



(ESEA)

Investor & Analyst Luncheon Presentation

November 25, 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.

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.

Agenda



1. The Dry Bulk & Containership Market
2. Euroseas Current Position
3. Euroseas Strategy



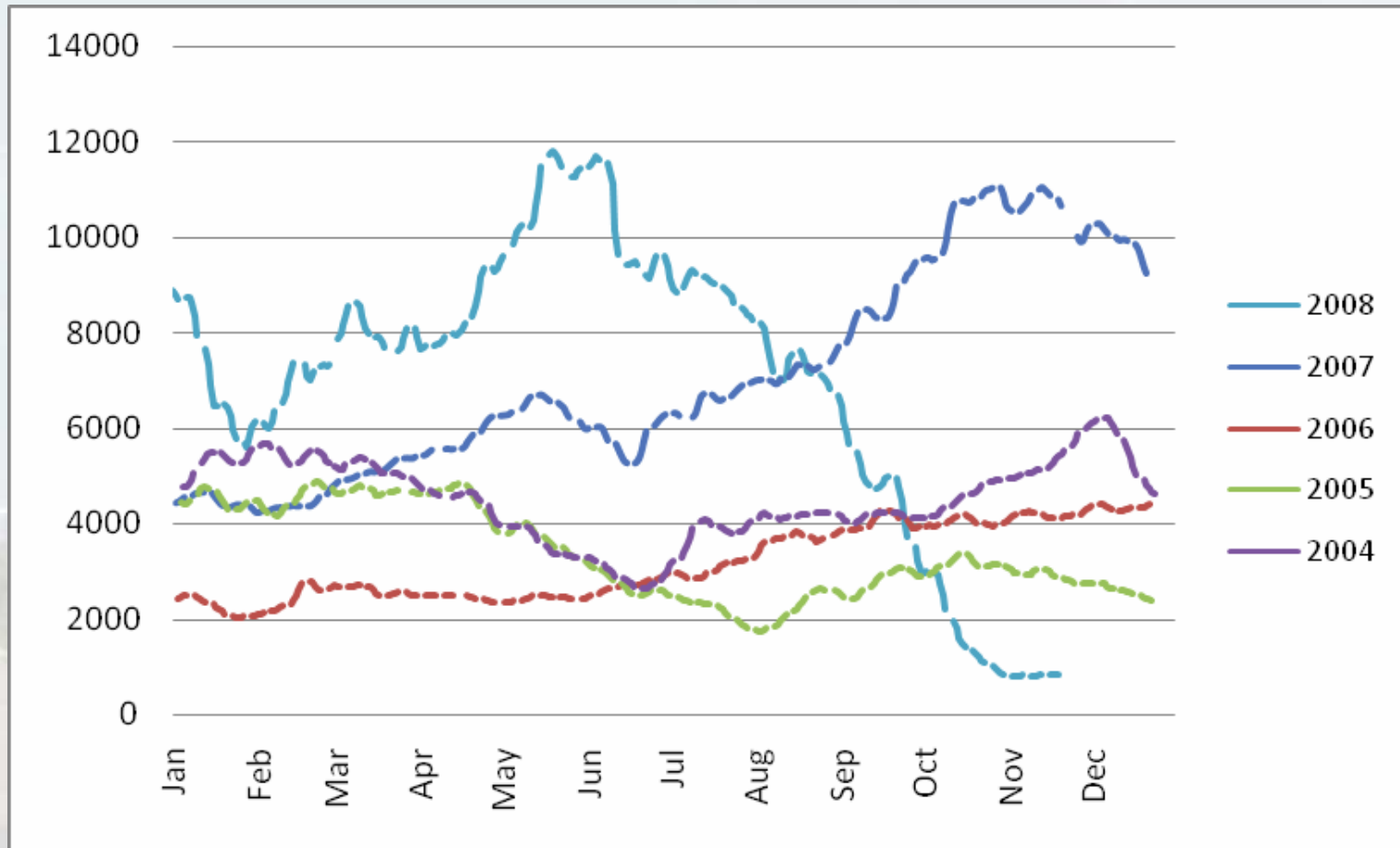
A Dramatic Change in Market Conditions

- **Credit and financial crisis overwhelmed world markets**
 - Economic slowdown spread fast
- **China did not return to markets after Olympics ... Para-Olympics... holidays..**
 - In addition, continuing row with iron exporters about prices
- **Trade came, practically, to a halt**
 - Lack of cargoes and credit
- **Rates dropped to operating cost levels or below**
 - Relieved port congestion released ships
 - Reports of charterer failures increase
- **Liner companies reducing capacity**
 - NOL (20-25%); Maersk etc.
- **Latest secondhand transactions indicate a 60-70% drop from "last done"**
 - Reports of abandoned deposits
 - Increasing reports of failing yards and cancelled newbuilding orders
- **Scrap prices have fallen from abt \$700 to abt \$200 /ton**
 - Scrapyards unable to secure LoC (partly due to falling scrap prices)
- **Stock prices have fallen more than 70% over the last 2 months**
 - ESEA down to \$3-4 /share range (lowest close \$3.12/sh)

Dry Bulk Rates: 2008 Vs. Previous Years Comparison

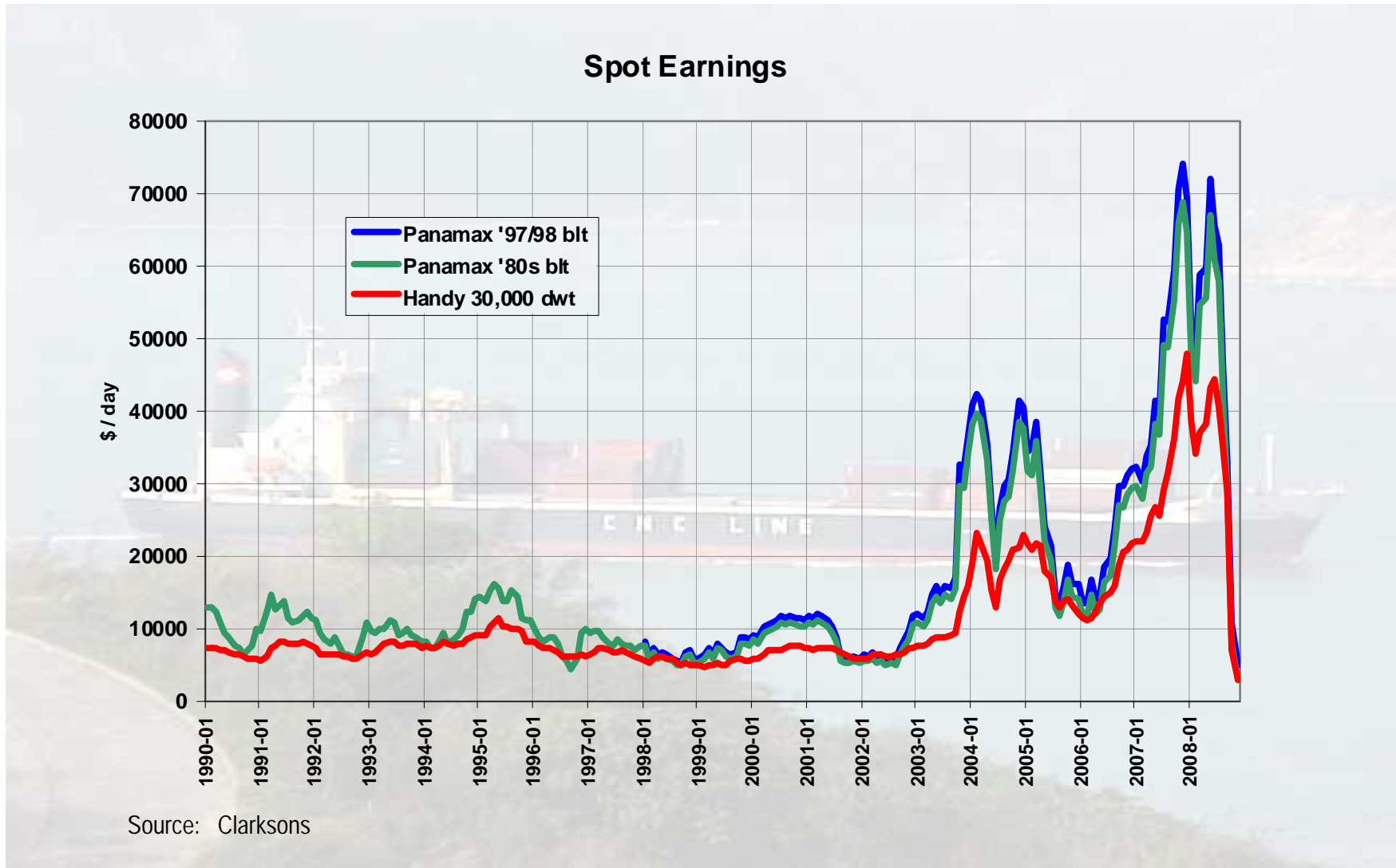


Baltic Dry Index (BDI)



Source: Capital Link

Dry Bulk Charter Rates 1990-2008



Containership Charter Rates 1993-2008

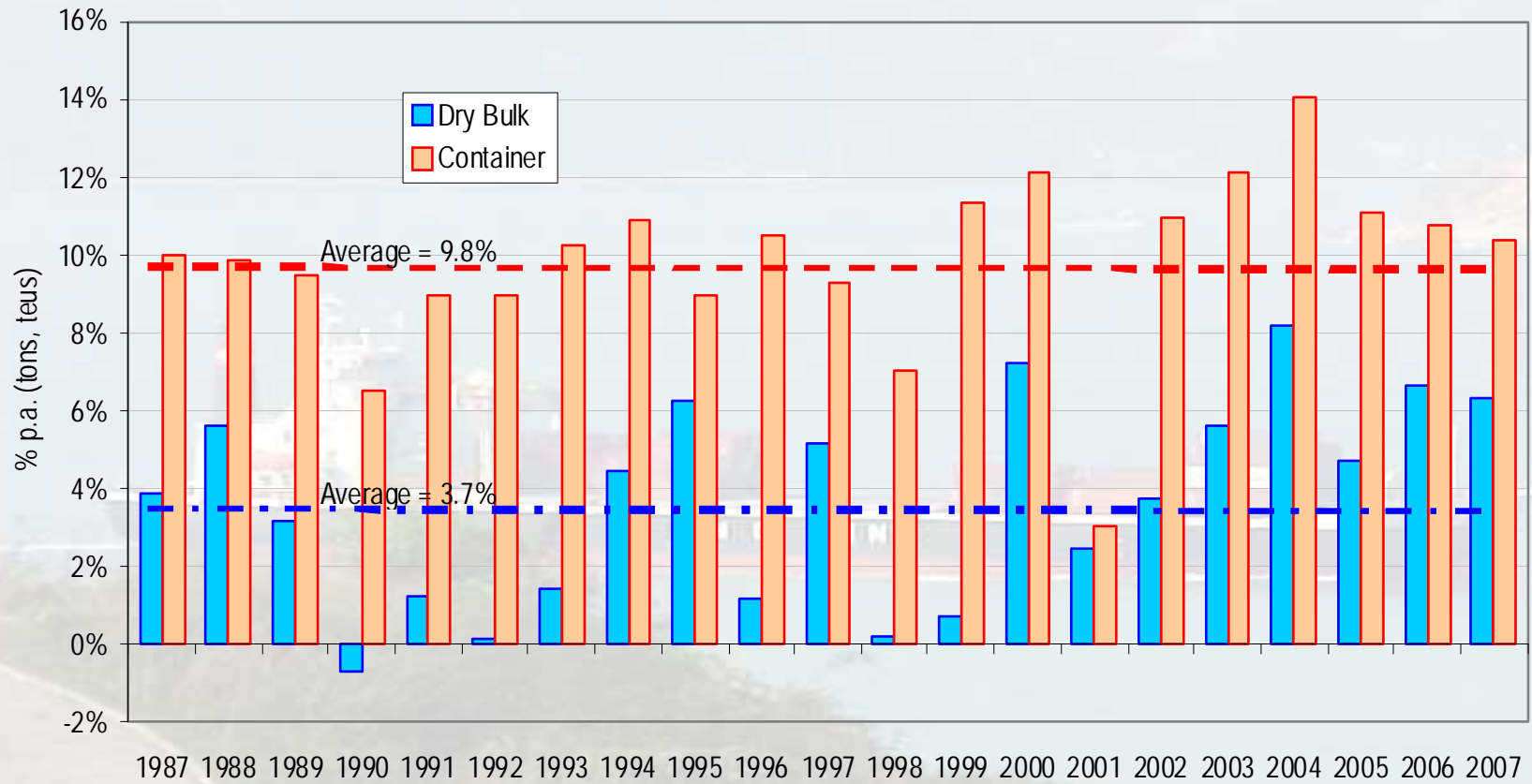


6-12 Month Time Charter Rate



Source: Clarksons

Dry Bulk & Containerized Trade Growth

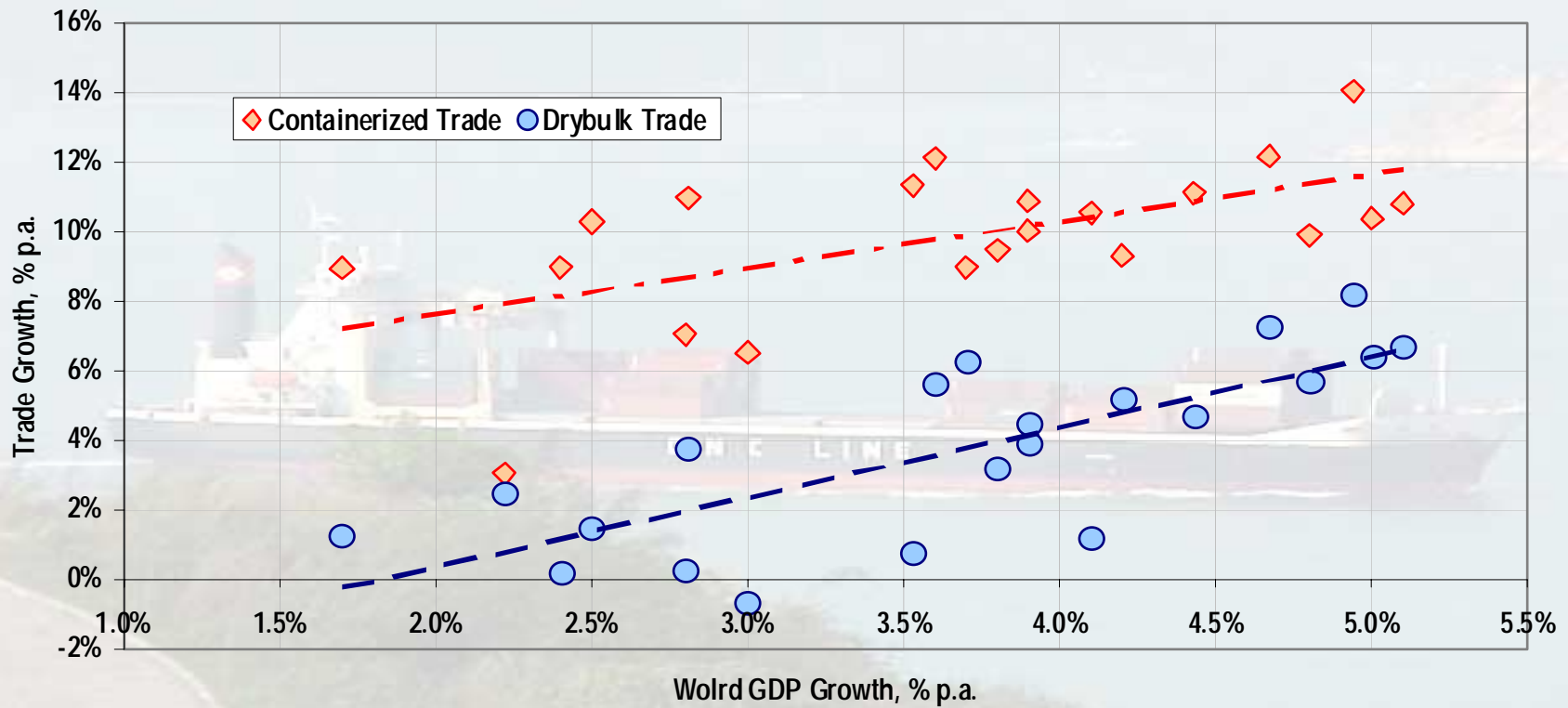


Source: Clarksons

Economic Growth Drives Seaborne Trade



Trade Vs. World GDP Growth, 1987-2007



World GDP & Shipping Demand Growth



Real GDP (% p.a.)	2006	2007	2008E	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>				3.8		

Dry Bulk Trade (% p.a.)

Tons	6.0	6.5	5.0	3.5	4.5	5.5
Ton-miles	7.8	7.7	6.5	4.5	5.5	6.5

Containerized Trade (% p.a.)

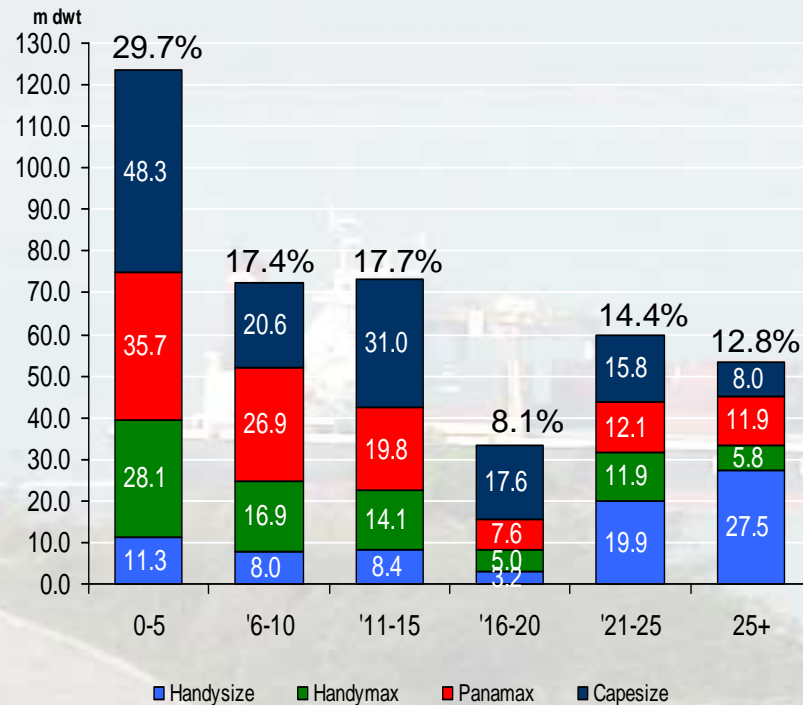
TEU	10.7	10.4	6.8	6.5	10.0	11.5
-----	------	------	-----	-----	------	------

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

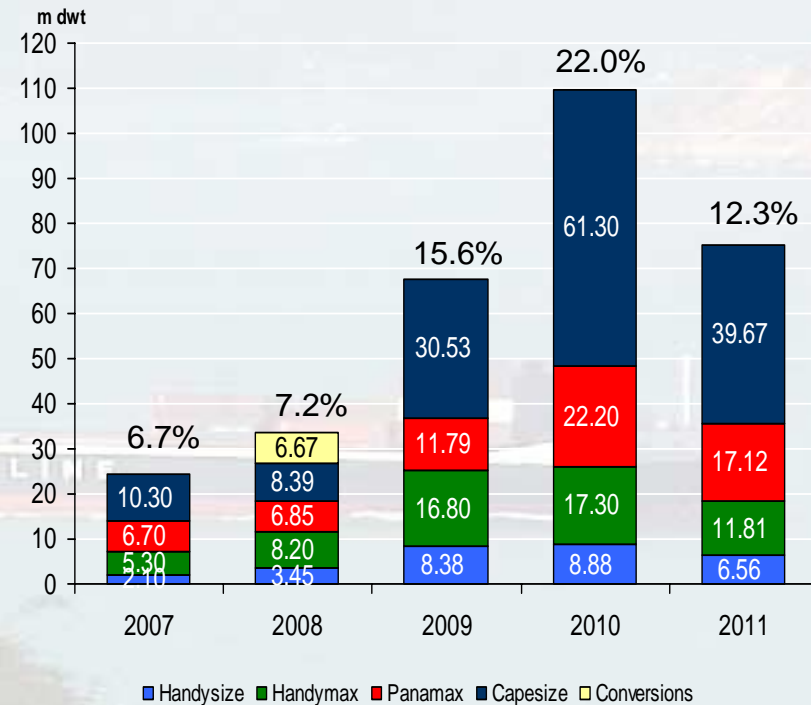
Drybulk Age Profile & Orderbook Delivery Schedule



Dry Bulk Age Profile



Dry Bulk Orderbook ⁽¹⁾



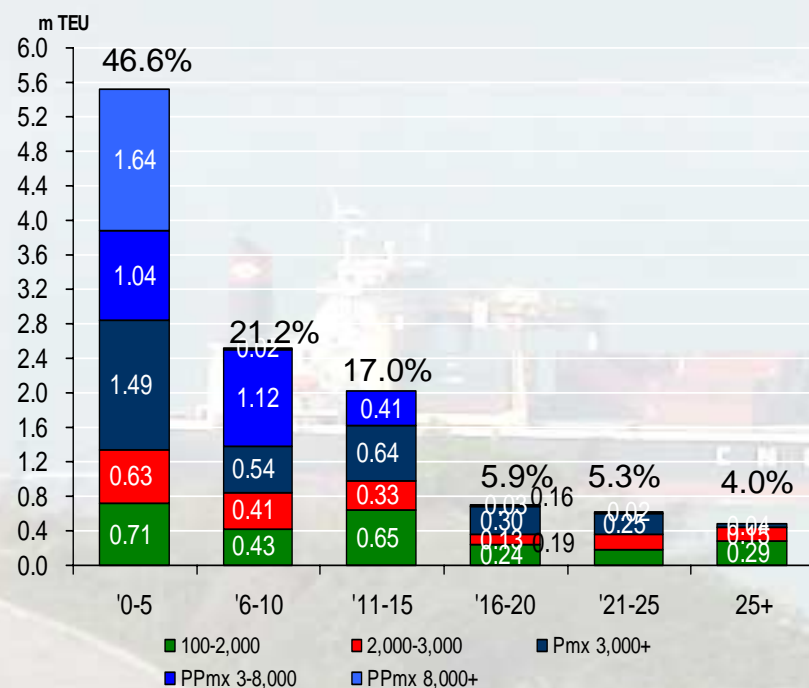
Large bulkers are still young

Large Vessels Dominate Orderbook

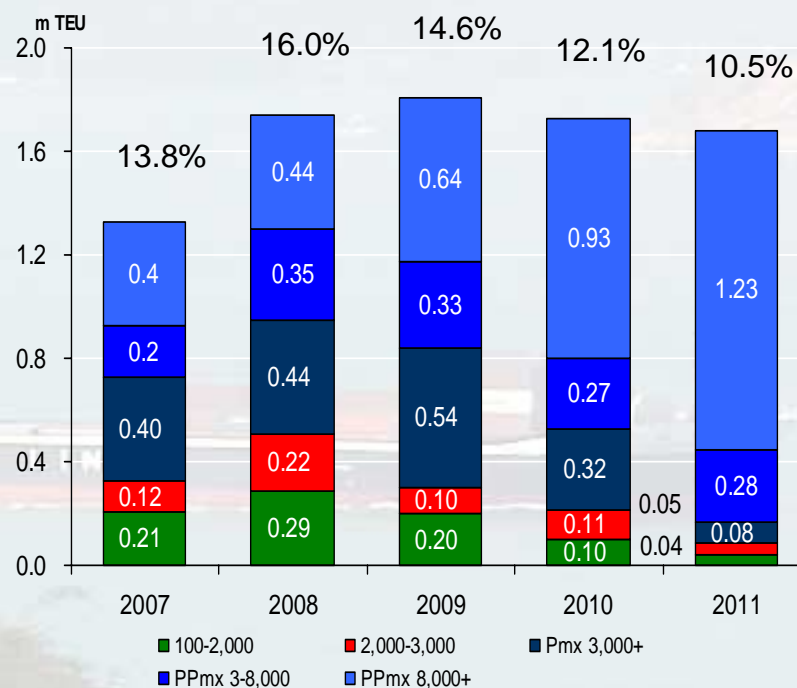
(1) Source: Clarksons - Deliveries as percent of fleet is calculated without accounting for scrapping, other removals or conversions

Containership Age Profile & Orderbook Delivery Schedule

Containership Age Profile⁽¹⁾



Container Orderbook ⁽¹⁾

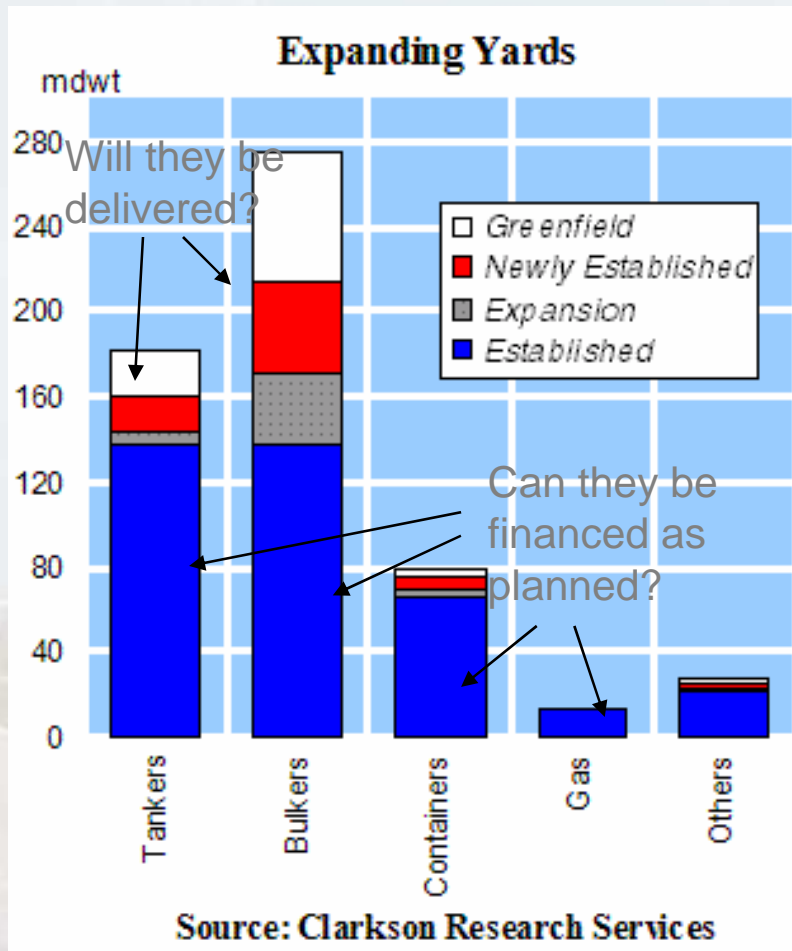


Rates & Asset Prices Softening

Large Vessels Dominate Orderbook

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

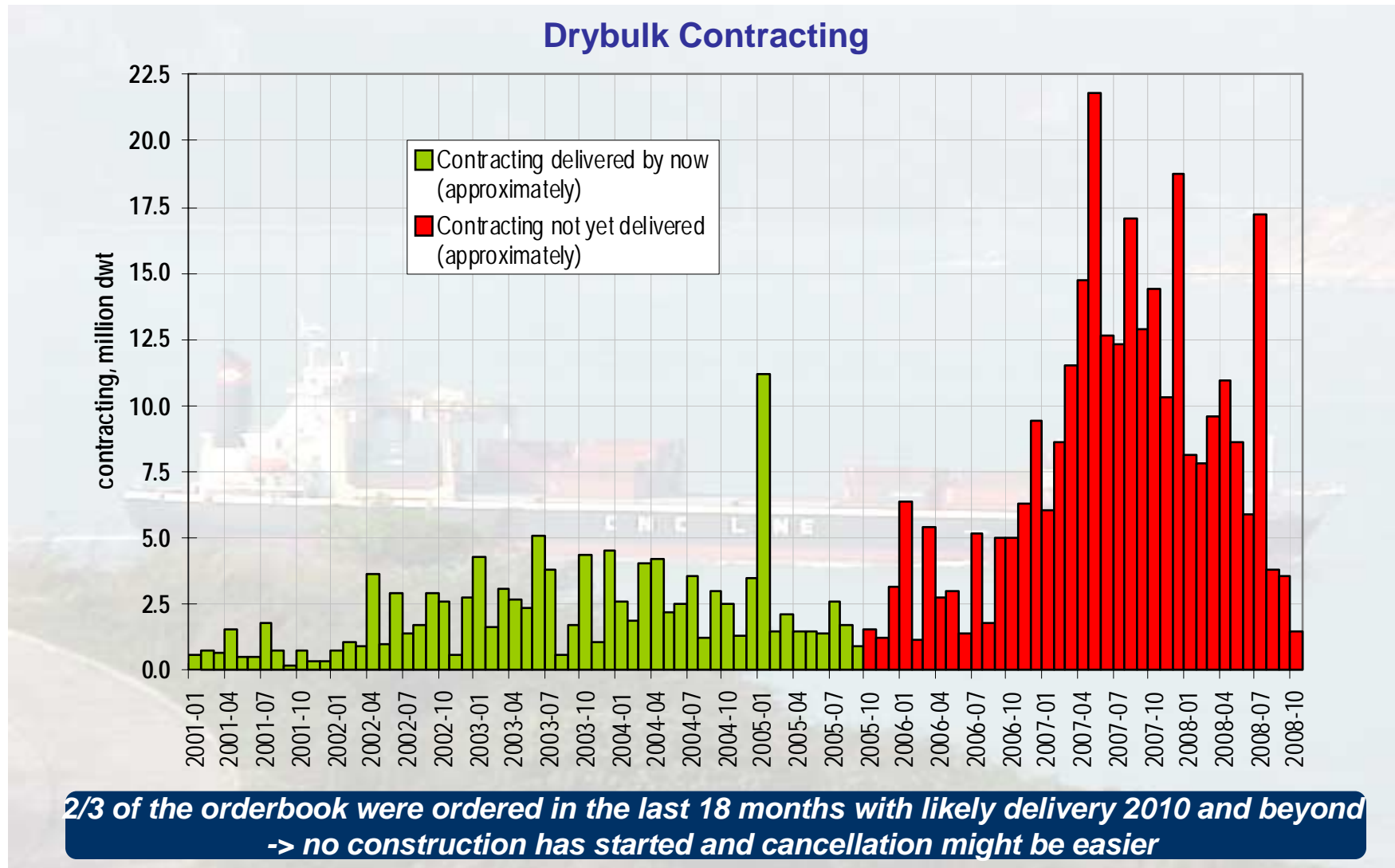
Questions About The Orderbook



Orderbook likely overstates what will be delivered

- 1) Many vessels, especially dry bulkers, ordered in new established yards, or, yards that have not been built themselves yet (greenfield yards)
- 2) Technical factors coupled with difficulties in securing refund guarantees had put in doubt the ability of these yards to deliver
- 3) The credit crisis has not only magnified the problems of new yards and created new ones for the more established ones, but also, put in doubt the ability of owners to finance their new building programs

Dry Bulk Orderbook: How Much Might Be Cancelled?



A Possible Supply/Demand Balance Scenario

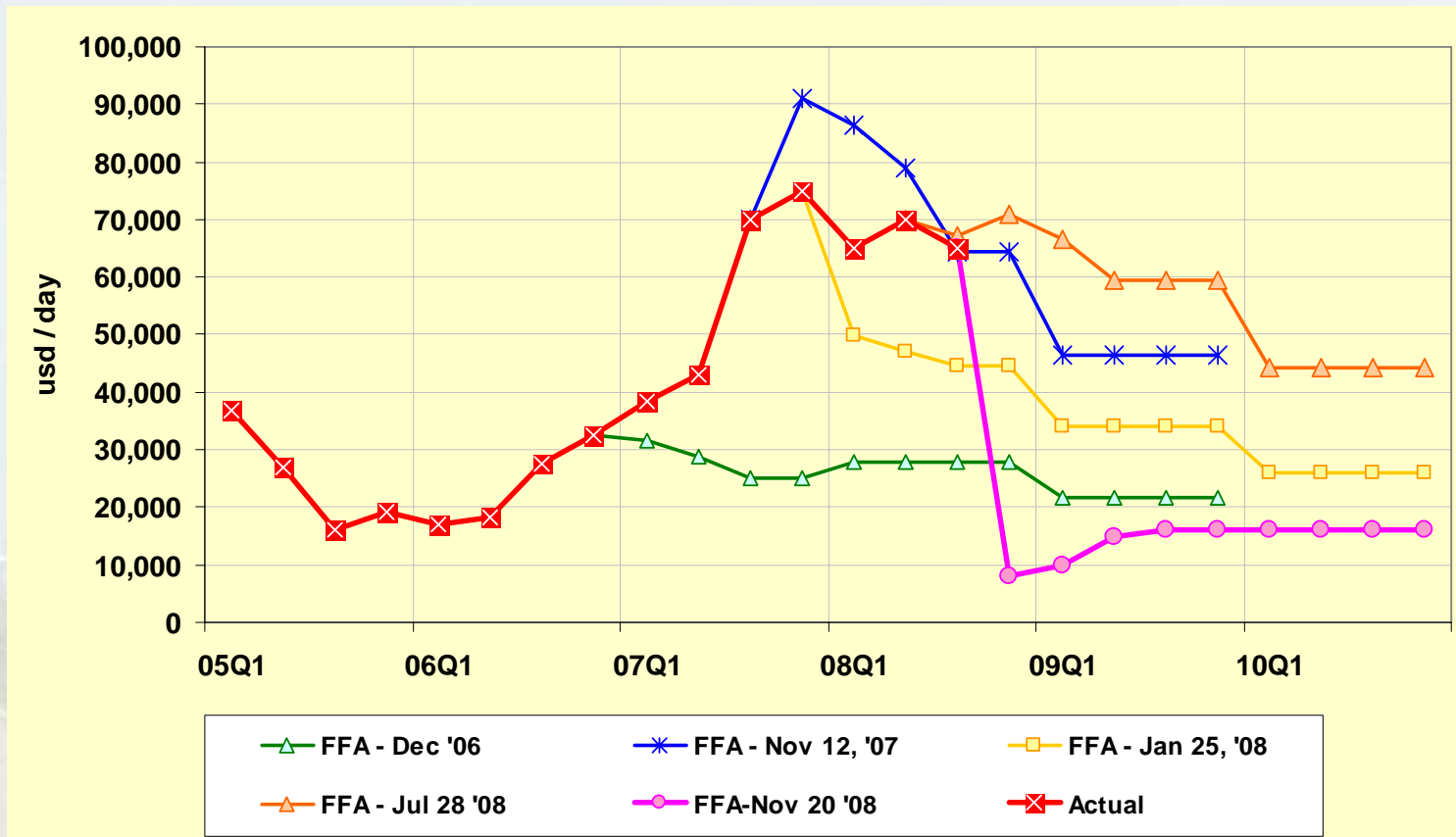


	Dry Bulk Orderbook - 72% (Nov-08)			Container Orderbook - 47% (Nov-08)		
	2009	2010	2011	2009	2010	2011
Trade Demand Growth ⁽¹⁾	4.5%	5.5%	6.5%	6.5%	10.0%	11.5%
Delivery Schedule ⁽²⁾	15.6%	22.0%	12.3%	14.6%	12.0%	10.5%
Assumed Cancellations ⁽³⁾	-1.6%	-6.6%	-3.7%	-1.0%	-1.0%	-1.0%
Assumed Scrapping ⁽⁴⁾ (all above 25 yr + some above 20 yr)	-7.0%	-6.0%	-5.0%	-2.0%	-1.0%	-1.0%
Fleet Growth	7.0%	9.4%	3.6%	11.6%	10.0%	8.5%
Supply/Demand Balance	-2.5%	-3.9%	2.9%	-5.1%	0.0%	3.0%
Cancellations required to meet demand as % of deliveries	-4.1%	-10.5%	-0.8%	-6.1%	-1.0%	2.0%
	26%	48%	7%	42%	8%	-19%

Note: This table is provided for indicative purposes only. Actual values might be substantially different.

1. Demand growth assumed based on IMF world GDP assumptions and historical relations to trade growth
2. Delivery schedule as per previous slide based on Clarksons figures
3. Dry bulk delivery cancellations assumed at 10% for 2009, 30% for 2010 and 30% for 2011
4. Scrapping rate assumes that all vessels above 25 yrs old get scrapped at the next scheduled drydock date, plus, some of the vessels below 25 years old as well

FFA Market Track Record – Panamax 1-yr TC Rate



Agenda



1. The Dry Bulk & Containership Market
2. Euroseas Current Position
3. Euroseas Strategy



Current Fleet – 16 Vessels

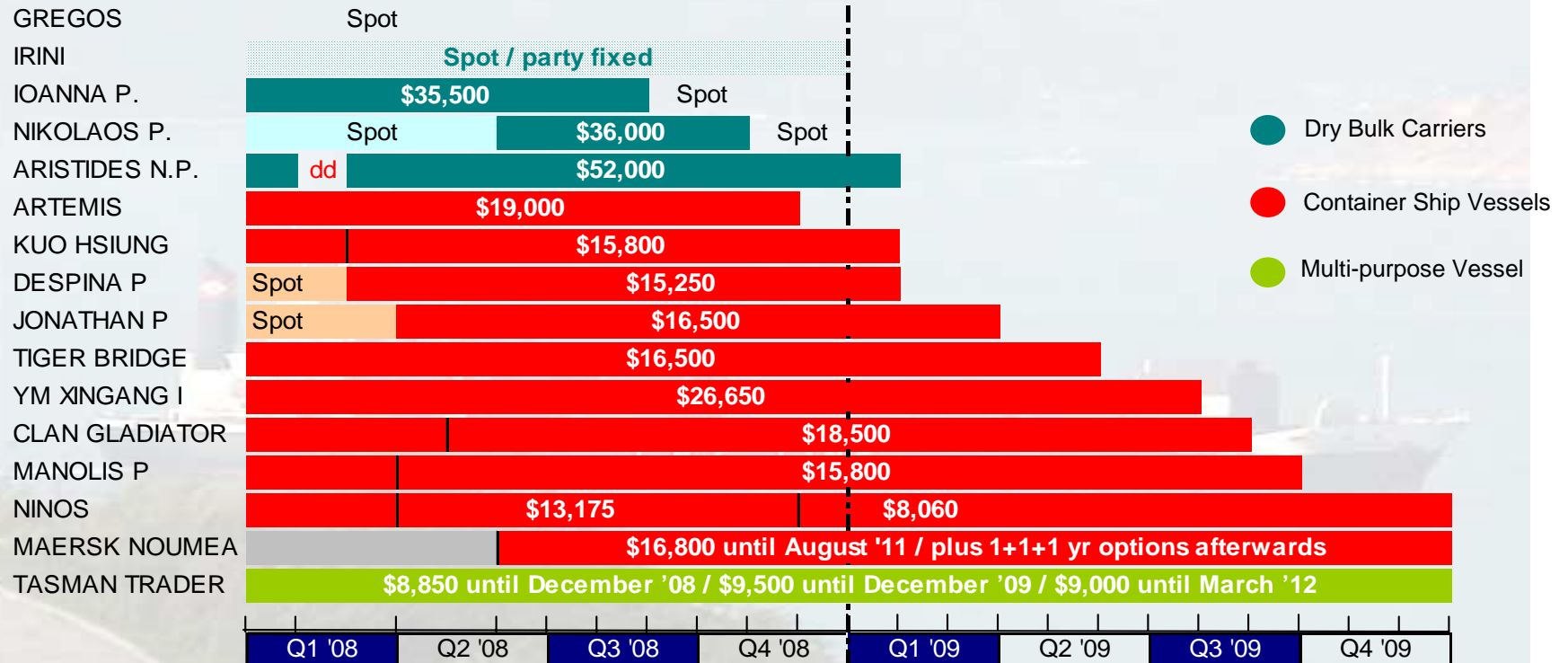


Name	Type	Size		Year Built	Acquisition Price (\$MM)	Book Value (\$MM)	Remaining Life (yrs)
		DWT	TEU				
Irini	Panamax	69,734	-	1988	\$8.2	\$5.2	5
Aristides N.P.	Panamax	69,268	-	1993	23.5	20.2	10
Ioanna P. ⁽¹⁾	Panamax	64,873	-	1984	28.6	29.2	4
Gregos	Handysize	38,691	-	1984	13.1	10.1	4
Nikolaos P.	Handysize	34,750	-	1984	9.5	2.7	3.5
Maersk Noumea ⁽¹⁾	Intermediate	34,677	2,556	2001	43.5	52.4	21
Tiger Bridge ⁽¹⁾	Intermediate	31,627	2,228	1990	24.0	23.4	10
Artemis	Intermediate	29,693	2,098	1987	20.8	13.1	7
Despina P.	Handysize	33,667	1,932	1990	18.7	17.1	10
Jonathan P.	Handysize	33,667	1,932	1990	18.7	17.0	10
Clan Gladiator	Handysize	30,007	1,742	1992	25.7	22.7	12
YM Xingang I ⁽²⁾	Handysize	23,596	1,599	1993	27.3	16.5	13
Manolis P.	Handysize	20,346	1,452	1995	19.2	17.3	15
Ninos	Feeder	18,253	1,169	1990	10.7	6.0	10
Kuo Hsiung	Feeder	18,154	1,169	1993	8.8	6.1	13
Tasman Trader ⁽¹⁾	Multipurpose	22,568	950	1990	10.9	9.7	10
Total	16 vessels	573,571	18,827	17.8	\$311.2	\$268.8	10

NOTES: (1) Acquired with below market charter (2) Acquired with above market charter

Vessels Employment Chart

37% 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 spot market

Historical Cash Flow Breakeven

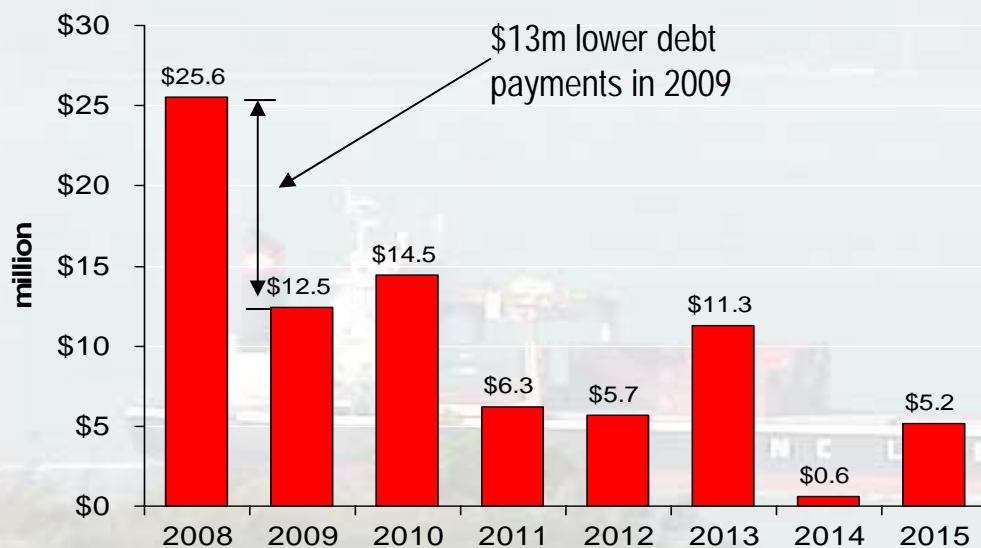


<u>Fleet Statistics</u>	2006 <u>(unaudited)</u>	2007 <u>(unaudited)</u>	Nine Months 2008 <u>(unaudited)</u>
Number of vessels	8.06	11.48	15.48
Utilization Rate %	98.9%	99.7%	98.7%
<u>Averages in usd/day/vessel</u>			
Time Charter Equivalent (TCE)	\$ 14,313	\$ 21,468	\$ 25,868
<u>Operating Expenses</u>			
Vessel Operating Expenses	4,295	4,990	5,770
G&A Expenses	366	634	774
Total Operating Expenses	4,661	5,624	6,544
Interest Expense	1,155	1,158	401
Drydocking Expense	279	1,377	1,229
Loan Repayments	4,881	4,382	4,540
Total Cash Flow Breakeven	10,976	12,541	12,714

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:

	\$/day
OPEX+G&A ⁽¹⁾	\$ 7,000
Interest	\$ 450
Drydock	\$ 1,150
Loan Rpmt	\$ 2,150
TOTAL	\$10,750

Contracted (37%): \$15,600/day (gross) - \$14,400/day (net)
 Required breakeven for renewals: \$9,350/day (gross) - \$8,600/day (net)

(1) Includes \$200/day/vessel of non-cash compensation

- **Balance Sheet highlights** (as of September 30, 2008):
 - \$74+ million in unrestricted cash
 - \$7+ of restricted cash
 - Book value of vessels abt \$268 million
 - Debt: abt \$62 million
 - Net Debt: abt -\$19 million
 - Retained Earnings: \$57+ million
 - Shareholders' Equity: abt \$293 million
 - Debt / Capitalization = abt 17.5%

- **Loan Covenants comfortably satisfied**
 - 6 vessels unencumbered (7 by December 31, 2008)
 - Close relationship with lenders (Fortis, CALYON, HSBC, Eurobank)
 - Average margin: abt 95 basis points going down to 80 basis over the next years

Agenda

1. The Dry Bulk & Containership Market
2. Euroseas Current Position
3. Euroseas Strategy

Euroseas Strategy: Remains the Same

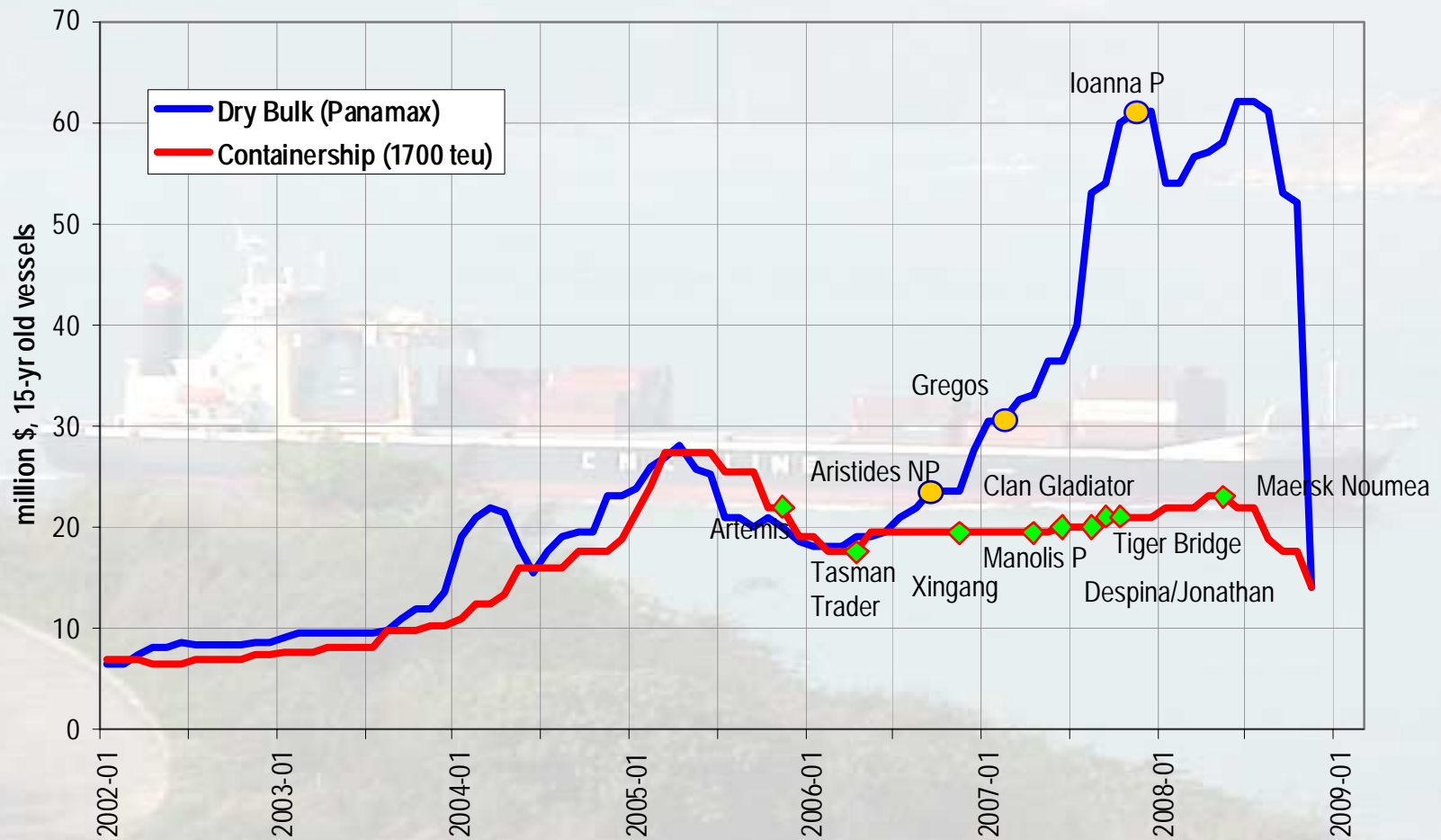


- **Selectively acquire vessels**
 - Time to renew / expand bulk carrier fleet
 - Difference of new to old vessel down to 20m from 70m
- **Continue focus on cost control**
 - One of the lowest cost structure amongst public companies
 - Q3 OPEX about 6% lower than Q2 (8% lower if G&A costs are included)
- **Balance employment between period and spot**
 - Focus on covering costs first
 - May use FFA to hedge bulker exposure
- **Use leverage wisely**
 - Has one of the lowest leverage ratios
 - Repaid debt aggressively during good times

Acquisitions 2005-2008



We avoided investing at the peak of the market except for Ioanna P



Residual Value of Acquisitions



Acquisitions since going public:

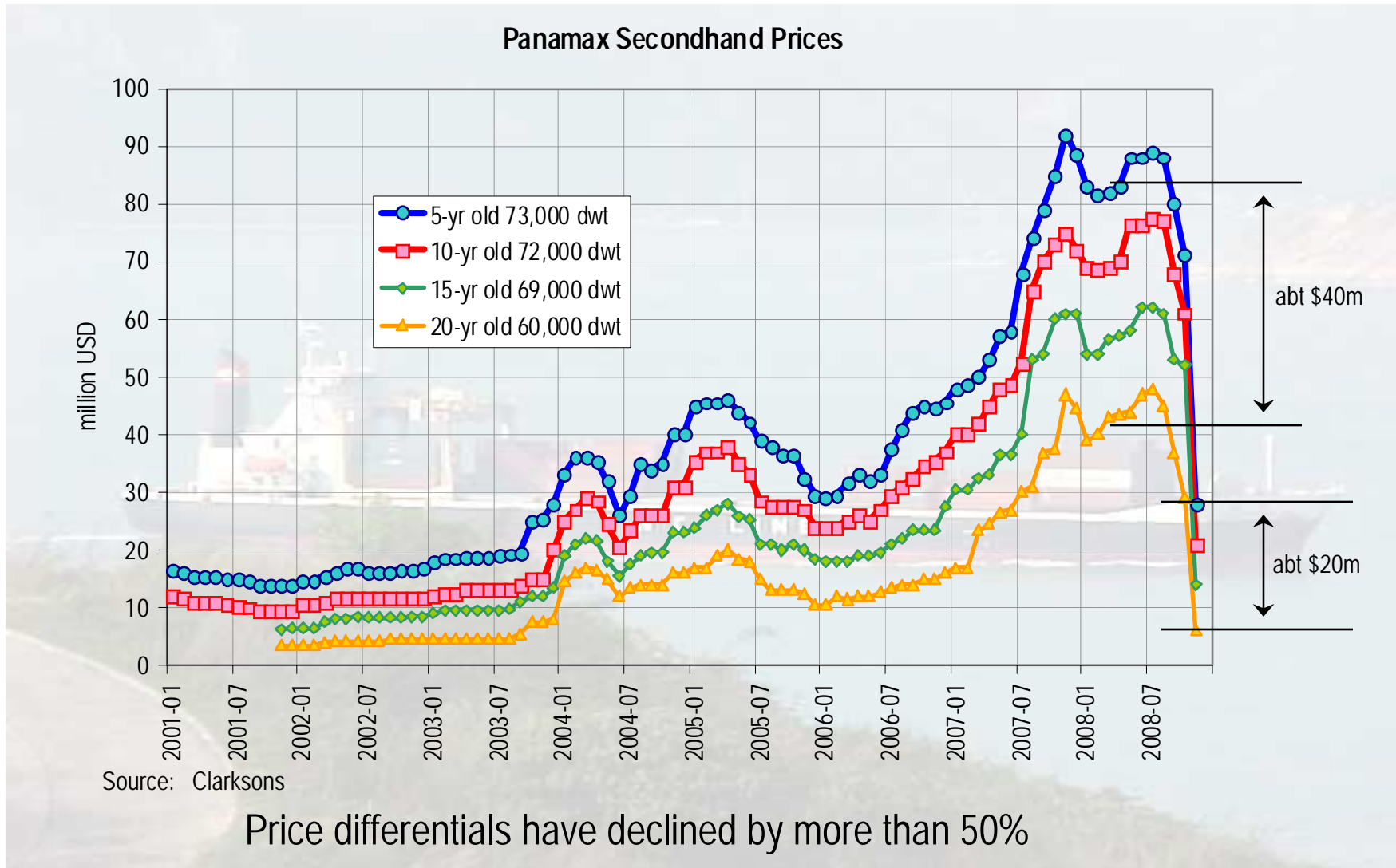
(all figures in million USD - approximate calculation)

Vessel	Type	Purchase date	Price	Cash income to 9/30	Value "down" to	Historical Avg Price (real '90-'07)	Remaining Charter Premium	Difference
Artemis	Container	Nov-05	20.8	13.3	7.6	12.9	0.0	5.4
Tasman Trader	Multipurpose	Apr-06	10.9	2.0	8.9	7.9	1.7	0.7
Aristides NP	Drybulk	Sep-06	23.5	18.7	4.8	15.2	5.1	15.5
YM Xingang I	Container	Nov-06	27.3	12.3	15.0	16.2	4.3	5.5
Gregos	Drybulk	Feb-07	13.1	16.9	(3.8)	5.1	0.0	8.9
Manolis P	Container	Apr-07	19.2	2.3	16.9	17.2	2.2	2.5
OEL Transworld	Container	Jun-07	25.7	4.8	20.9	16.7	2.7	(1.5)
Despina P	Container	Aug-07	18.7	1.8	16.9	16.3	0.5	(0.1)
OEL Integrity	Container	Aug-07	18.7	2.3	16.4	16.3	0.8	0.7
Tiger Bridge	Container	Oct-07	24.0	3.7	20.3	16.9	0.8	(2.6)
Ioanna P	Drybulk	Nov-07	28.6	10.2	18.4	6.1	2.0	(10.3)
Maersk Noumea	Container	May-08	43.5	1.4	42.1	39.4	2.3	(0.4)

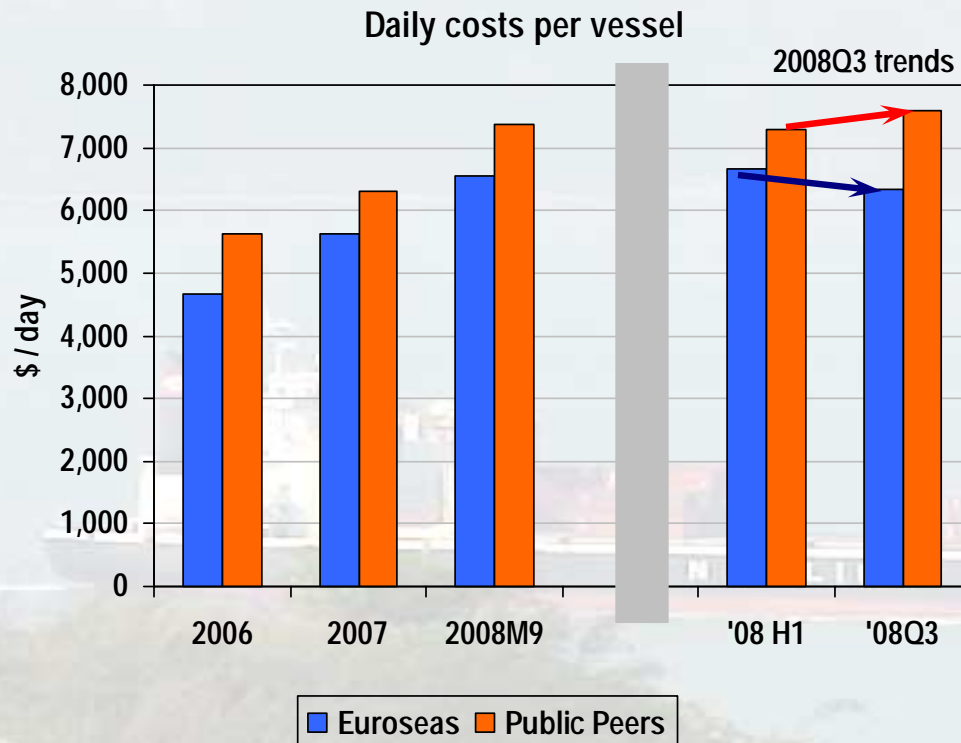
- **Strict Evaluation Framework**
 - Known or FFA based charter then historical average (>10 yrs) rates
 - Minimum unlevered IRR requirement
 - Leverage tailored to project cash flows

- **Risk Assessment & Control**
 - Market
 - Credit / charterer
 - Residual value
 - Operational

Relative Valuation Newer Vs. Older Vessels



Cost of Operations



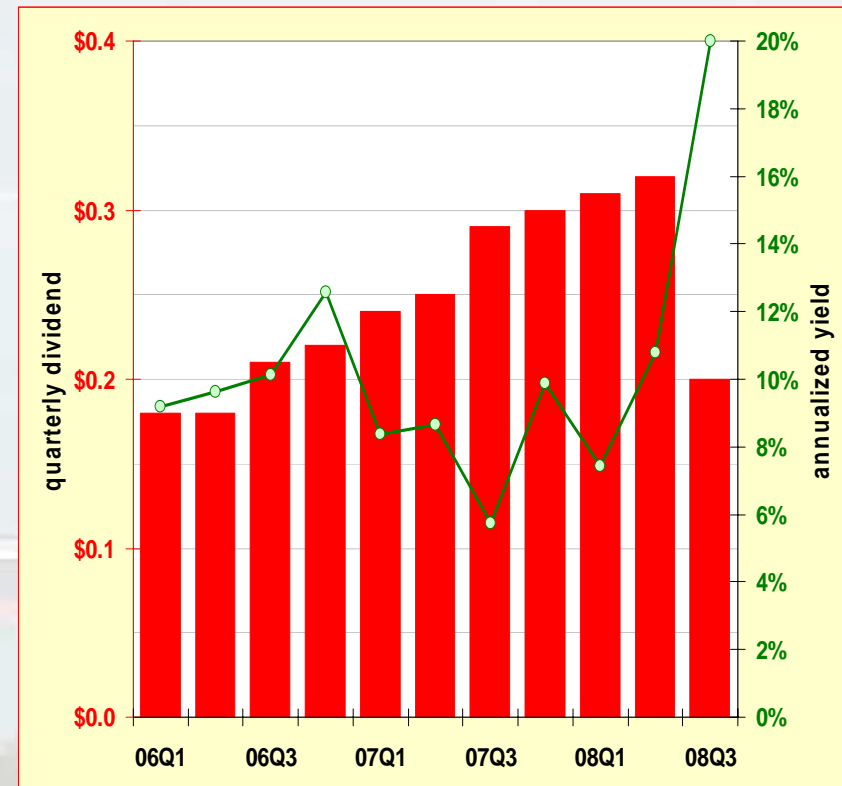
- Overall costs achieved are amongst the lowest of the public shipping companies
- Low costs while maintaining safe operations is an important competitive advantage in the bottom of the market cycle
- Have managed to control further cost increases in '08Q3 and in fact achieve a cost reduction

- (1) Includes running cost, management fees and G&A expenses
- (2) Data from SEC company filings
- (3) Peer group includes DRYS, DSX, EGLE, EXM, GNK, QMAR (drybulk) and SSW, DAC (containership)
- (4) QMAR is included for 2006 & 2007 only; on April 15, 2008, it merged with EXM

- **Increase coverage for 2009**
 - **As of Sep. 30, 2008 we had enough contracted revenue to cover 100% of our cash expenses for next 12 months**
 - Operating expenses, G&A, interest, drydocking expenses
 - Expense coverage is currently about 70% as of Dec. 31, 2008 for 2009
 - **Use FFAs**
 - Hedge some of spot market exposure
 - Provide earnings visibility
- **Expand relationships with charterers**
 - **Flexibility in exchange for expanded relationship**
 - Recently done with M/V Ninos
- **Will consider lay-up in the short term**
 - **If vessels operate below marginal costs**

Leverage & Dividend Policy

- Objective to provide substantial dividends through market cycles
- Recently reduced dividend to account for changing market conditions and maximize purchasing power and flexibility
 - Yield in excess of 20% p.a.⁽¹⁾
- Use leverage to moderate market cycles
 - Reduce debt at market peaks



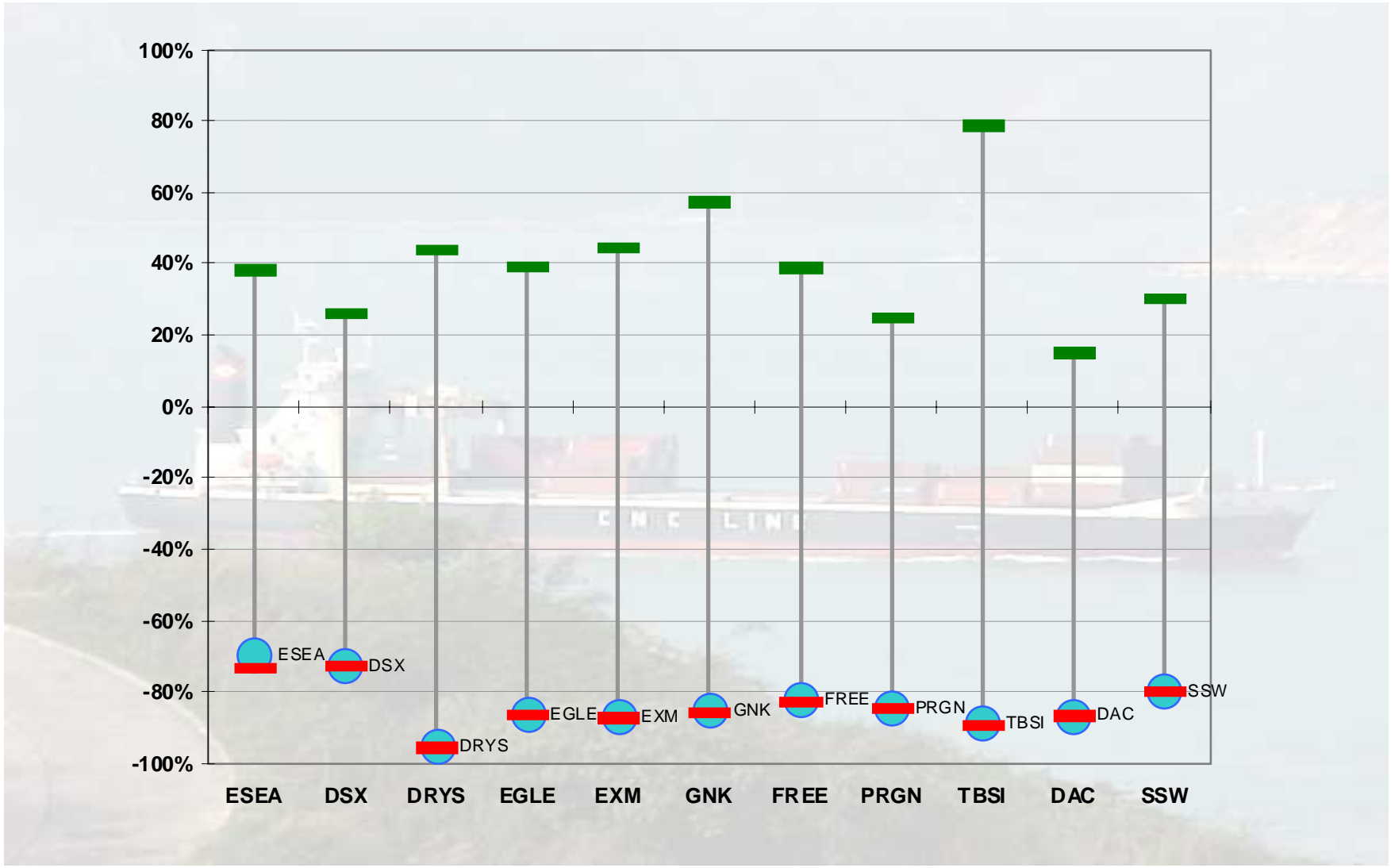
(1) Based on closing price of \$4.0 on 11/12/08

Agenda



1. The Dry Bulk & Containership Market
2. Euroseas Current Position
3. Euroseas Strategy
4. Conclusions

Comparative Stock Performance: Jan. 1 – Nov. 21, '08



Euroseas Will Sail Through Challenges



- **Opportunity to renew and expand**
 - **Strong Balance Sheet**
 - Lots of cash and low leverage
 - **Purchasing power**
 - Abt \$70 m own cash
 - Abt \$50 m in debt from own fleet / 6 vessels are debt free
 - Debt for new acquisitions
 - **One of the most cost efficient operators**
- **Investment in Vessels**
 - **Purchase of bulkers / containers**
 - **Joint Ventures**
 - **Own Fleet renewal**
- **Mergers & Acquisitions**
 - **Cash is “king”**
 - **Cost reduction is the name of the game**
 - **Consolidate high-cost / high-leverage peers**