

Capital Link  
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## 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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## Introduction & Milestones

- » Euroseas is a provider of worldwide dry cargo transportation services and owner of ships
  - Container and multipurpose ships – transporting dry and refrigerated cargoes
  - Drybulk carriers – transporting iron ore, coal and grains and minor bulks
  
- » Corporate Profile
  - Formed in June 2005 - about 35% owned by founding shareholder
  - Founding shareholder, the Pittas family, owned/operated vessels since 1870
  - Listed on NASDAQ / abt \$125 million market capitalization (based on stock price of \$4 / sh)
  - Maintained dividend for 22<sup>th</sup> consecutive quarter / current annual yield abt 6%
  
- » Company Position & Valuation
  - Strong balance position: cash of \$34m+ / debt of \$88 m
  - Ratio of debt to market value of vessels is less than 40%
  - Trading at a high EV/EBITDA ratio because of depressed containership market
  - Currently undervalued, trading at a P/NAV ratio of less than 0.7x
  
- ➔ Significant exposure to the recovering containership market  
Fully contracted dry bulk fleet supports dividend yield



## 2010 Developments

- » **Euromar, a joint venture of Euroseas with Eton Park and Rhône Capital, was formed in March 2010 with a total capital commitment of \$175m**
  - Done to provide access to capital to take advantage of opportunities in the containership sector without dilution to Euroseas shareholders (NAV-to-NAV conversion)
  - Euroseas committed \$25m for a participation of about 14.3%
  - 6 vessels were acquired to-date with about half of the committed funds
  - Capacity to invest another \$90m of equity
- » **22 vessels in the Euroseas/Euromar fleet**
  - Containership, m/v Aggeliki P was also acquired in June 2010 in addition to Euromar vessels
- » **All of our vessels are currently employed**
  - Laid-up ships, Jonathan P and Despina P, were reactivated and chartered
  - Eleni P was released from the pirates on December 11, 2010
  - Eleven vessels drydocked in 2010; five are scheduled in 2011, three of which in the first quarter

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

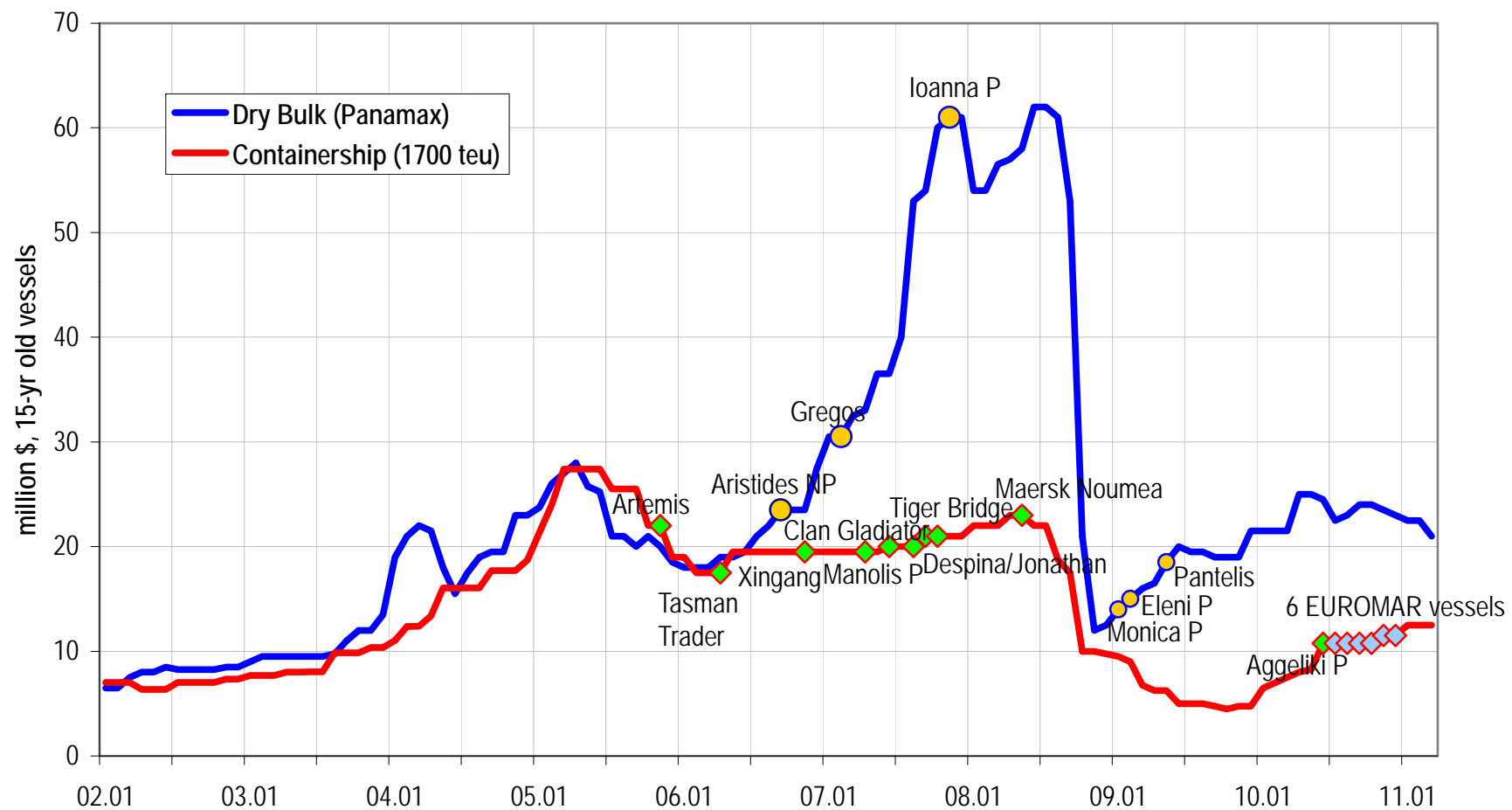
	Name	Type	Size		Year	Acquisition
			DWT	TEU	Built	Year
Drybulk Carriers	Pantelis	Panamax	74,020	-	2000	2009
	Eleni P	Panamax	72,119	-	1997	2009
	Irini	Panamax	69,734	-	1988	2002
	Aristides NP	Panamax	69,268	-	1993	2006
	Monica P	Handymax	46,667	-	1998	2009
Container ships	Maersk Noumea	Intermediate	34,677	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
	Jonathan 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
	Tasman Trader	Multipurpose	22,568	950	1990	2006
<b>Total</b>	<b>16 vessels</b>	<b>628,730</b>	<b>18,737</b>	<b>17 yrs</b>		

# Euromar Fleet

Container ships

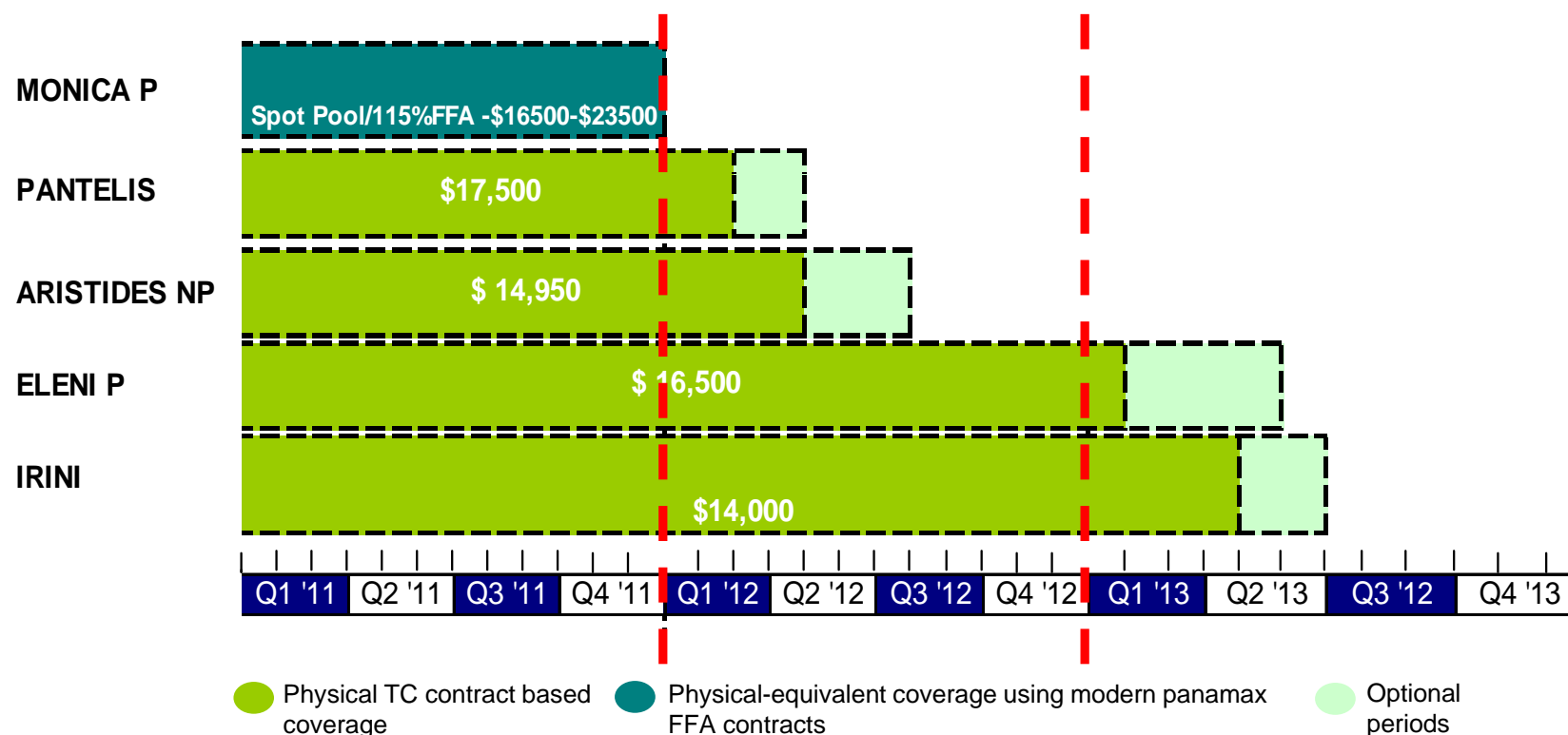
Name	Type	Size		Year	Acquisition
		DWT	TEU	Built	Year
<b>CMA-CGM TELOPEA<sup>(1)</sup></b>	<b>Intermediate</b>	<b>37,180</b>	<b>2,785</b>	<b>2007</b>	<b>2010</b>
<b>EM ATHENS</b>	<b>Intermediate</b>	<b>32,350</b>	<b>2,506</b>	<b>2000</b>	<b>2010</b>
<b>EM CHIOS</b>	<b>Intermediate</b>	<b>32,350</b>	<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>	

# Euroseas Acquisitions 2005-2010



# Vessels Employment Chart – Bulkers

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

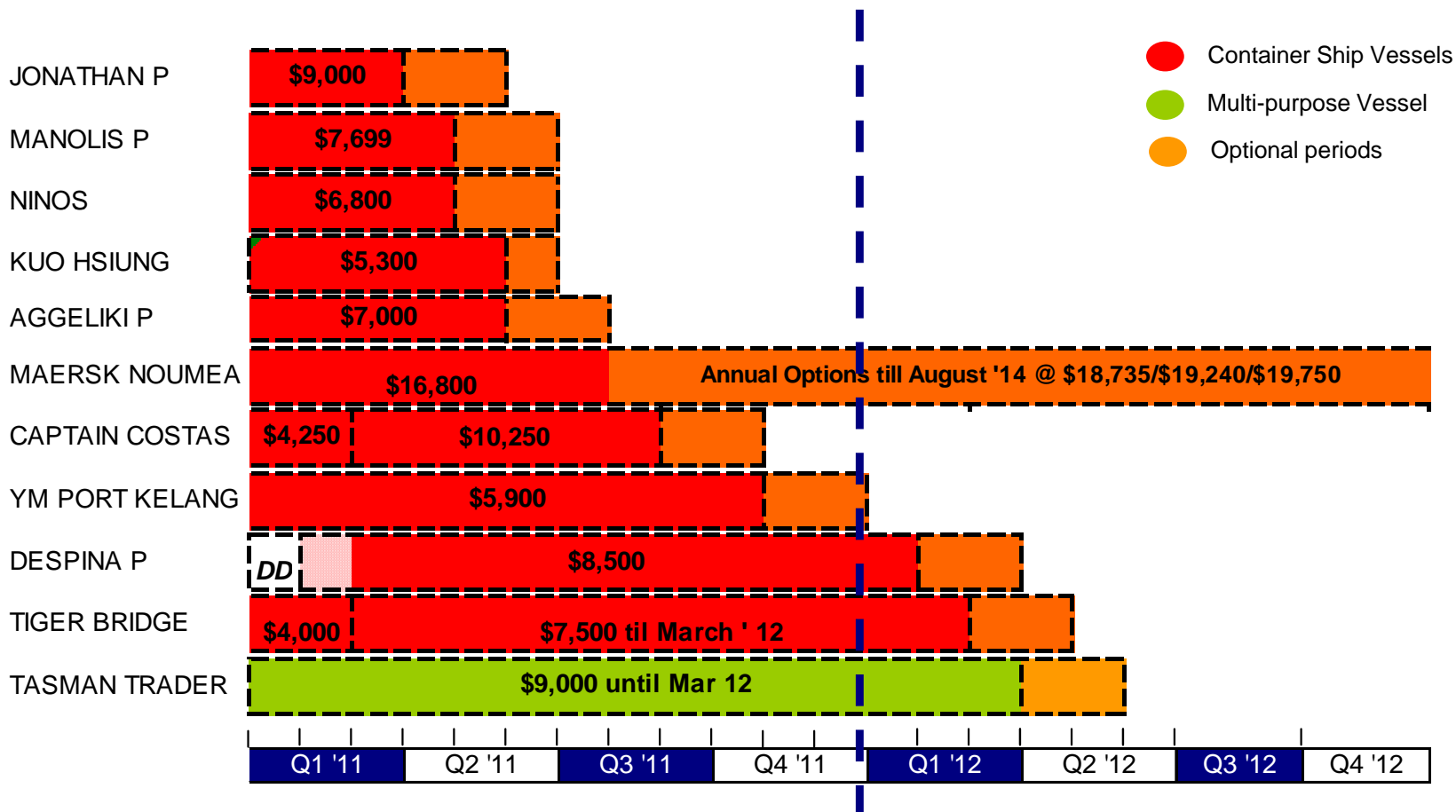


Notes: 1) Irimi is equivalent to 86% of a modern panamax; Aristides NP to 89%; Monica P to 86%; Eleni P to 93% and Pantelis to 99%.



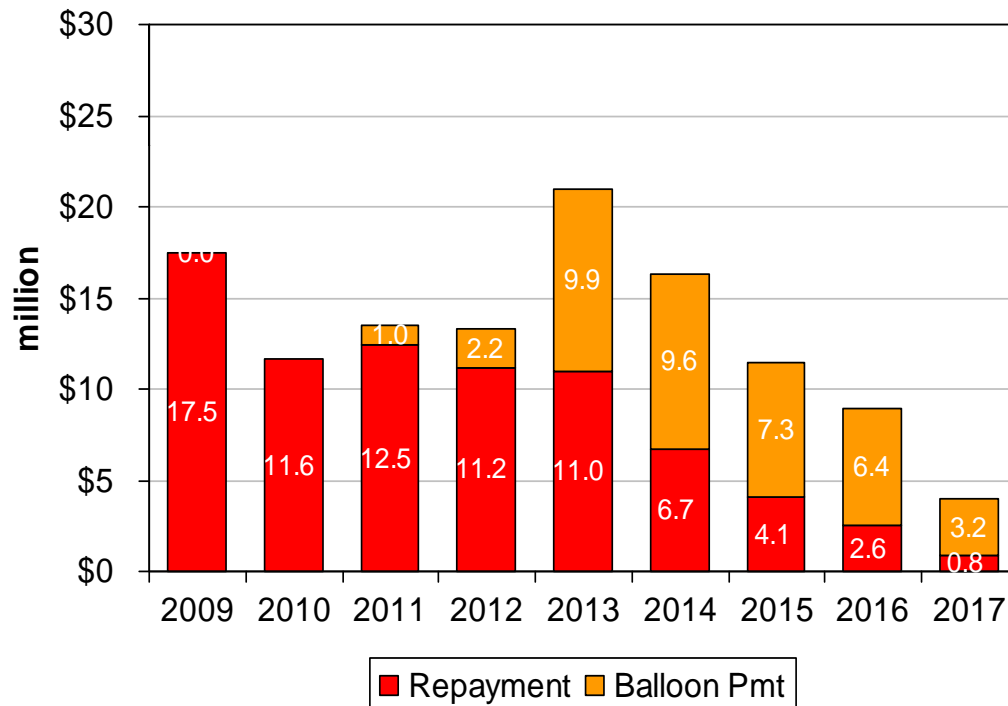
# Vessels Employment Chart – Containerships

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



# Debt Repayment Profile

## Debt Repayment Schedule – As of 3/15/2011



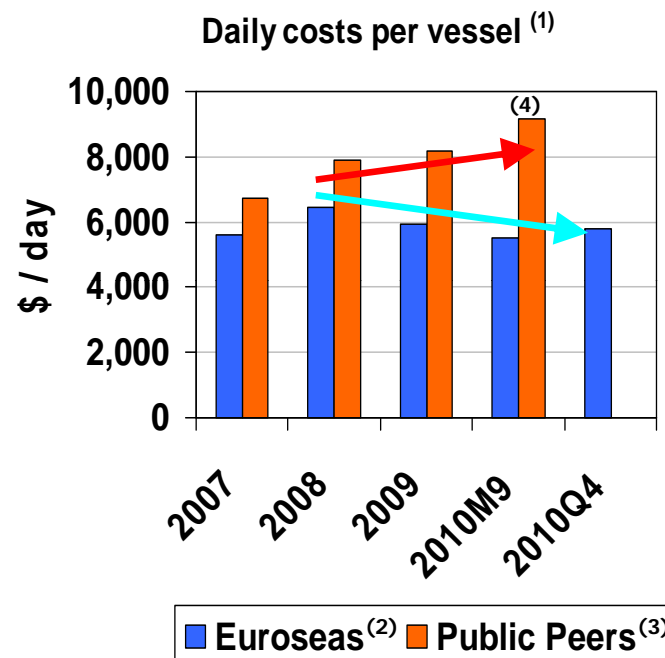
## Cash Flow Breakeven

» 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>

## Fleet Management & Operational Performance

- » Operational fleet utilization rate in excess of 98.5% over last 5 years
  - Outstanding safety and environmental record
  - For 2010Q4, operational fleet utilization 99.0% and commercial 99.7%
  - 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)

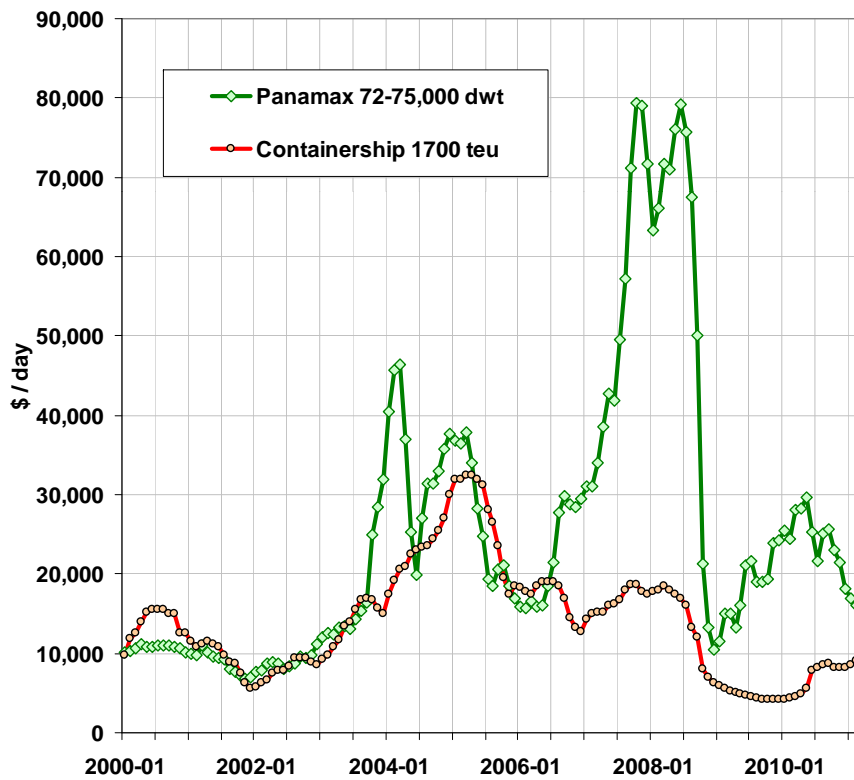
(2) 2009 figure was increased by abt \$600/day to account for the lower cost of the 3 laid-up vessels; 2010M9 figure was increased by abt \$350/day to account for the lower cost of the laid-up vessels (2 in 2010H1 and 1 in 2010Q3);

(3) Peer group includes DRYS, DSX, EGLE, EXM, GNK, OCNF and FREE (drybulk), and SSW, DAC (containership) – (2010Q1 figures for DRYS).

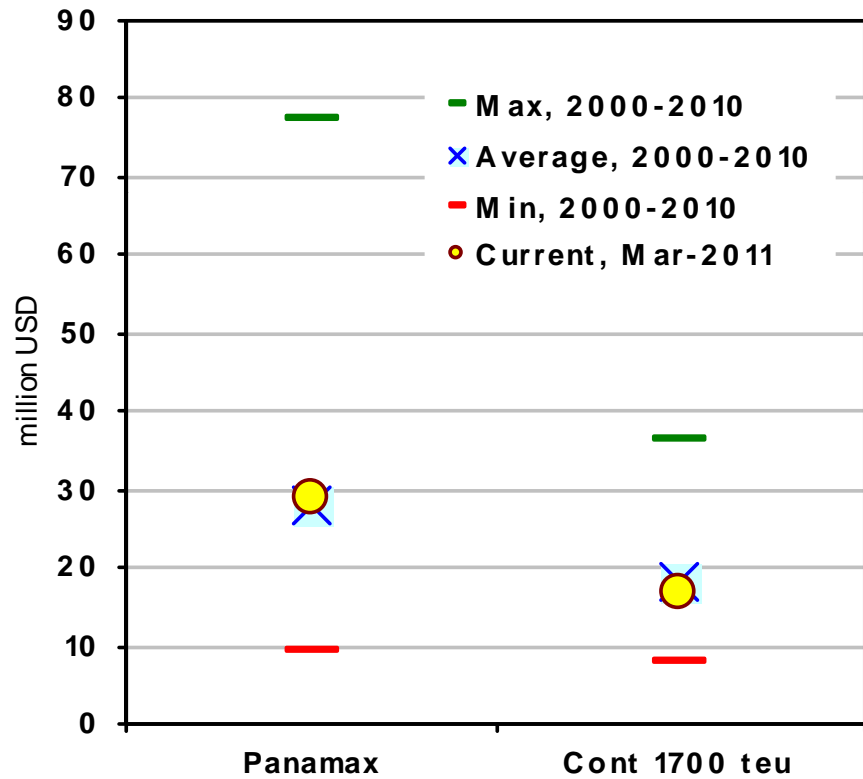
(4) SSW had a significant increase in G&A in Q3 (non-cash compensation expense); without DRYS and SSW, peer average is \$8,000/day for 2010M9.

# Market Snapshot – Investment Opportunities

## 1-Year TC Rates



## 10-yr old Price Historical Range





## Strategy & Growth

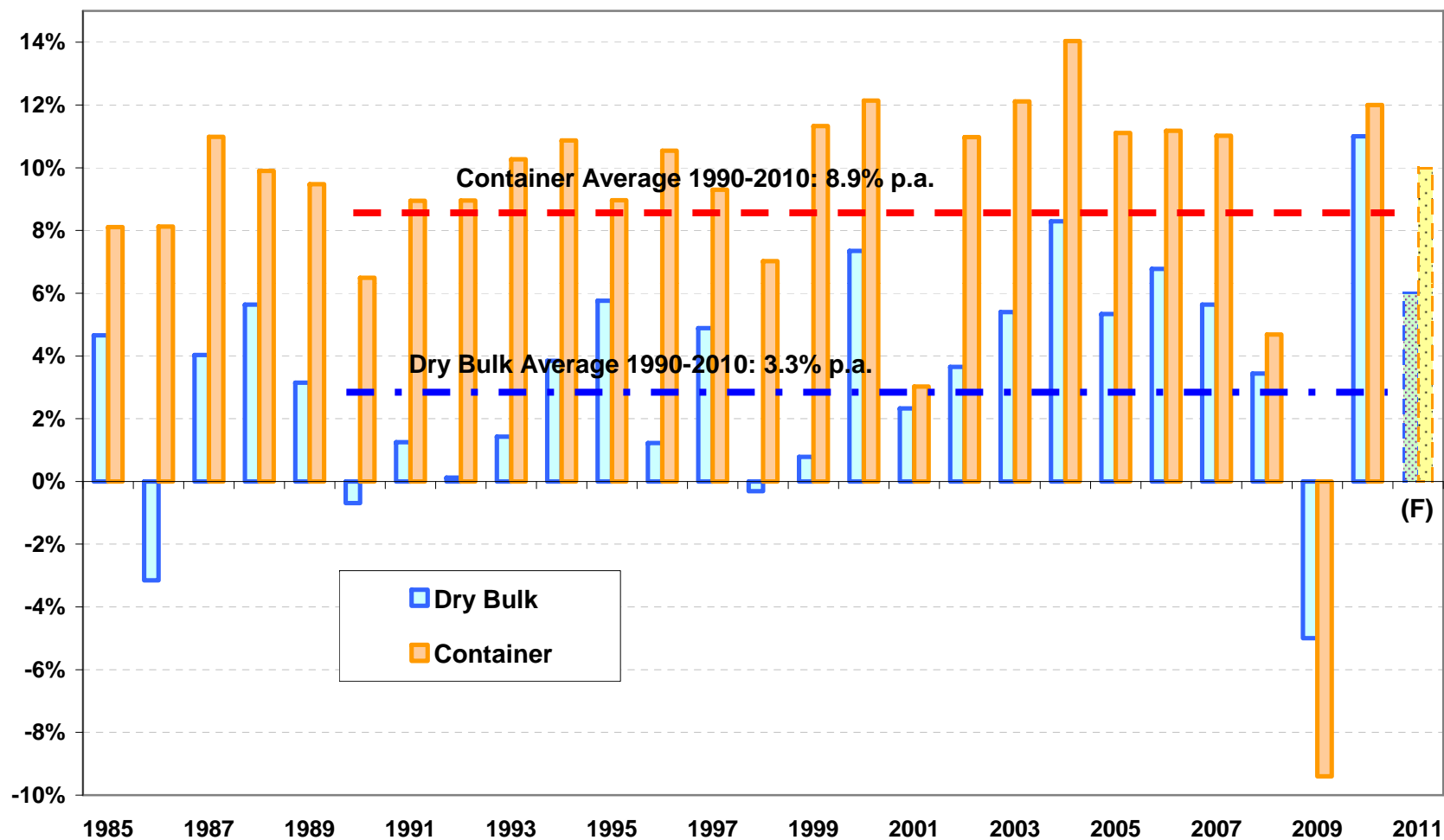
- » Euroseas strategy of investing in both containerships and bulkers worked well over the last five years:
  - Avoided investing in bulkers in 2007 and 2008
  - Maintained a revenue base well into 2009 due to its containership charters while investing in bulkers at the bottom of the market, and,
  - 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 containerships are to have their charters renewed in 2011
  - All drybulklers are chartered well into 2012
  
- » Focused on:
  - Adding value & size without dilution: more investments to be made if opportunities exist
    - Directly by Euroseas – about \$25 million of equity available
    - Via Euromar – about \$90 million of equity available
  - Keeping risks low => moderate leverage
  - Maintaining a meaningful dividend



Market Overview



# Dry Bulk & Containerized Trade Growth, 1987-2010



Source: Clarksons

## World GDP & Shipping Demand Growth

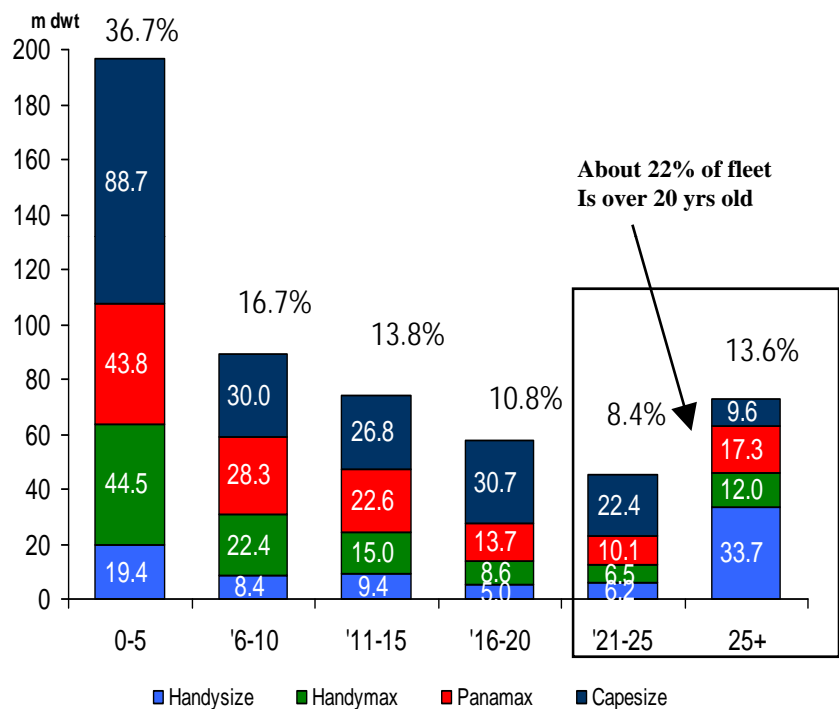
Real GDP (% p,a)	2007	2008	2009	2010	2011f	2012-15f
USA	2.5	1.1 (1.8)	-2.6 (-1.6)	2.8 (2.7)	3.0 (2.3)	2.8
Eurozone	2.7	0.8 (1.8)	-4.1 (-2.0)	1.8 (1.0)	1.5 (1.5)	1.8
Japan	1.9	-0.7 (1.4)	-6.3 (-2.6)	4.3 (1.7)	1.6 (1.5)	1.8
China	11.2	9 (10.1)	9.2 (6.7)	10.3 (10.0)	9.6 (9.6)	9.5
India	9.0	7.3	5.7 (5.1)	9.7(7.7)	8.4 (8.4)	8.1
Russia	8.1	5.6	-7.9 (-0.7)	3.7 (3.6)	4.5 (4.3)	3.5
Brazil	5.4	5.1	-0.6 (-1.8)	7.5 (4.7)	4.5 (4.1)	4.0
NIE Asia	5.6	1.6	-0.9 (3.9)	8.2 (4.8)	4.7 (4.5)	4.3
ASEAN-5	6.3	4.8 (5.5)	1.7 (2.7)	6.7 (4.7)	5.5 (5.4)	4.6
<b>World</b>	<b>5.0</b>	<b>3.2(4.1)</b>	<b>-0.6(3.4)</b>	<b>5.0 (3.9)</b>	<b>4.4 (4.2)</b>	<b>4.6</b>
<i>Figures in parantheses:</i>		<i>(Begin of respective year forecasts, '08-10)</i>			<i>(2011:Last forecast, Oct-10)</i>	
<b>Dry Bulk Trade (% p,a)</b>						
Tons	6.5 (4)	3.3 (4)	-5 (-3)	11 (5)	6 (7)	6.0
<b>Containerized Trade (% p,a)</b>						
TEU	10.4 (10)	6.1(10)	-9.4 (5.5)	12 (8)	10 (10.6)	8-10
<i>Figures in parantheses:</i>		<i>(Begin of respective year forecasts, '07-10)</i>			<i>(2011:Last forecast, Oct-10)</i>	

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



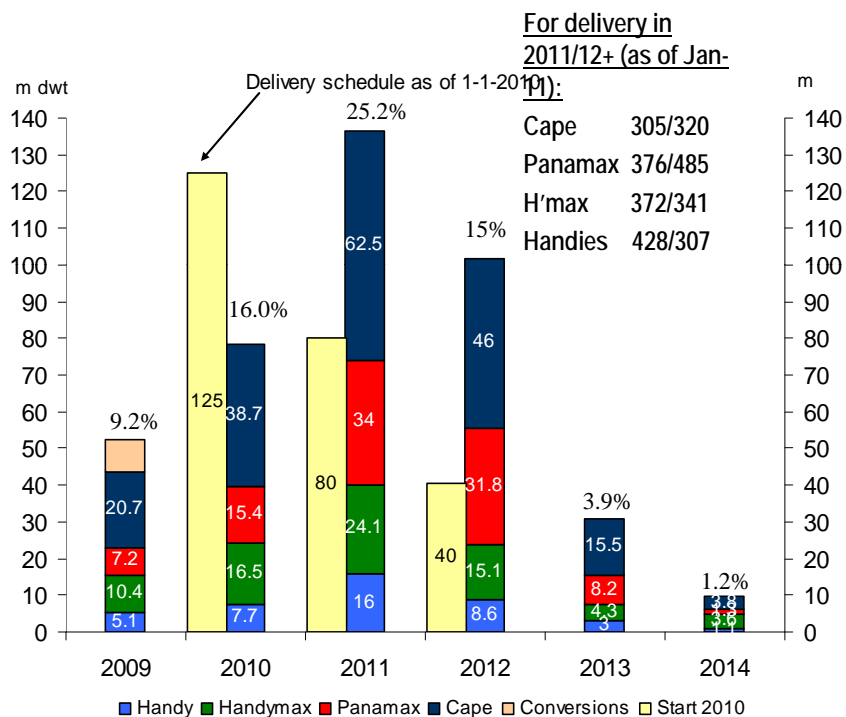
# Drybulk Age Profile & Orderbook Delivery Schedule

## Dry Bulk Age Profile



**Large bulkers are still young**

## Dry Bulk Orderbook (1)



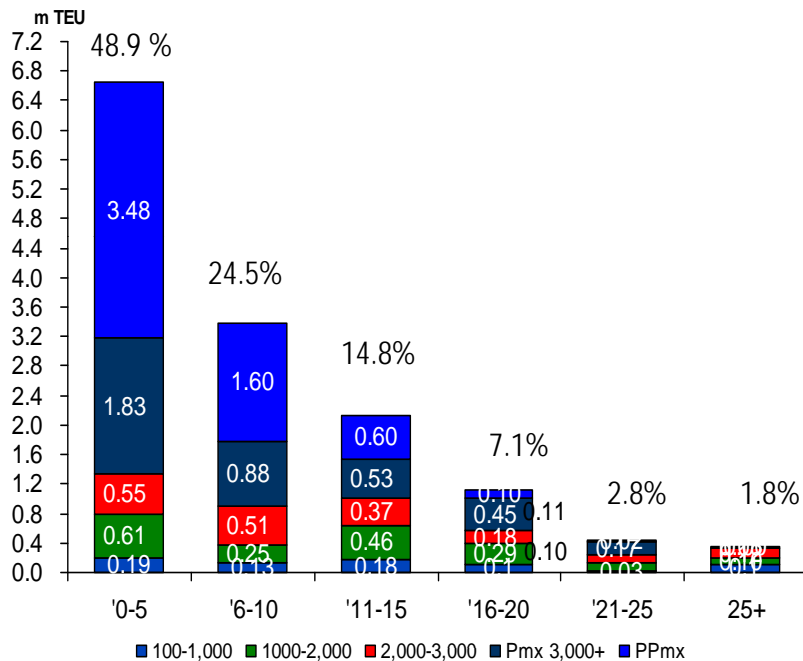
**Large Vessels Dominate Orderbook**

Source: Clarksons/Dahlman Rose, as of January 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 (January 2011)

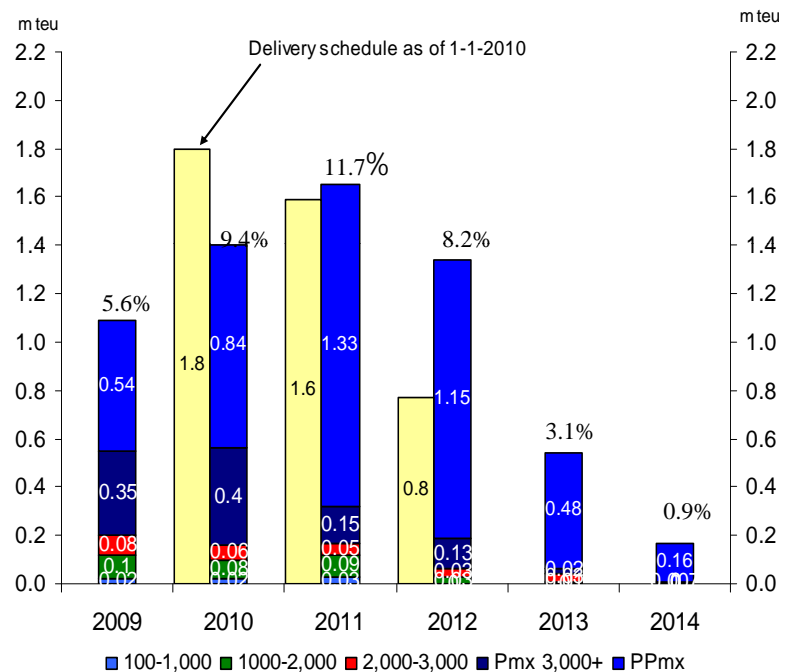
# Containership Age Profile & Orderbook Delivery Schedule

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



**Overall A Young Fleet**

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



**Large Vessels Dominate Orderbook**

Source: Clarksons as of January 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 0.5 m teu accounted for about 28% of the scheduled deliveries.

## Indicative Supply/Demand Balance

	Dry Bulk Orderbook - 52% (Jan-11)				Container Orderbook - 27% (Jan-11)			
	2010	2011	2012	2013	2010	2011	2012	2013
Trade Demand Growth <sup>(1)</sup>	11.0%	6.0%	6.0%	6.0%	12.0%	10.0%	9.0%	9.0%
Effect of tmiles, cong., piracy, slow steam	3.0%	-	-	-	4.0%	-	-	-
Delivery Schedule <sup>(2)</sup>	27.3%	25.2%	15.0%	3.9%	14.7%	11.7%	8.2%	3.1%
Net New Orders, Delays, Cancellations <sup>(3)</sup>	-10.1%	-10.8%	-	5.0%	-3.9%	-3.7%	-	6.0%
Scrapping <sup>(4)</sup>	-1.2%	-5.0%	-6.0%	-5.0%	-1.0%	-1.0%	-1.0%	-0.5%
Other additions/removals	-	-	-	-	-0.4%	-	-	-
Fleet Growth	16.0%	9.4%	9.0%	3.9%	9.4%	7.0%	7.2%	8.6%
<b>Supply/Demand Balance</b>	<b>-2.0%</b>	<b>-3.4%</b>	<b>-3.0%</b>	<b>2.1%</b>	<b>6.6%</b>	<b>3.0%</b>	<b>1.8%</b>	<b>0.4%</b>
End-Yr Panamax / 1700 teu 1-yr TC Rate	<b>\$16,750</b>				<b>\$8,400</b>			

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 and Clarksons and Company estimates; shown at an annualized rate
2. Delivery schedule as per previous slides based on Clarksons figures; 2011 schedule as of the begging of 2011
3. Dry bulk delivery net delays and cancellations were 40% for 2009, 37% for 2010, assumed 40% for 2011 and 0% for 2012 on the schedule as of 1/1/11
4. Containership net delivery delays and cancellations were 50% in 2009 and 25% for 2010 and assumed 25% for 2011 and 0% for 2012 on the schedule of 1/1/11
5. Scrapping rate assumes that all vessels above 25 yrs old get scrapped at the next scheduled drydock date



## Euroseas Market Position

*We have what it takes ...*

- » Strong Balance with low leverage & funds available for investment
- » Secured cash from dry bulk fleet and exposure to rising containership market
- » One of the lowest cost operating structures
- » Team and experience

*... to take advantage of the opportunities ahead*

*and*

*increase shareholder value*

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## Appendix: Selected Financial Information – 2008, 2009 & 2010

## Financial Highlights: 4<sup>th</sup> Quarter and Full Year of 2009 and 2010

(in million USD except per share amounts)	Fourth Quarter			Full Year		
	2009	2010	change % (4)	2009	2010	change % (4)
<b>Net Revenues</b>	\$16.5	\$12.8	-22.3%	\$63.8	\$52.5	-17.7%
<b>Net Income</b>	(\$16.3)	(\$0.9)		(\$15.6)	(\$6.6)	
<b>(Gain) / loss on derivatives &amp; unrealized (gain) / loss on trading securities</b>	\$9.9	(\$2.4)		\$15.8	\$4.4	
<b>Loss on vessel sale</b>	\$9.0	-		\$9.0	-	
<b>Amort. FV of charters, net</b>	(\$2.5)	(\$0.5)		(\$3.6)	(\$2.1)	
<b>Adj. Net Income</b>	\$0.1	(\$3.9)		\$5.5	(\$4.3)	
<b>Adjusted EBITDA <sup>(1)</sup></b>	\$4.9	\$1.0	-79.1%	\$24.9	\$14.4	-41.9%
<b>"GAAP" EPS, Diluted <sup>(2)</sup></b>	(\$0.53)	(\$0.03)		(\$0.51)	(\$0.21)	
<b>"Operating" <sup>(3)</sup> Adj. EPS, Diluted</b>	\$0.00	(\$0.12)		\$0.18	(\$0.14)	
<b>Dividends per share, declared</b>	\$0.05	\$0.06		\$0.30	\$0.23	

- (1) See press release of 2/22/2011 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.
- (2) Calculated on 30,813,960 and 30,648,991 weighted average number of diluted shares for 2009 and 30,968,108 and 30,900,122 diluted shares for 2010.
- (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 2/22/2011 for reconciliation to Net Income.
- (4) Calculated based on figures in press release of 2/22/2011, i.e. before rounding to million USD

## Fleet Data for 4<sup>th</sup> Quarter and Full Year of 2009 and 2010

<b><u>Fleet Statistics</u></b>	<b>Fourth Quarter</b>		<b>Full Year</b>	
	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>
	<b><u>(unaudited)</u></b>	<b><u>(unaudited)</u></b>	<b><u>(unaudited)</u></b>	<b><u>(unaudited)</u></b>
<b>Number of vessels</b>	<b>16.68</b>	<b>16.00</b>	<b>16.30</b>	<b>15.53</b>
<b>Utilization Rate (%)</b>				
<b>Overall<sup>(1)</sup></b>	<b>93.8%</b>	<b>98.7%</b>	<b>94.8%</b>	<b>99.2%</b>
<b>Commercial<sup>(1)</sup></b>	<b>94.7%</b>	<b>99.7%</b>	<b>95.5%</b>	<b>99.9%</b>
<b>Operational<sup>(1)</sup></b>	<b>99.1%</b>	<b>99.0%</b>	<b>99.3%</b>	<b>99.3%</b>
<b><u>Averages in usd/day/vessel</u></b>				
<b>Time Charter Equivalent (TCE)</b>	<b>\$ 13,892</b>	<b>\$ 10,091</b>	<b>\$ 13,698</b>	<b>\$ 11,201</b>
<b>Operating Expenses</b>				
Vessel Operating Expenses	4,955	5,329	4,832	4,657
G&A Expenses	516	445	612	534
<b>Total Operating Expenses</b>	<b>5,471</b>	<b>5,774</b>	<b>5,444</b>	<b>5,191</b>
<b>Interest Expense</b>	<b>267</b>	<b>276</b>	<b>242</b>	<b>264</b>
<b>Drydocking Expense</b>	<b>-</b>	<b>2,023</b>	<b>321</b>	<b>1,153</b>
<b>Loan Repayments</b>	<b>4,935</b>	<b>1,770</b>	<b>2,942</b>	<b>2,052</b>
<b>Total Cash Flow Breakeven</b>	<b>10,673</b>	<b>9,843</b>	<b>8,949</b>	<b>8,660</b>

- (1) Utilization Rate is calculated excluding scheduled offhire (drydockings and special surveys and vessels in lay-up). Scheduled offhire amounted to 262.0 and 966.50 days for the fourth quarter and full year of 2009 and 120.7 and 715.9 days for the same periods of 2010.