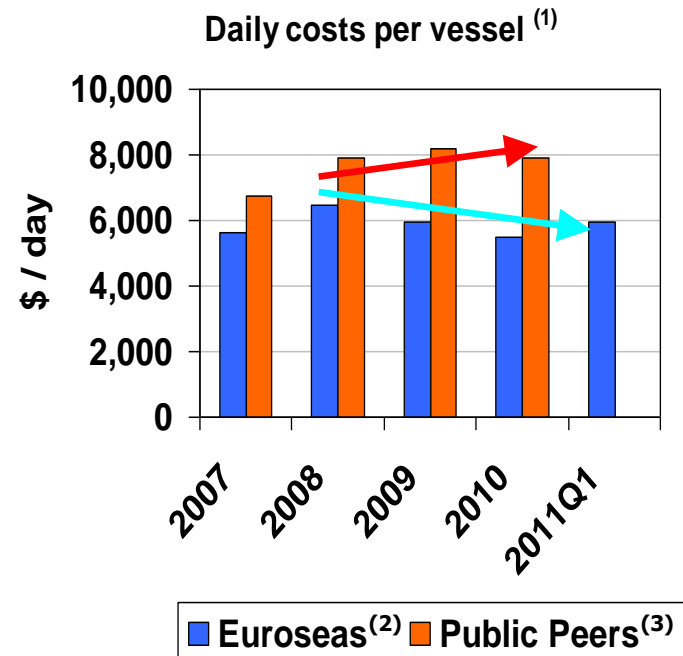
# Vessels Employment Chart – Containerships

Coverage: 60+ % in 2011 / 5% in 2012 / 0% in 2013



# Fleet Management & Operational Performance

- » Operational fleet utilization rate in excess of 98.5% over last 5 years
  - Outstanding safety and environmental record
  - For 2011Q1, operational fleet utilization 99.5% and commercial 98%
  - For 2010, operational fleet utilization 99.3% and commercial 99.9%
  
- » Overall costs achieved are amongst the lowest of the public shipping companies



(1) Includes running cost, management fees and G&A expenses (not drydocking expenses)

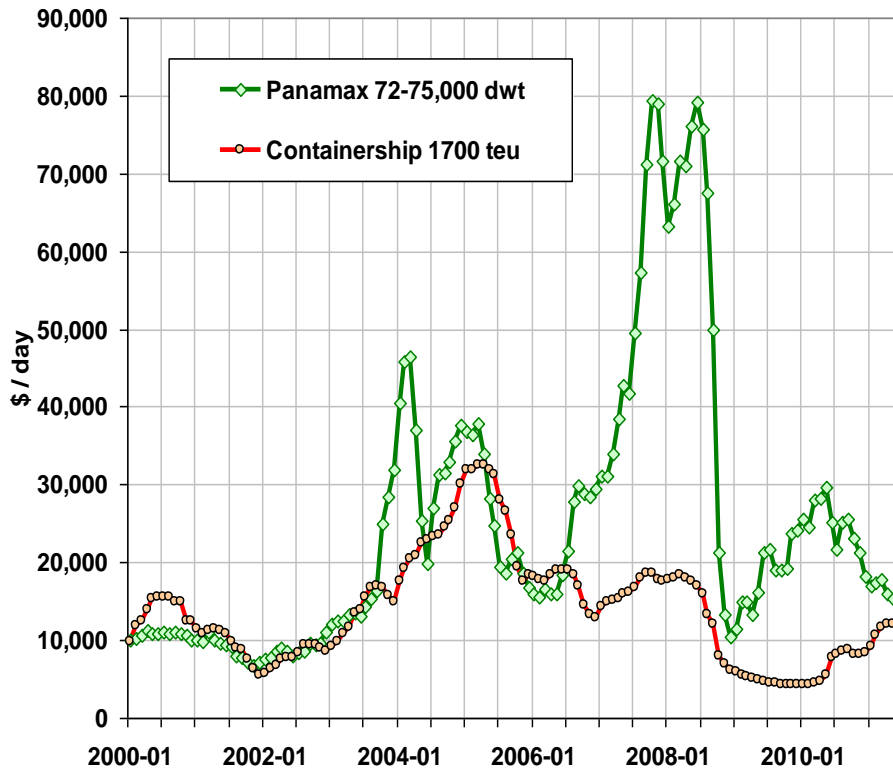
(2) 2009 figure was increased by abt \$600/day to account for the lower cost of the 3 laid-up vessels; 2010 figure was increased by abt \$300/day to account for the lower cost of the laid-up vessels (2 in 2010H1 and 1 in 2010Q3);

(3) Peer group includes DRYS (except 2010), DSX, EGLE, EXM, GNK, OCNF and FREE (drybulk), and SSW, DAC (containership).

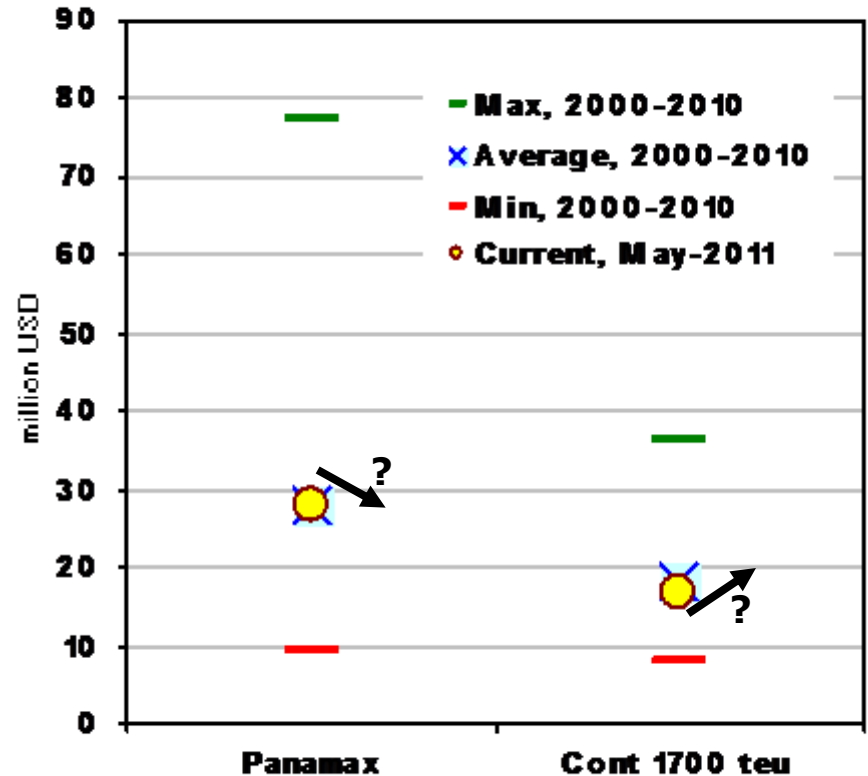


# Market Snapshot – Investment Opportunities

## 1-Year TC Rates



## 10-yr old Price Historical Range





## Financial Highlights: 1<sup>st</sup> Quarter 2010 and 2011

(in million USD except per share amounts)	First Quarter		change % <sup>(4)</sup>
	2010	2011	
<b>Net Revenues</b>	<b>\$13.8</b>	<b>\$14.2</b>	<b>3.2%</b>
<b>Net Income</b>	<b>-\$3.0</b>	<b>-\$0.6</b>	
<b>Unrealized &amp; Realized (gain) / loss, derevatives &amp; investments</b>	<b>\$3.9</b>	<b>-\$0.2</b>	
<b>Amort. FV of charters, net</b>	<b>-\$0.5</b>	<b>-\$0.5</b>	
<b>Adj. Net Income</b>	<b>\$0.4</b>	<b>-\$1.3</b>	
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$5.0</b>	<b>\$3.7</b>	<b>-25.4%</b>
<b>"GAAP" EPS, Diluted<sup>(2)</sup></b>	<b>-\$0.10</b>	<b>-\$0.02</b>	
<b>"Operating<sup>(3)</sup>" Adj. EPS, Diluted</b>	<b>\$0.01</b>	<b>-\$0.04</b>	
<b>Dividends per share, declared</b>	<b>\$0.05</b>	<b>\$0.07</b>	<b>40.0%</b>

(1) See press release of 5/19/2011 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Calculated on 30,849,711 weighted average number of diluted shares for 2010 and 31,002,211 diluted shares for 2011.

(3) "Operating" EPS excludes from Net Income the capital gains, unrealized and realized derivative gains and losses, unrealized investment gains or losses and amortization of fair value of charters acquired. See press release of 5/19/2011 for reconciliation to Net Income.

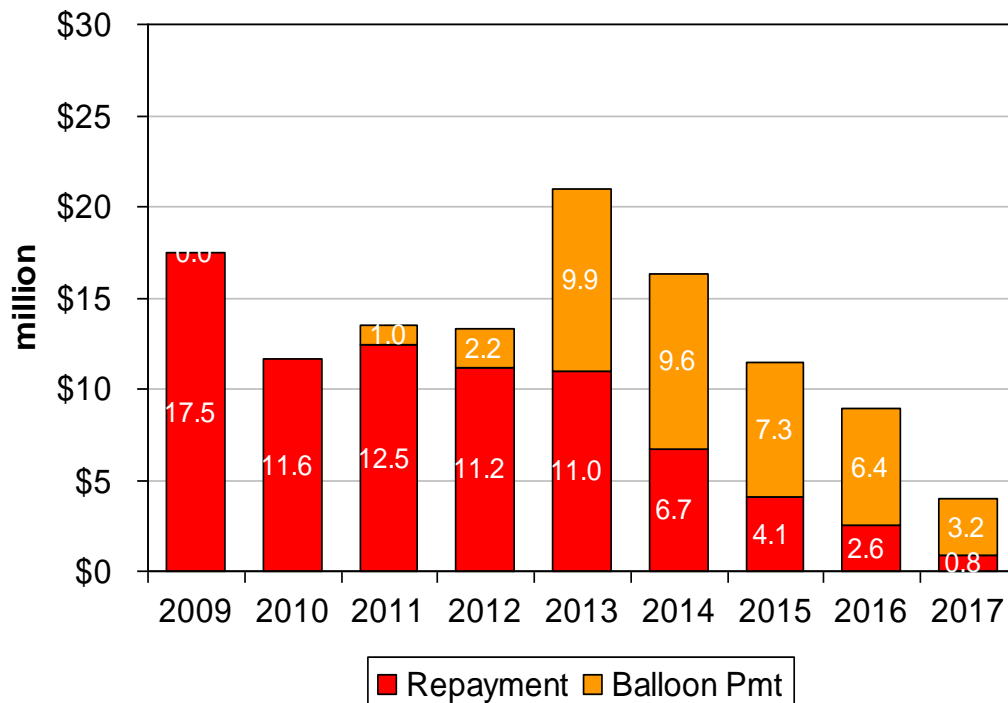
(4) Calculated based on figures in press release of 5/19/2011, i.e. before rounding to million USD

# Fleet Data for 1<sup>st</sup> Quarter of 2010 and 2011

<b><u>Fleet Statistics</u></b>	<b>First Quarter</b>	
	<b>2010</b>	<b>2011</b>
	<b><u>(unaudited) (unaudited)</u></b>	
<b>Number of vessels</b>	<b>15.00</b>	<b>16.00</b>
<b>Utilization Rate (%)</b>		
<b>Overall</b>	<b>99.9%</b>	<b>97.5%</b>
<b>Commercial</b>	<b>100.0%</b>	<b>98.0%</b>
<b>Operational</b>	<b>99.9%</b>	<b>99.5%</b>
<b><u>Averages in usd/day/vessel</u></b>		
<b>Time Charter Equivalent (TCE)</b>	<b>\$ 12,404</b>	<b>\$ 11,088</b>
<b>Operating Expenses</b>		
Vessel Operating Expenses	4,472	5,387
G&A Expenses	824	551
<b>Total Operating Expenses</b>	<b>5,296</b>	<b>5,938</b>
<b>Interest Expense</b>	<b>269</b>	<b>402</b>
<b>Drydocking Expense</b>	<b>729</b>	<b>1,032</b>
<b>Loan Repayments</b>	<b>2,407</b>	<b>1,967</b>
<b>Total Cash Flow Breakeven</b>	<b>8,701</b>	<b>9,339</b>

# Debt Repayment Profile

## Debt Repayment Schedule – As of 5/1/2011



## Cash Flow Breakeven

» Cash Flow Breakeven rough estimate for next 12 months:

	<u>\$/day</u>
OPEX	\$ 5,500
G&A	\$ 800
Interest	\$ 650
Drydock	\$ 550
<u>Loan Rpmt</u>	<u>\$ 2,300</u>
<b>TOTAL</b>	<b>\$ 9,800</b>



## Balance Sheet & Other Data

- » **Cash @ March 31, 2011: \$ 40m**
  - \$34 m unrestricted – abt \$6m working capital and restricted
  
- » **Debt: \$85 m as of March 31, 2011**
  - Debt to Capitalization ratio about 28%
  - Covenants fully satisfied
  
- » **About \$30-35 m cash equity to fund further growth**
  - \$10m committed to be invested via Euromar
  - \$20-25m equity to buy 1-2 vessels outside Euromar

## Strategy & Growth

- » Euroseas strategy of investing in both containerships and bulkers worked well over the last five years:
  - Avoided investing in bulkers in 2007 and 2008
  - Maintained a revenue base well into 2009 due to its containership charters while investing in bulkers at the bottom of the market, and,
  - In 2010, while the bulkers recovered and provided a new revenue base it invested in containerships again at the bottom of the market (partly directly and partly via Euromar)
  
- » Euroseas should be currently viewed as a **containership** company from an investor's view point:
  - 8 containership charters are to be renewed in 2011
  - All drybulklers are chartered for 2011 and some well into 2012
  
- » Focused on:
  - Adding value & size without dilution: more investments to be made if opportunities exist
    - Directly by Euroseas – about \$20-25 million of equity available
    - Via Euromar – about \$90 million of equity available
  - Keeping risks low => moderate leverage
  - Maintaining a meaningful dividend

# Euroseas Contacts

## Euroseas Ltd.

4, Messogiou & Evropis Street  
151 25 Maroussi, Greece

[www.euroseas.gr](http://www.euroseas.gr)

[euroseas@euroseas.gr](mailto:euroseas@euroseas.gr)

Tel. +30-211-1804005

Fax.+30-211-1804097

or,

## Tasos Aslidis Chief Financial Officer

Euroseas Ltd.  
11 Canterbury Lane  
Watchung, NJ 07069

[aha@euroseas.gr](mailto:aha@euroseas.gr)

Tel: 908-3019091

Fax: 908-3019747

## Nicolas Bornozis Investor Relations

Capital Link, Inc.  
230 Park Avenue, Suite 1536  
New York, NY 10169

[nbornozis@capitallink.com](mailto:nbornozis@capitallink.com)

Tel: 212- 6617566

Fax: 212-6617526





## Appendix

**Please refer to the Company's press release of May 19, 2011 for financial statements and reconciliation of Adjusted EBITDA and "Operating" EPS to Net Income and Cash Flow from Operations, as well as Reconciliation of Net Income to Adjusted Net Income**