



Three- And Six-Month Period Ended June 30, 2012
Earnings Presentation
August 9, 2012



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.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such jurisdiction.

2012 Second Quarter & First Half Overview

- Financial Highlights - 2012:

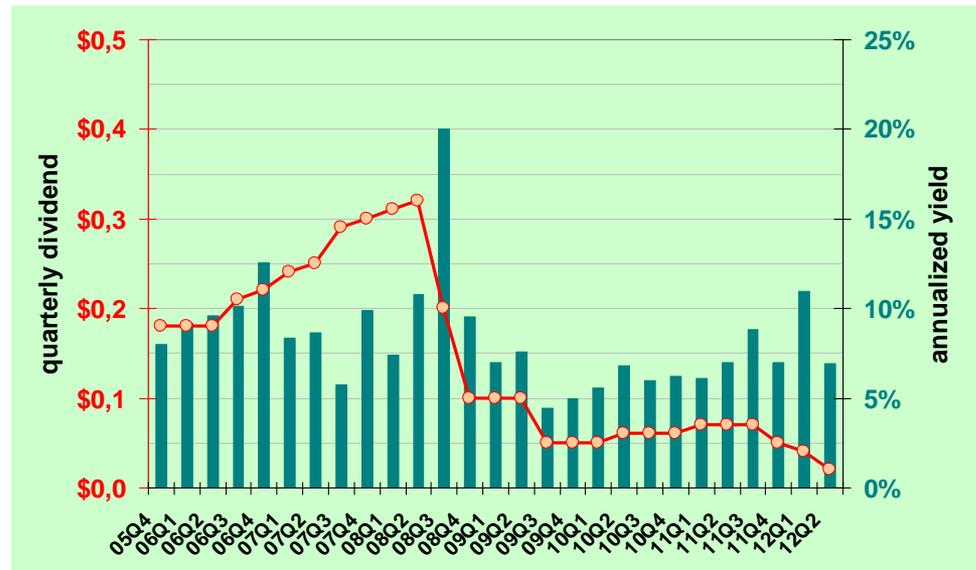
	Second Quarter		First Half	
Net Revenues	\$12.8 m		\$26.7 m	
Net Income / (Loss)	(\$1.4) m	(\$0.04)/ share ⁽²⁾	(\$10.4) m	(\$0.32) / share ⁽²⁾
Adj. Net Income ⁽¹⁾	(\$1.3) m	(\$0.04)/ share ⁽²⁾	(\$1.4) m	(\$0.04) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	\$3.4 m		\$8.3 m	
Dividend declared	\$0.02 /share		\$0.06 /share	

(1) See press release of 08/08/2012 for reconciliation of Adj., Net Income to Net Income and Adjusted EBITDA to Net Income and Cash Flow from Operations

(2) Basic and diluted

Dividend Declaration

- Declared the 28th consecutive dividend of \$0.02 per share for the first quarter of 2012
- Annualized yield of about 6.8% based on the closing share price of \$1.18 on 08/07/2012
- Intention to maintain policy of providing healthy dividends throughout market cycles without compromising growth opportunities



Other Company Developments

- **Charter renewals – all vessels are employed**
 - Have re-chartered 3 containerships for short durations, one of which at a lower rate
 - *Manolis P* was fixed for 2 to 8 weeks for \$6,500 per day
 - *Ninos* and *Kuo Hsiung* have been extended for 5 months @ \$7,375 + 6 months option @ \$12,000
- **Drydockings - Accelerated drydocking of *Pantelis P***
 - Was drydocked during late June / early July
 - No containerships were drydocked so far this year; one containership is expected to undergo drydocking in the fourth quarter of 2012

Current Fleet *(not including Euromar vessels)*

	Name	Type	Size		Year	Acquisition
			DWT	TEU	Built	Year
Drybulk Carriers	Pantelis	Panamax	74,020	-	2000	2009
	Eleni P	Panamax	72,119	-	1997	2009
	Irini	Panamax	69,734	-	1988	2002
	Aristides NP	Panamax	69,268	-	1993	2006
	Monica P	Handymax	46,667	-	1998	2009
Containerships	Maersk Noumea	Intermediate	34,677	2,556	2001	2008
	Tiger Bridge	Intermediate	31,627	2,228	1990	2007
	Angeliki P	Handysize	30,360	2,008	1998	2010
	Despina P	Handysize	33,667	1,932	1990	2007
	Captain Costas	Intermediate	30,007	1,742	1992	2007
	YM Port Klang	Handysize	23,596	1,599	1993	2006
	Manolis P	Handysize	20,346	1,452	1995	2007
	Ninos	Feeder	18,253	1,169	1990	2001
	Kuo Hsiung	Feeder	18,154	1,169	1993	2002
	Anking	Multipurpose	22,568	950	1990	2006
Total	15 vessels	595,063	16,805	18 yrs		



Euromar Joint Venture

➤ Acquisitions

- Acquired *Cap Egmont*, a 2007-built containership of 3,091 teu
- Fleet now stands at 10 vessels

➤ Capital Commitments

- Partnership has called 75% (about \$131 million) of the original commitment of \$175 million, and, has about \$44 million available.

➤ Investment Period & Segment Focus

- Continues evaluating opportunities in both containerships and drybulk sectors

Euromar Fleet

Container ships

Name	Type	Size		Year
		DWT	TEU	Built
CAP EGMONT ⁽¹⁾	Intermediate	41,850	3,091	2007
EM ASTORIA	Intermediate	35,600	2,788	2004
CMA-CGM TELOPEA	Intermediate	37,180	2,785	2007
MAERSK NAIROBI	Intermediate	34,654	2,556	2001
EM ATHENS	Intermediate	32,350	2,506	2000
EM CHIOS	Intermediate	32,350	2,506	2000
EM ANDROS	Intermediate	33,216	2,450	2003
EM ITHAKI	Intermediate	28,917	2,135	1999
EM HYDRA	Handy	23,400	1,736	2005
EM SPETSES	Handy	23,400	1,736	2007
Total	10 vessels	322,917	24,289	8.7

NOTES: (1) Acquired with above market charter



Rights Offering Successfully Completed

- **Company's right offering was completed as planned**
 - 13,852,094 shares were sold at \$1.1 per share, raising approximately \$15.2 million before expenses and approximately \$14.9 million net.
 - The offering was oversubscribed by more than 630,000 shares.
 - Company cash including restricted cash was \$48.2 million as of June 30, 2012

- **Intended use of proceeds**
 - Further investments in the drybulk and containership markets.
 - Liquidity buffer providing comfort versus an uncertain market outlook



Market Overview

World Economic Growth

- **Developed economies growth has been revised modestly downwards by IMF (as of July 2012)**
 - BRIC countries outlook downgraded – China 8.0%, India 6.1%; increased talk of Chinese hard landing which will further affect Brazil as commodity exporter to China
 - Asian economies on average revised modestly downwards for 2012 and 2013, especially the NIE ones

- **Significant downside risks and political & economic uncertainties remain**
 - Some positives:
 - US continues to grow despite US unemployment rate stopped dropping; will it last beyond the November election?
 - Japan's economy also grows at a consistent pace recovering from the earthquake and tsunami
 - Some negatives:
 - Questions about peripheral countries in Europe, Italy and Spain in particular, continue;
 - Will Eurozone make it through the current crisis?

World GDP & Shipping Demand Growth

Real GDP (% p.a. - IMF)	2009	2010	2011	2012F (*)	2013F (*)	2014-16F (*)
USA	-2.6 (-1.6)	2.8 (2.7)	1.8 (3.0)	2.0 (2.1)	2.3(2.4)	2.7
Eurozone	-4.1 (-2.0)	1.8 (1.0)	1.6 (1.5)	-0.3 (-0.3)	0.7(0.9)	1.8
Japan	-6.3 (-2.6)	4.3 (1.7)	-0.9 (1.7)	2.4(2.0)	1.5(1.7)	1.4
China	9.2 (6.7)	10.3 (10.0)	9.2 (10.3)	8.0(8.2)	8.5(8.8)	9.5
India	5.7 (5.1)	9.7(7.7)	7.4 (8.4)	6.1 (6.9)	6.5(7.3)	8.0
Russia	-7.9 (-0.7)	3.7 (3.6)	4.1 (4.5)	4.0 (4.0)	3.9(4.0)	3.5
Brazil	-0.6 (-1.8)	7.5 (4.7)	2.9 (4.5)	2.5 (3.1)	4.6(4.1)	4.0
NIE Asia	-0.9 (3.9)	8.2 (4.8)	4.2 (4.7)	2.7 (3.3)	4.2(4.2)	4.3
ASEAN-5	1.7 (2.7)	6.7 (4.7)	4.8 (5.5)	5.4 (5.4)	6.1(6.2)	4.6
World	-0.5(3.4)	5.0 (3.9)	3.9 (4.4)	3.5 (3.5)	3.9(4.1)	4.6

Figures in parantheses: (Begin of respective year IMF forecasts, '09-11) ; (2012: Previous forecast by IMF Apr-12)

Dry Bulk Trade (% p.a.)

Tons -5.0 (-3.0) 12.0 (5.0) 6.0 (6.0) 4.0 (4.0) 5.0(5.0) 6.0 (6.0)

Containerized Trade (% p.a.)

TEU -9.4 (5.5) 12.0 (8.0) 7.5(8.7) 5.9 (7.6) 7.5(8.2) 8-10 (8-10)

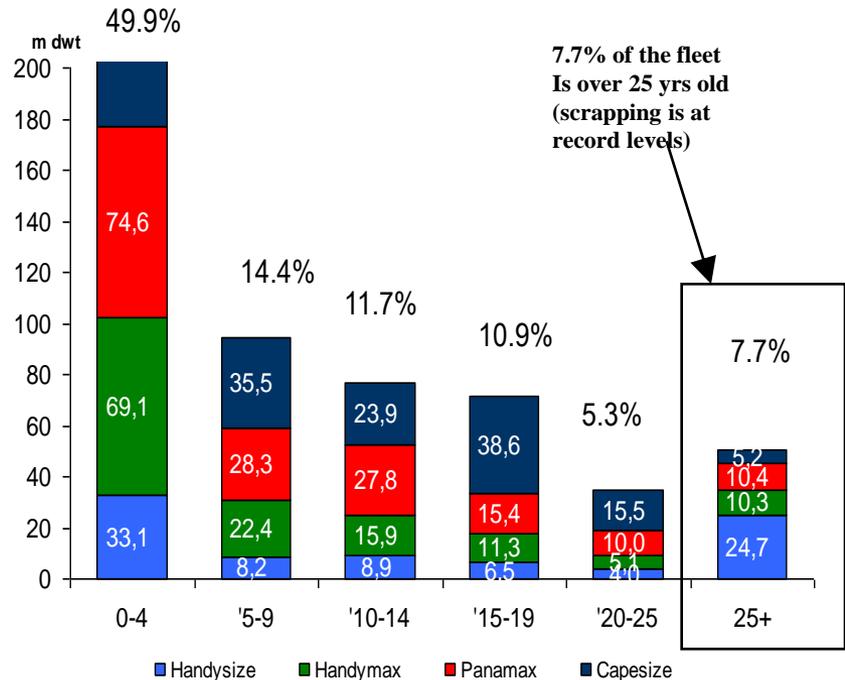
Figures in parantheses: (Begin of respective year forecasts, '09-11) ; (2012-16: Last forecast Jan-12)

Sources:

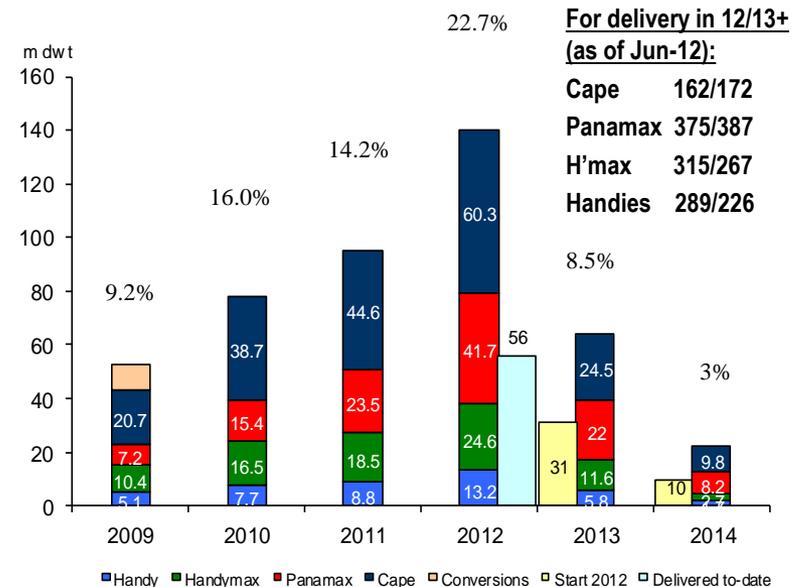
GDP - International Monetary Fund: 2009-2011 and past estimates (in parentheses), 2012/13 IMF Forecasts; Company: 2014-2016 forecasts Trade – Clarksons, Company estimates (July 2012); trade outlook takes into account revised economic views

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/Dhalman Rose, as of June 2012

2009-2011 fleet percent change includes scrapping and other additions and removals.

In 2009, scrapping accounted for 10 m dwt (3%), conversions for 10.9 m dwt and other removals for 1.7 m dwt, and slippage & cancellations (28.5 m dwt) accounted for 40% of the scheduled deliveries.

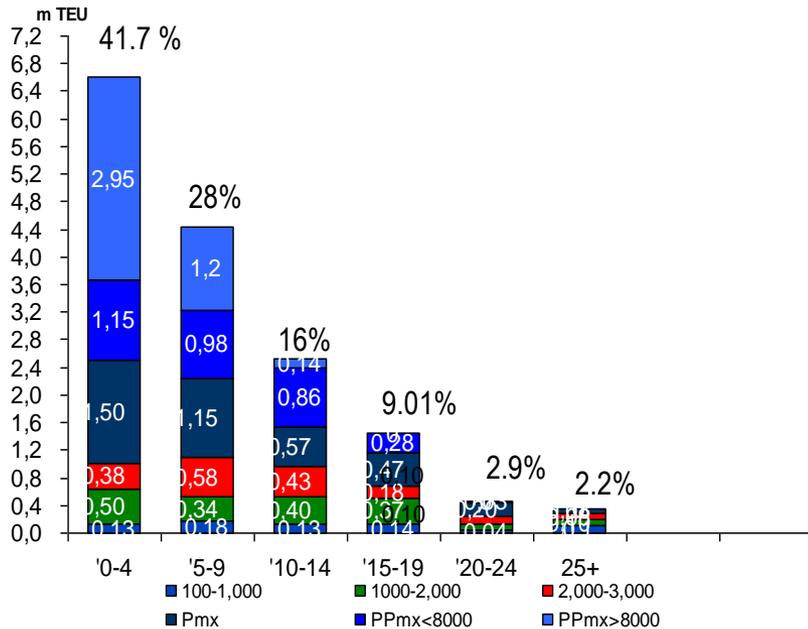
In 2010, scrapping accounted for 5.7 m dwt (1.2%), slippage and cancellations (47 m dwt) accounted for 37% of the scheduled deliveries.

In 2011, scrapping accounted for 22.2 m dwt (4.2%), slippage and cancellations (43 m dwt) accounted for 29% of the scheduled deliveries.

2012 on deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions (June 2012).

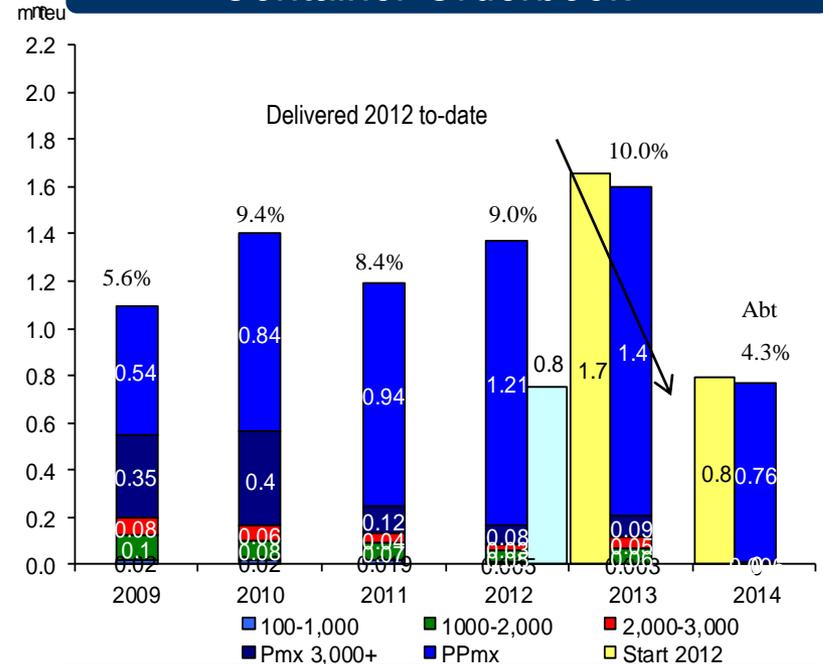
Containership Age Profile & Orderbook Delivery Schedule

Containership Age Profile⁽¹⁾



Overall A Young Fleet

Container Orderbook⁽¹⁾



Large Vessels Dominate Orderbook

Source: Clarksons as of June 2012

(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 50% 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 25% of the scheduled deliveries.

In 2011, scrapping accounted for 0.75 m teu, or 0.5% of the fleet. Slippage and cancellations of about 460m teu accounted for about 27% of the scheduled deliveries.

Outlook Summary

Drybulk Market

- Significant deliveries expected in 2012, and, likely, in 2013 too, take away any hope for rate recovery, almost irrespective of demand growth
- On demand growth, China's sort of landing weights significantly with little help expected from Europe; Japan's contribution should be significant as it recovers from the tsunami and moves away from nuclear power
- In balance, fleet growth - even assuming healthy scrapping and delivery cancellation rates - is expected to overtake any possible demand growth in 2012 and a big part of 2013 and keep rates and values under pressure.

Containership Market

- Uncertain demand growth from Europe will affect the largest trading route (FE-Europe)
- Fleet growth is expected to be significant resulting is a fairly balanced market in 2012 and 2013
 - ..but balanced with respect to the low present levels
- On the positive side, box rates are stable preserving the profitability of the liner companies which should help the charter market in the medium term
- Cascading effect has demonstrated itself for the time being squeezing the large feeder sector (1500-3500 teu)

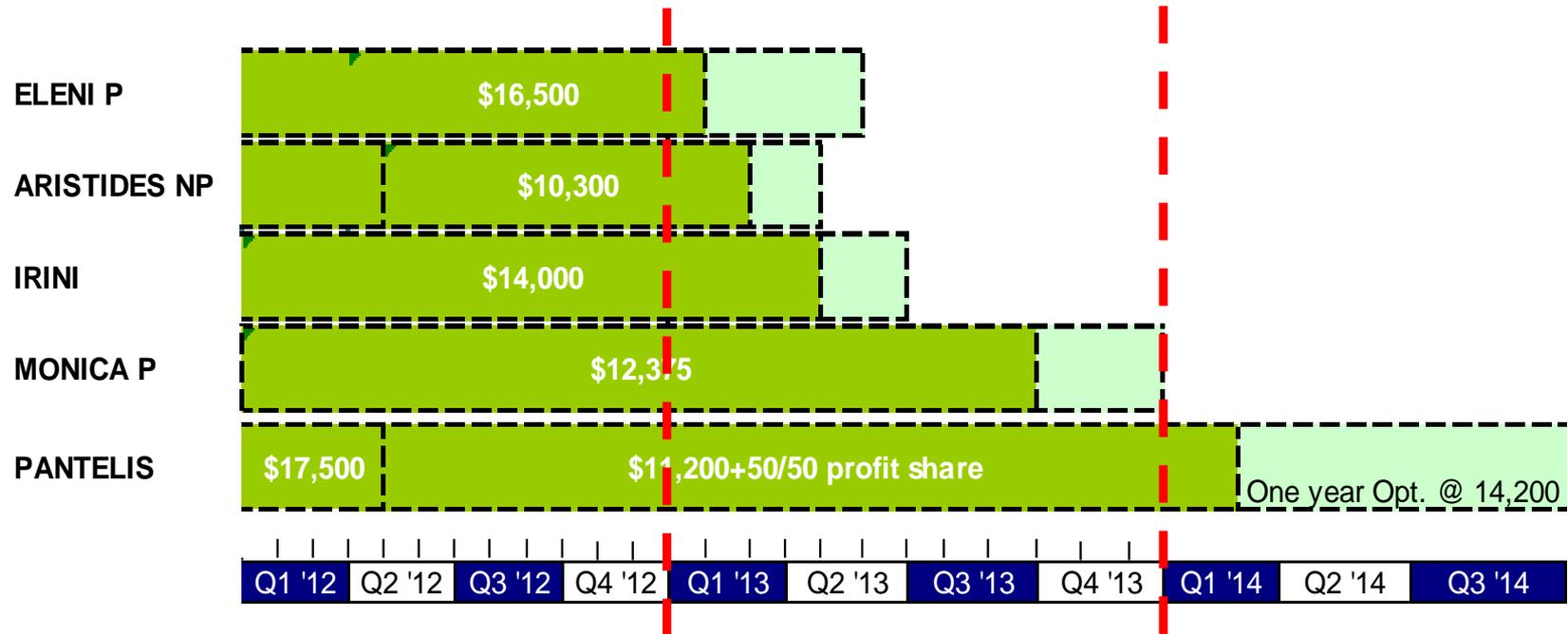


Chartering, Operations & Investment Strategy



Vessels Employment Chart – Bulkers

Coverage: 100% in 2012 / 43% in 2013



Optional periods

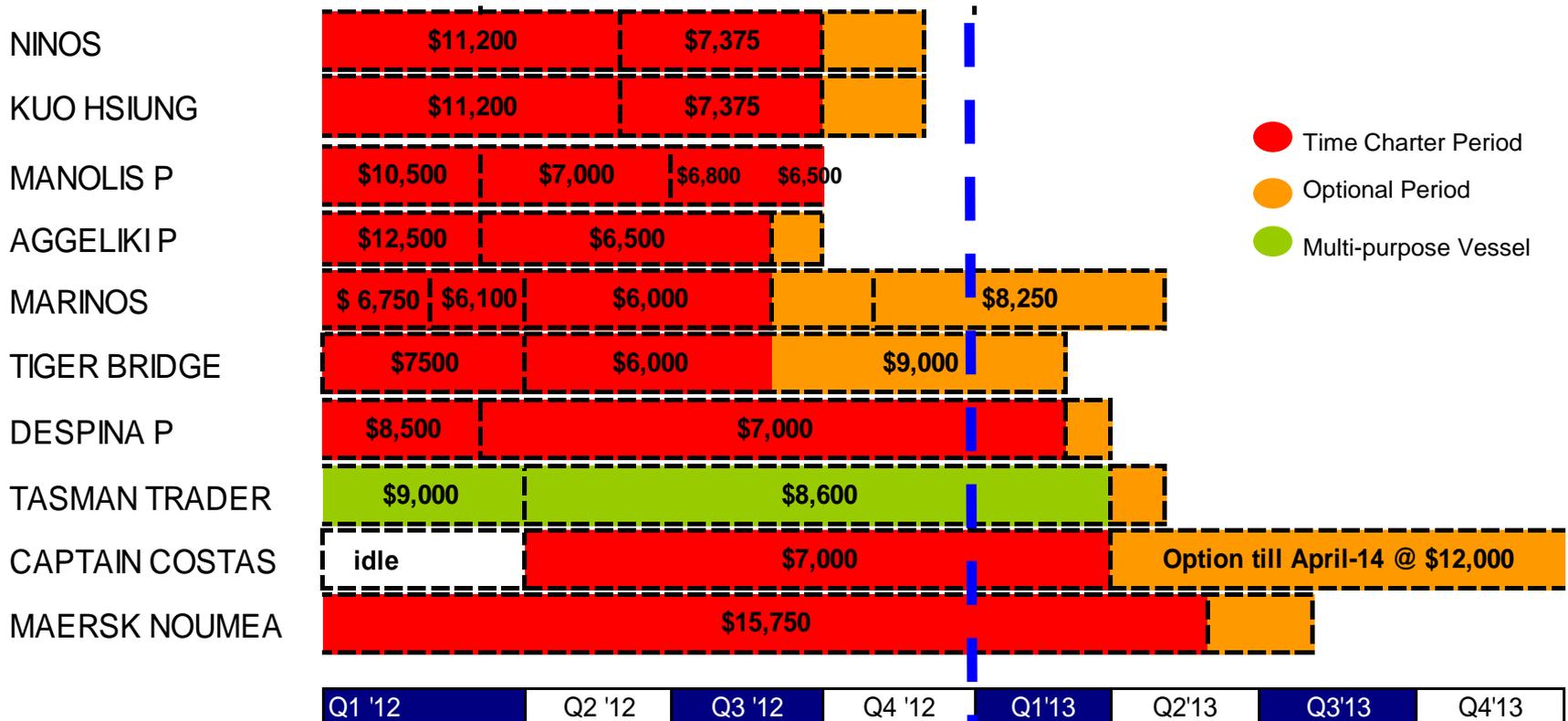
Physical TC contract based coverage

Physical-equivalent coverage using modern panamax FFA contracts

Notes: 1) Irini 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 (as of Aug 1'12): Abt 53% in 2012 / Abt 8.3% in 2013 (based on min durations)

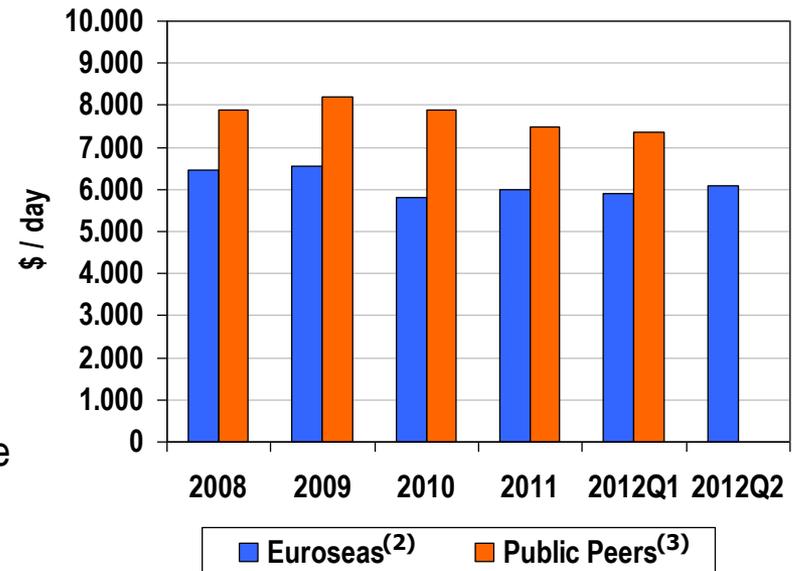


- Time Charter Period
- Optional Period
- Multi-purpose Vessel

Fleet Management & Operational Performance

- Operational fleet utilization rate in excess of 98.5% over last 5 years
 - Outstanding safety and environmental record
 - For 2012Q2, operational fleet utilization 99.5% and commercial 99.0%
 - For 2011, operational fleet utilization 99.7% and commercial 96.8%
- Overall costs achieved are amongst the lowest of the public shipping companies

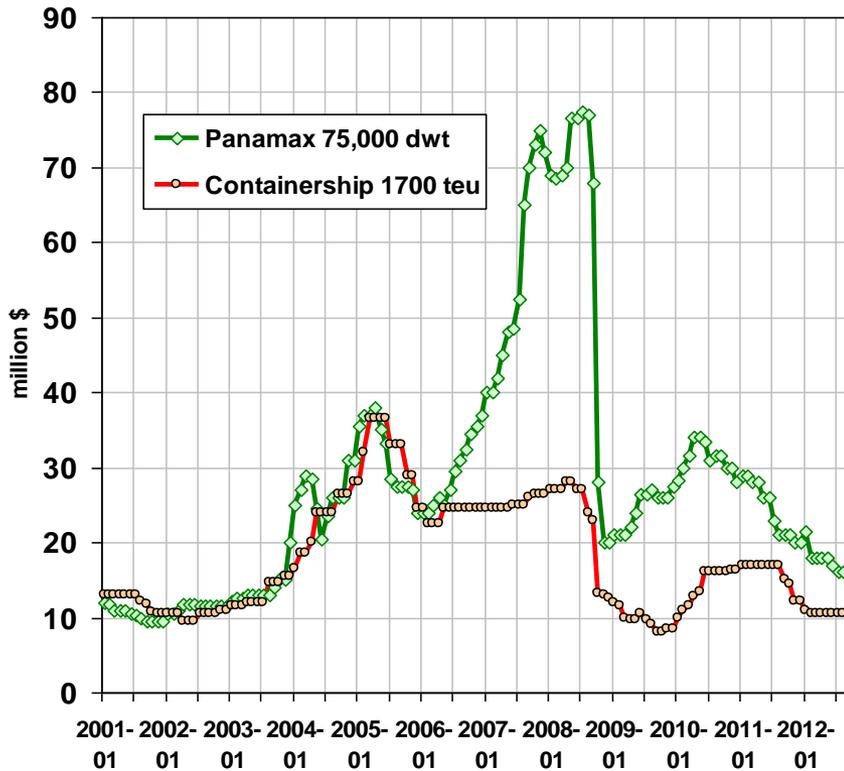
Daily costs per vessel (1)



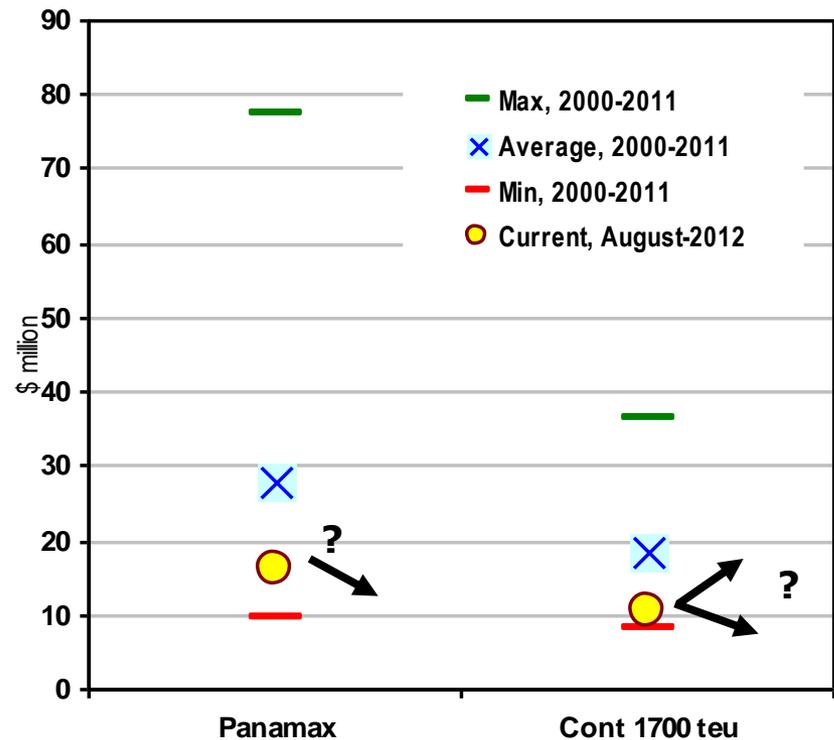
- (1) Includes running cost, management fees and G&A expenses (not drydocking expenses)
- (2) 2009 figure was increased by abt \$600/day to account for the lower cost of the 3 laid-up vessels; 2010 figure was increased by abt \$300/day to account for the lower cost of the laid-up vessels (2 in 2010H1 and 1 in 2010Q3);
- (3) Peer group includes DRYS (up to 2009), DSX, EGLE, EXM, GNK, OCNF and FREE (drybulk), and SSW, DAC (containership) up to 2010; DSX, EGLE, EXM, GNK, SBLK, and SB (drybulk), and SSW, DAC, DCIX in 2011.

Market Snapshot – Investment Opportunities

10-Year Secondhand Prices



10-yr old Price Historical Range





Financial Highlights: 2nd Quarter and 1st Half of 2011 and 2012

(in million USD except per share amounts)	Second Quarter			First Half		
	2011	2012	change % ⁽⁴⁾	2011	2012	change % ⁽⁴⁾
Net Revenues	\$15.6	\$12.8	-18.1%	\$29.8	\$26.7	-10.5%
Net Income	\$0.0	(\$1.4)		(\$0.6)	(\$10.4)	
(Gain) / Loss on Sale of Vessel	-	-		\$0.0	\$8.6	
(Gain) / loss on derivatives & unrealized (gain)/ loss on trading securities	\$0.8	\$0.1		\$0.6	\$0.4	
Amort. FV of charters, net	(\$0.8)	-		(\$1.3)	-	
Adj. Net Income	\$0.0	(\$1.3)		(\$1.3)	(\$1.4)	
Adjusted EBITDA⁽¹⁾	\$5.0	\$3.4	-31.8%	\$8.7	\$8.3	-4.8%
"GAAP" EPS, Diluted⁽²⁾	\$0.00	(\$0.04)		(\$0.02)	(\$0.04)	
"Operating⁽³⁾" Adj. EPS, Diluted	\$0.00	(\$0.04)		(\$0.04)	(\$0.04)	
Dividends per share, declared	\$0.07	\$0.02	-71.4%	\$0.14	\$0.06	-57.1%

(1) See press release of 08/08/2012 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Calculated on 31,909,778 and 31,858,740 diluted shares for 2011 and 33,279,766 and 32,594,772 shares for 2012.

(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 08/08/2012 for reconciliation to Net Income.

(4) Calculated based on figures in press release of 08/08/2012, i.e. before rounding to million USD

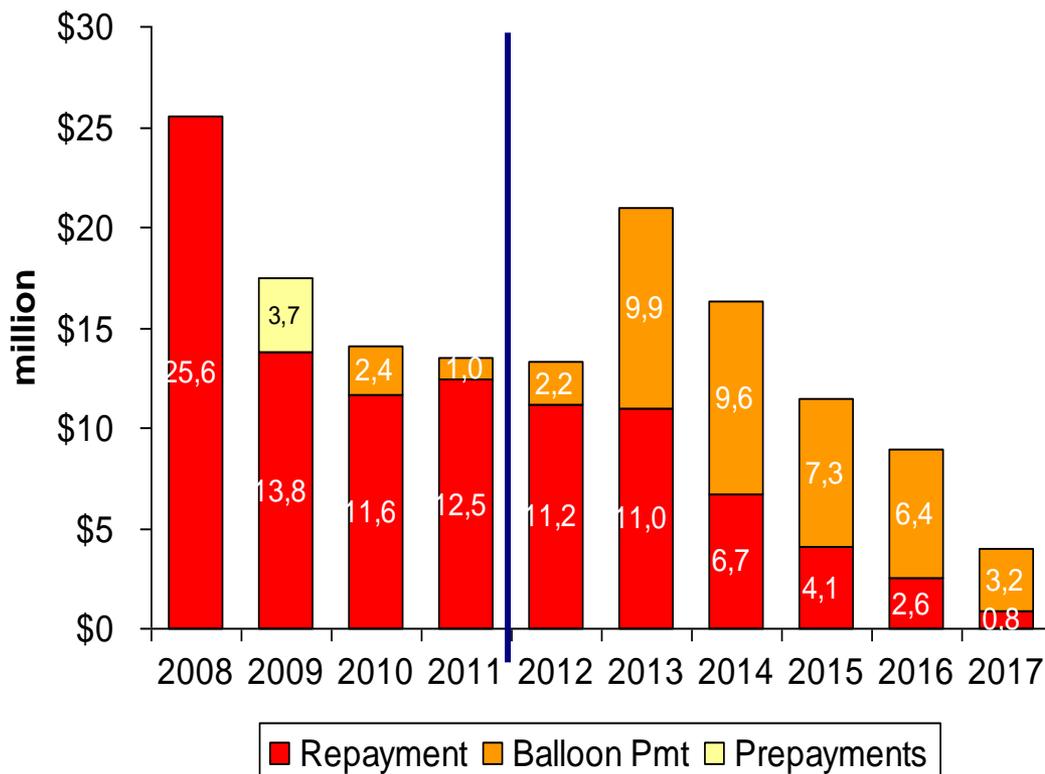
Fleet Data for 2nd Quarter and 1st Half of 2011 and 2012

<u>Fleet Statistics</u>	Second Quarter		First Half	
	2011	2012	2011	2012
	(unaudited)		(unaudited)	
Number of vessels	16.00	15.00	16.00	15.42
Utilization Rate (%)				
Overall⁽¹⁾	98.5%	98.5%	98.0%	92.8%
Commercial⁽¹⁾	98.6%	99.0%	98.3%	93.3%
Operational⁽¹⁾	99.9%	99.5%	99.7%	99.5%
Averages in usd/day/vessel				
Time Charter Equivalent (TCE)⁽²⁾	\$ 11,302	\$ 9,757	\$ 11,198	\$ 10,431
Operating Expenses				
Vessel Oper. Exp. excl. laid-up	5,523	5,442	5,455	5,366
G&A Expenses	543	631	547	661
Total Operating Expenses	6,066	6,073	6,002	6,027
Interest Expense	378	362	390	365
Drydocking Expense	543	301	786	162
Loan Repayments	3,264	2,372	2,619	2,761
Total Cash Flow Breakeven	10,251	9,108	9,797	9,315

- (1) Utilization Rate is calculated excluding scheduled offhire (drydockings and special surveys) and vessels in lay-up. Scheduled offhire amounted to 20.5 and 84.6 days for the second quarter and first half of 2011.
- (2) TCE calculation shows the gross rate the vessels earn while employed; it excludes periods during which the vessels are laid-up or offhire for commercial or operational reasons.

Debt Repayment Profile

Debt Repayment Schedule – As of 06/30/2012



Cash Flow Breakeven

» Cash Flow Breakeven - rough estimate for next 12 months:

	<u>\$/day</u>
OPEX	\$ 5,700
G&A	\$ 750
Interest	\$ 650
Drydock	\$ 1,000
<u>Loan Rpmt(*)</u>	<u>\$ 2,400</u>
TOTAL	\$10,500

(*) Inclusive of a \$1.9 million balloon payment, or, \$350 per vessel per day

Balance Sheet & Other Data

- **Cash @ June 30, 2012: \$ 48.2m**
 - \$39.4 m unrestricted – and about \$8.8m of restricted funds and retention accounts
 - Cash per share amounts to about \$1.07 (versus yesterday's share price of \$1.17)

- **Debt: \$67.1 m as of June 30, 2012**
 - Debt to Capitalization ratio about 24%
 - Debt to Market Value of Fleet ratio 62%
 - Net debt to Market Value of Fleet ratio within 18%
 - As of today loan covenants are satisfied

- **About \$25-35 m cash equity to fund further growth**
 - \$6.3m committed to be invested via Euromar
 - \$20-30m of additional equity to buy vessels

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Appendix

Please refer to the Company's press release of August 8, 2012 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