

Euroseas Ltd

Capital Link 7th Annual
Invest in International Shipping Forum

March 21, 2013



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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Euroseas Ltd: Introduction & Milestones

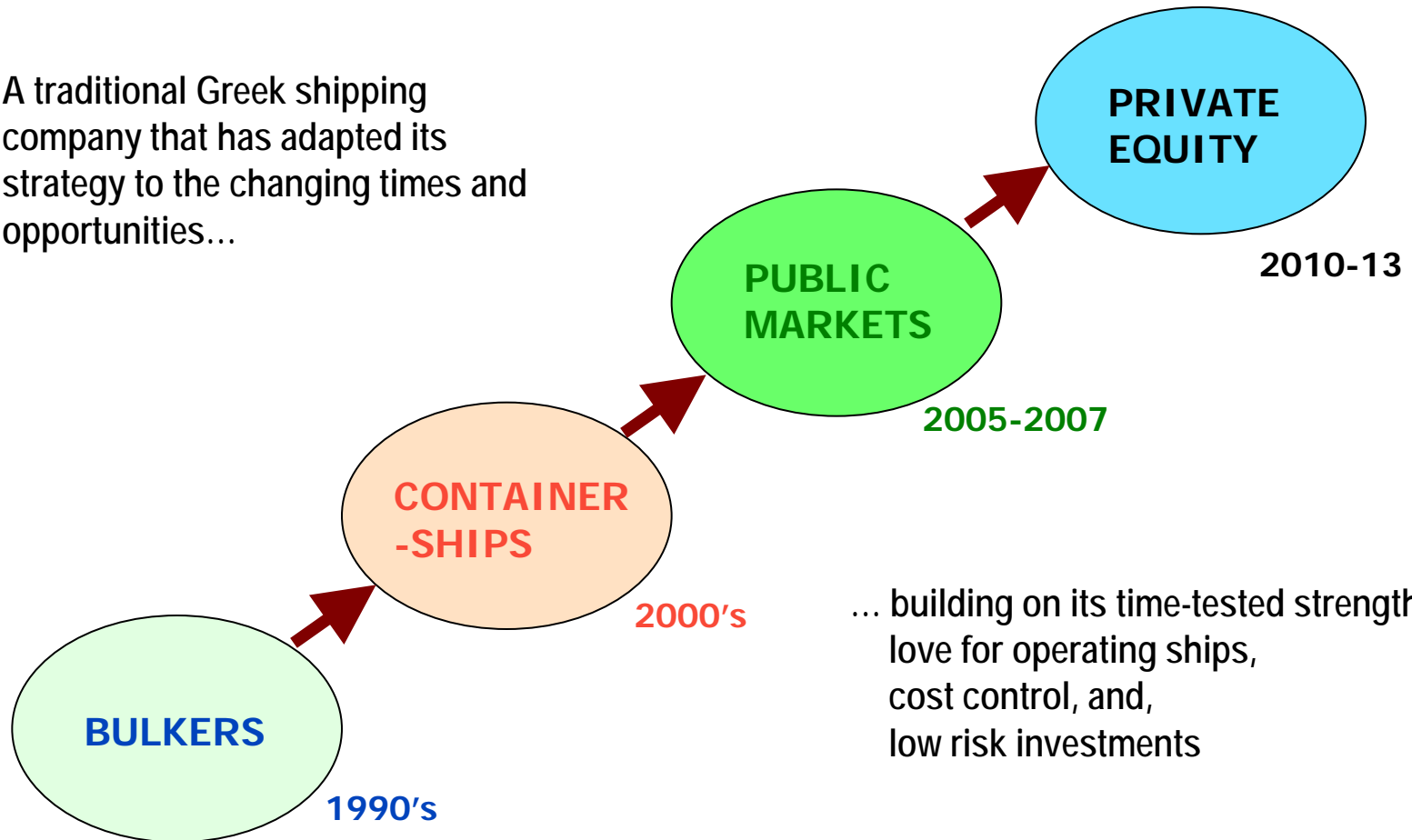
- » **Euroseas is a provider of worldwide dry cargo transportation services and owner of ships**
 - Drybulk carriers – transporting iron ore, coal, grains and minor bulks
 - Container and multipurpose ships – transporting dry and refrigerated cargoes

- » **Corporate Profile**
 - Formed in June 2005; backed by the Pittas family which owns about 45%
 - The Pittas family has owned & operated vessels since 1870 / current one is the 4th generation
 - Listed on NASDAQ since 2007
 - About \$45 million market capitalization (based on stock price of \$1.00 / share)
 - Has paid dividend for 30 consecutive quarters / current annual yield about 6%

- » **Company Position & Valuation**
 - Strong balance position: cash of \$43m+ / debt of \$62 m (as of December 31, 2012)
 - Ratio of debt to market value of vessels is about 70%
 - Currently trading at a P/NAV ratio in the range of 0.60x-0.65x

Euroseas Strategic Evolution

A traditional Greek shipping company that has adapted its strategy to the changing times and opportunities...



... building on its time-tested strengths: love for operating ships, cost control, and, low risk investments

Current Fleet *(not including Euromar vessels)*

Drybulk
Carriers

Containerships

Name	Type	Size		Year	Acquisition
		DWT	TEU	Built	Year
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
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
OEL Bengal	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	19.1 yrs	

Euromar Joint Venture

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	9.3

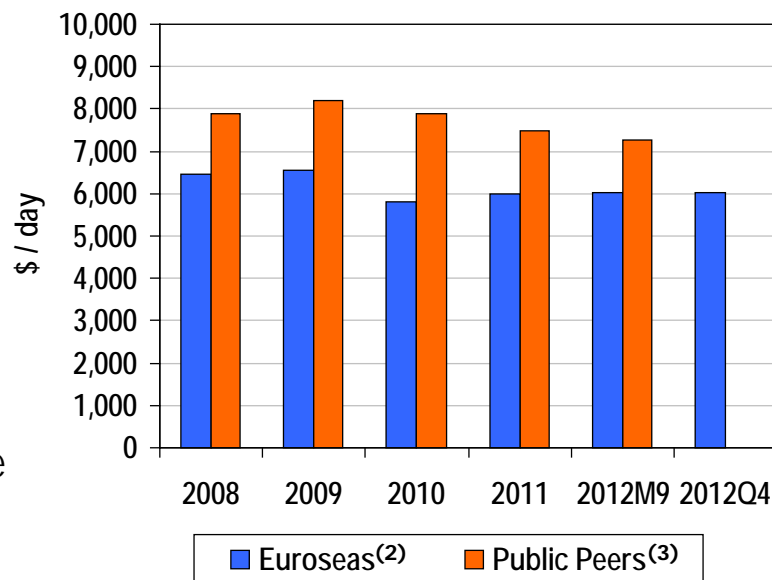
NOTES: (1) Acquired with above market charter

- Started in March 2010
 - With Rhone Group & Eton Park Capital as partners
- Original capital commitment: \$175m
 - Euroseas committed \$25m
 - Partnership has called 75% (about \$131 million), and, has about \$44 million available.
- Has bought 10 containerships
 - Between 1700 and 3100 teu

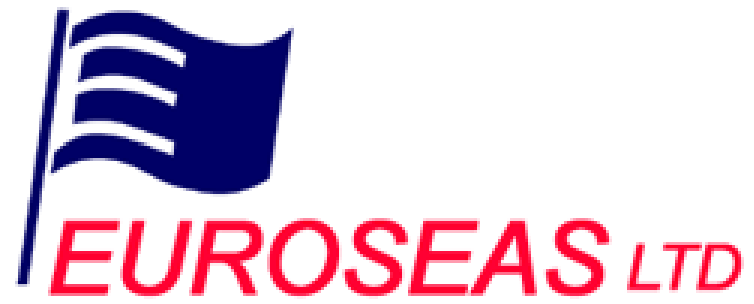
Fleet Management & Operational Performance

- Operational fleet utilization rate in excess of 98.5% over last 5 years
 - Outstanding safety and environmental record
 - For 2012Q4, operational fleet utilization 99.1% and commercial 99.8%
 - For 2012, operational fleet utilization 99.4% and commercial 96.2%
- 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 and 2012.



Market Outlook Overview





World Economic Growth

- **World economy still expected to grow at modest levels: about 3.5% in 2013**
 - Stock market optimism does not seem supported by economic growth expectations
 - Asian economies still provide the largest contribution to the world growth, especially the NIE ones
- **Political & economic uncertainties characterize the economic landscape:**
 - Some positives:
 - The US economy continues to improve even at a slower than desired pace
 - Japan to stimulate growth with higher spending.
 - Some negatives:
 - The US fiscal cliff has still to be conclusively resolved.
 - China's economic trends (slowdown / resumption of growth?)
 - The Eurozone could remain in recession for an other year
 - Continued unease with Eurozone's ability to deal with debt/bank crisis (latest example: Cyprus)
 - Inconclusive elections in Italy, upcoming elections in Germany increase uncertainty
 - BRIC countries' expected growth in 2013 lower than previously forecasted – in part due to the continued growth sluggishness of the developed world.

World GDP & Shipping Demand Growth

Real GDP (% p.a. - IMF)	2009	2010	2011	2012	2013F (*)	2014F (*)	2015F (*)
USA	-2.6 (-1.6)	2.8 (2.7)	1.8 (3.0)	2.3 (1.8)	2.0(2.1)	3.0(2.9)	3.4
Eurozone	-4.1 (-2.0)	1.8 (1.0)	1.6 (1.5)	-0.4 (-0.5)	-.02(0.2)	1.0(1.2)	1.5
Japan	-6.3 (-2.6)	4.3 (1.7)	-0.9 (1.7)	2.0(1.7)	1.2(1.2)	0.7(1.1)	1.2
China	9.2 (6.7)	10.3 (10.0)	9.2 (10.3)	7.8 (8.2)	8.2(8.2)	8.5(8.5)	8.5
India	5.7 (5.1)	9.7(7.7)	7.4 (8.4)	4.5 (7.0)	5.9(6.0)	6.4(6.3)	6.7
Russia	-7.9 (-0.7)	3.7 (3.6)	4.1 (4.5)	3.6 (3.0)	3.7(3.9)	3.8(3.9)	3.9
Brazil	-0.6 (-1.8)	7.5 (4.7)	2.9 (4.5)	1.0 (3.0)	3.5(3.9)	4.0(4.2)	4.2
NIE Asia	-0.9 (3.9)	8.2 (4.8)	4.2 (4.7)	1.8 (4.0)	3.2(3.6)	3.9(4.1)	4.2
ASEAN-5	1.7 (2.7)	6.7 (4.7)	4.8 (5.5)	5.7 (4.8)	5.5(5.8)	5.7(5.7)	5.8
World	-0.5(3.4)	5.0 (3.9)	3.9 (4.4)	3.2 (3.3)	3.5(3.6)	4.1(4.1)	4.4

Figures in parantheses: (Begin of respective year IMF forecasts, '09-12) (2013/14: Previous forecast by IMF Oct-12)
2015 forecast by IMF Oct-12

Dry Bulk Trade (% p.a.)

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

Containerized Trade (% p.a.)

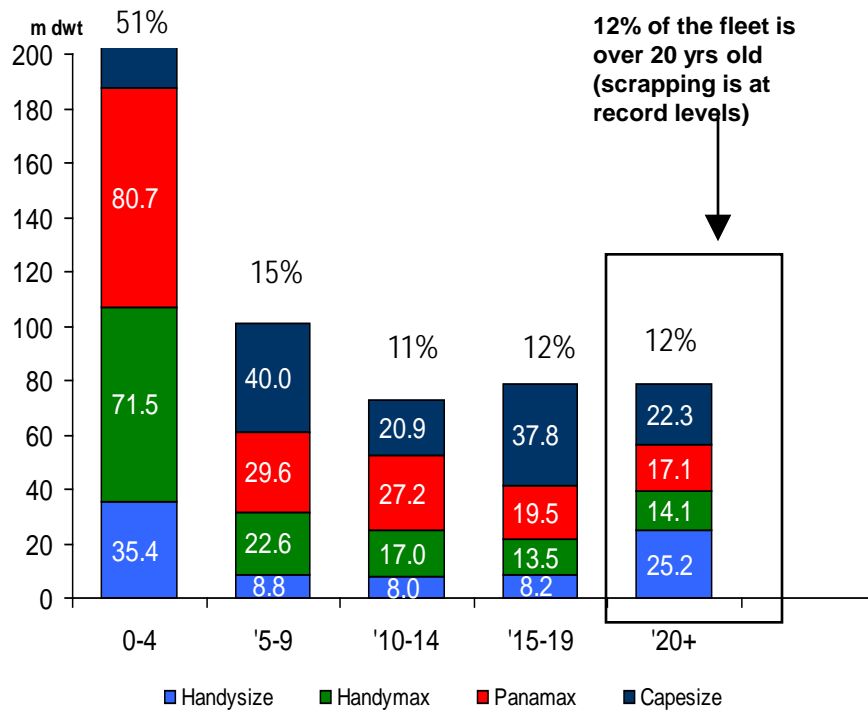
TEU -9.4 (5.5) 12.0 (8.0) 7.5(8.7) 3.7 (7.0) 6.1 (6.6) 8.5 (8.5)

Figures in parantheses: (Begin of respective year forecasts, '09-12) (2012/14: Last forecast Oct-12)

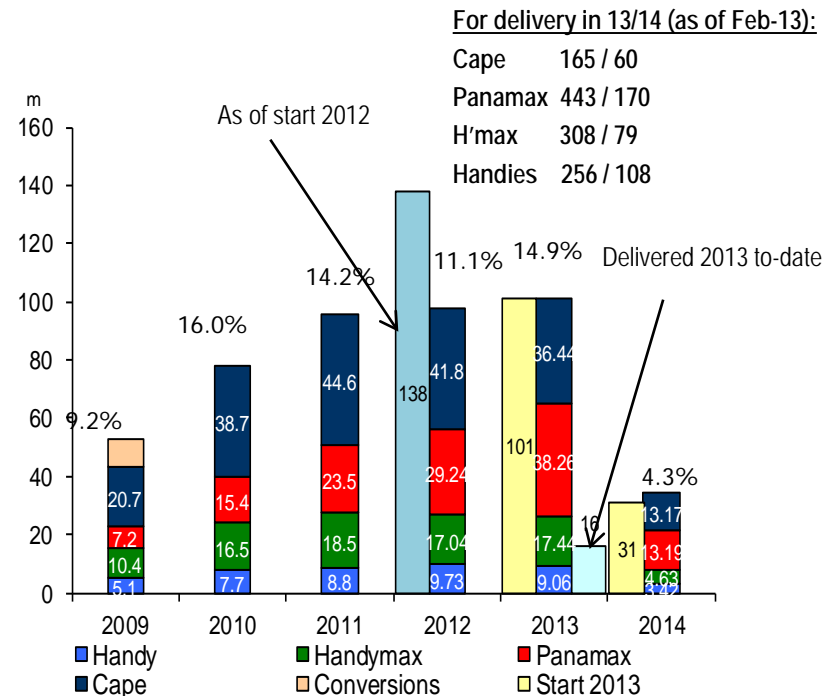
(*) Sources: GDP - International Monetary Fund: 2009-2012 and past estimates (in parentheses), 2013/14/15 IMF Forecasts;
Trade – Clarksons estimates (2013), Company estimates (2014); trade outlook takes into account revised economic views

Drybulk Age Profile & Orderbook Delivery Schedule

Dry Bulk Age Profile



Dry Bulk Orderbook



Source: Clarksons, as of February 2013.. 2009-2012 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) 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.

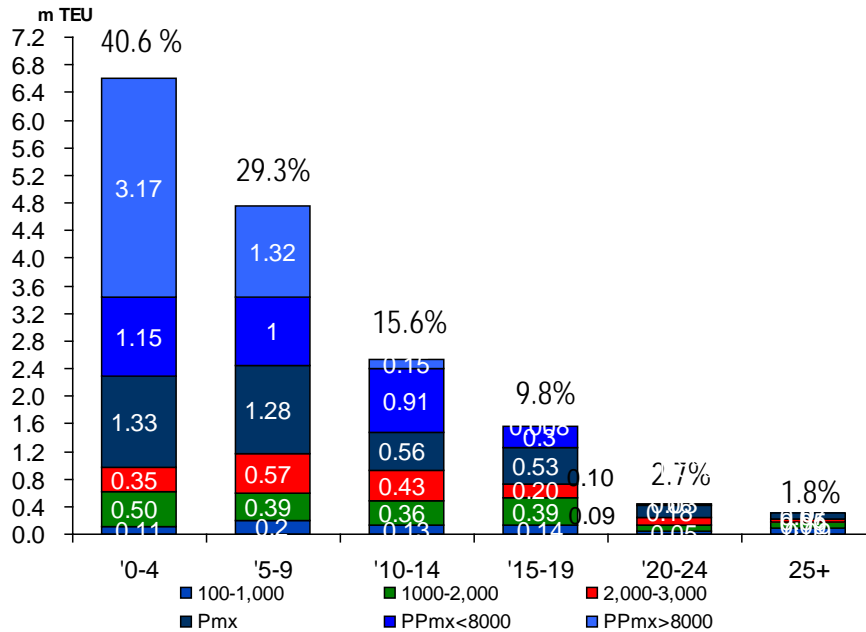
In 2011, scrapping accounted for 22.2 m dwt (4.2%), slippage and cancellations (43 m dwt) accounted for 29% of the scheduled deliveries.

In 2012, scrapping accounted for 32.9 m dwt (5.3%), slippage and cancellations (40 m dwt) accounted for 29% of the scheduled deliveries

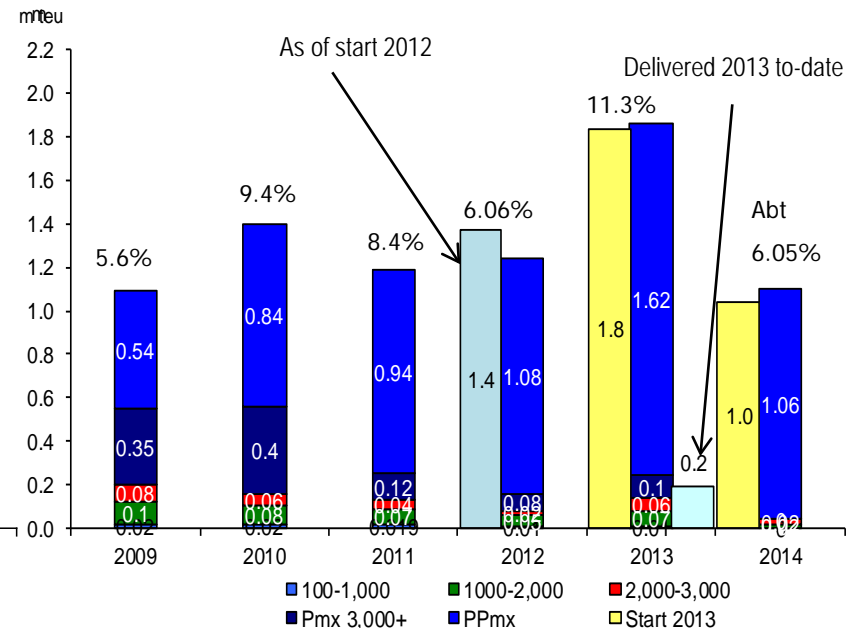
In 2013/14 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions (Feb 2013).

Containership Age Profile & Orderbook Delivery Schedule

Containership Age Profile



Container Orderbook



Source: Clarksons as of December 2012.

2009-2012 fleet percent change includes scrapping and other additions and removals. From 2013 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 1.9% of the fleet. Slippage and cancellations of about 0.5m teu accounted for about 25% of the scheduled deliveries.

In 2011, scrapping accounted for 0.075 m teu, or 0.5% of the fleet. Slippage and cancellations of about 0.46m teu accounted for about 27% of the scheduled deliveries.

In 2012, scrapping accounted for 0.32 m teu, or 2.1% of the fleet. Slippage and cancellations of about 0.128m teu accounted for about 9.3% of the scheduled deliveries.



Outlook Summary

Drybulk Market

- Chinese economic growth rate main determinant of dry bulk trade growth expectations
- Delivery net delays and cancellations are expected to be around 30% of scheduled deliveries in 2013
- Nevertheless, significant deliveries are expected to put pressure on the market for 2013
- Scrapping was at record levels in 2012 and could continue high as 12% of the fleet is over 20 years old
- 2014 will probably be the turning point unless we see a significant spike in new orders and/or the global economy remains in dire straits longer than anticipated

Containership Market

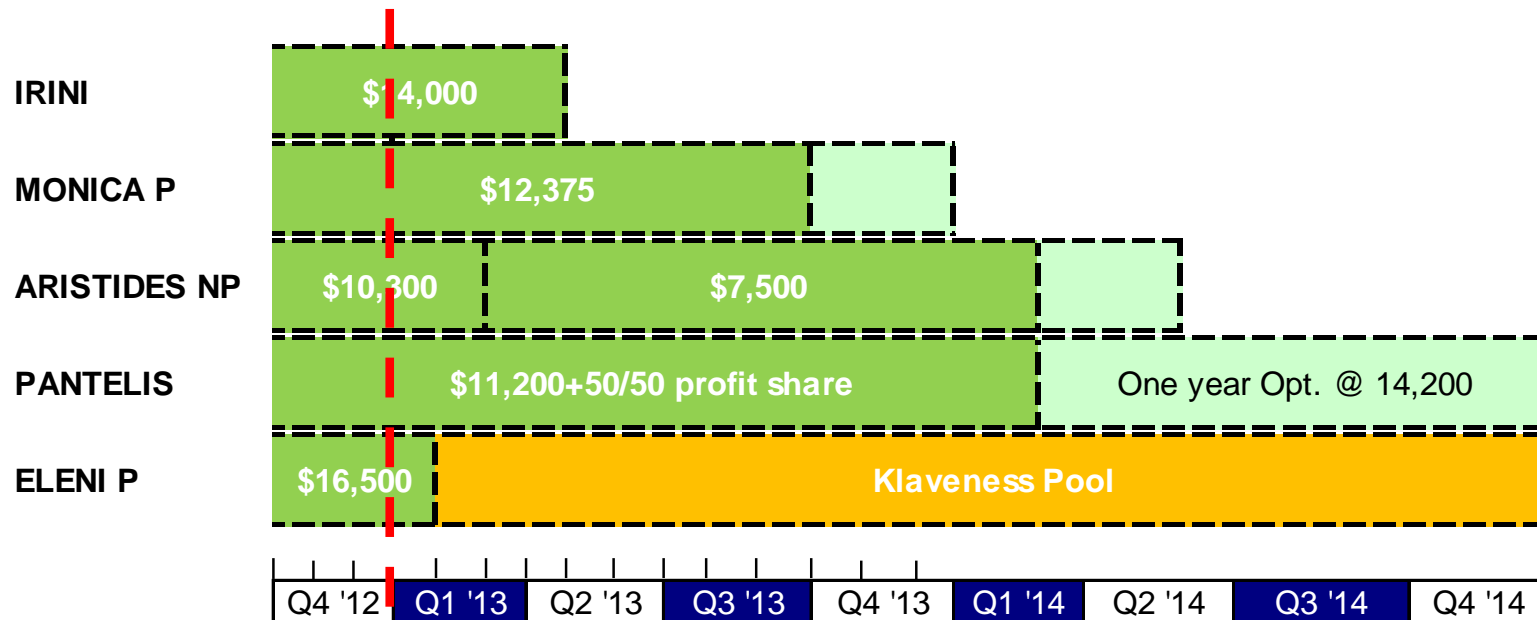
- Economic uncertainty affected containerized trade as consumers in Europe and North America have remained timid in their spending
- Fleet growth and demand growth should be fairly balanced in 2013 implying the market hovering around today's low levels. Small changes in this balance will determine the direction of the market
- If low levels of new vessel ordering are sustained, a recovery as of late 2013 / early 2014 is likely, but interest in "eco" ships could result in increased ordering
- Supply growth is concentrated in the large sizes but cascading has spread the oversupply effect to the feeder sector as well



Chartering, Funding & Investment Strategy

Vessels Employment Chart – Bulkers

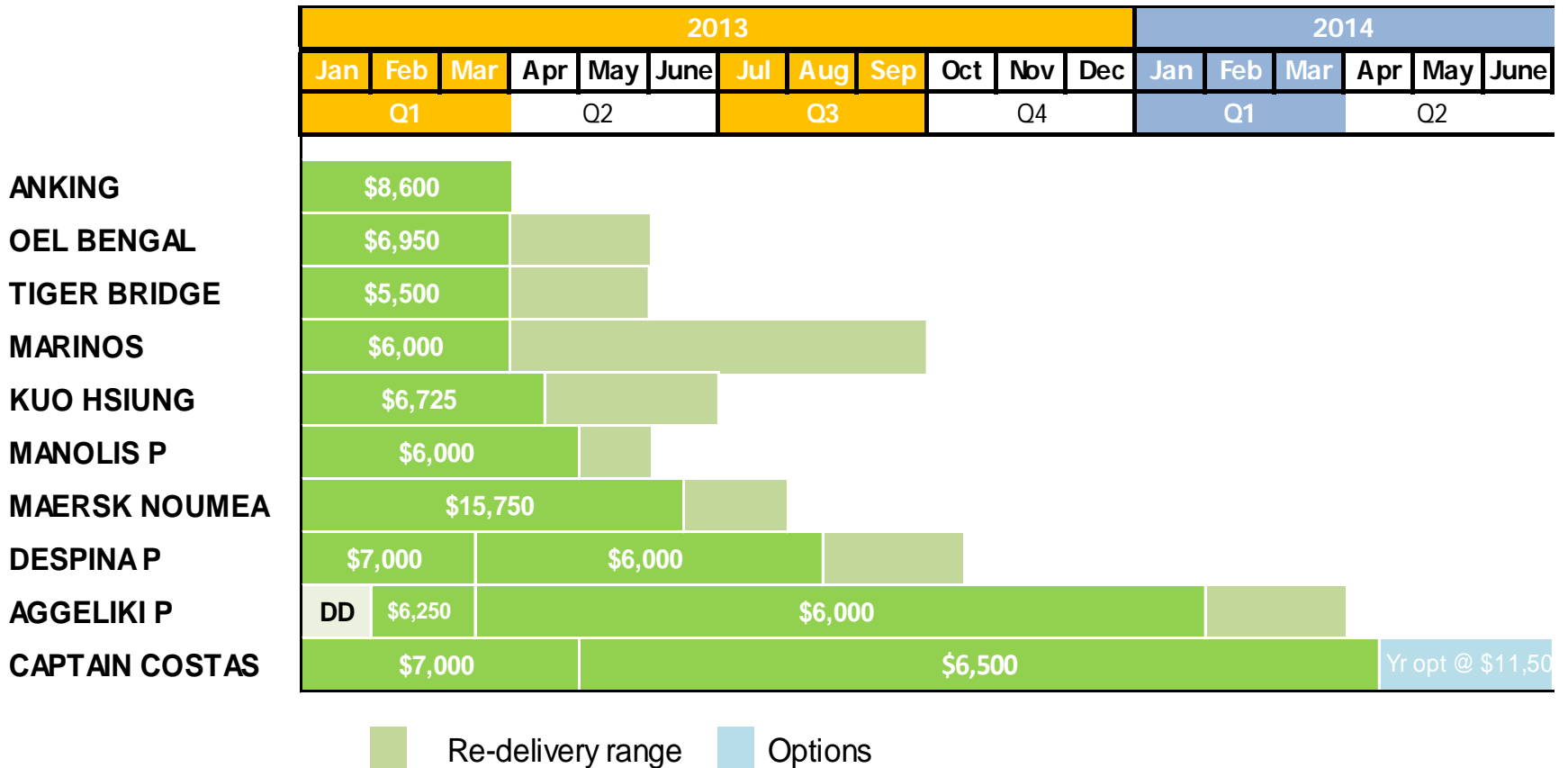
Coverage: 75% in 2013 and 25% in 2014



○ Optional periods / Re-delivery range
 ○ Pool-based revenues (spot employment)

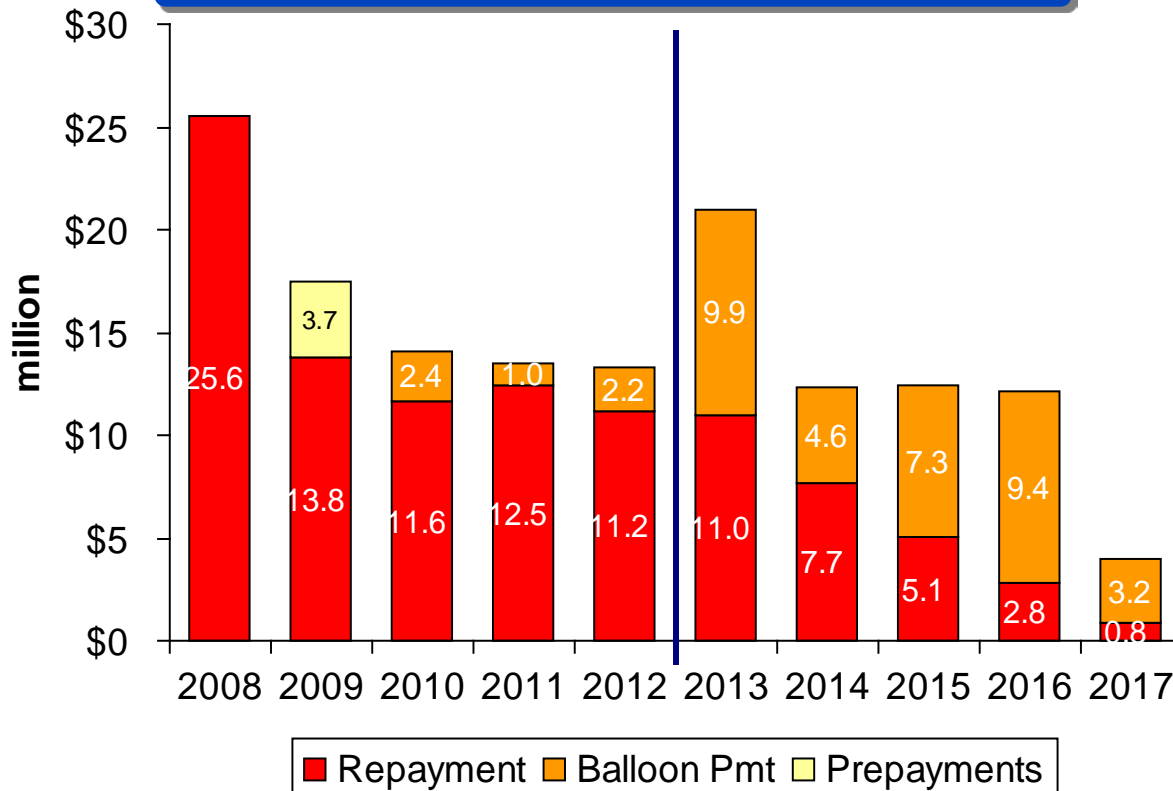
Vessels Employment Chart – Containerships

Coverage (as of Mar 15'13): Abt 37% in 2013 (based on min durations)



Debt Repayment Profile

Debt Repayment Schedule – As of 12/31/2012



Cash Flow Breakeven

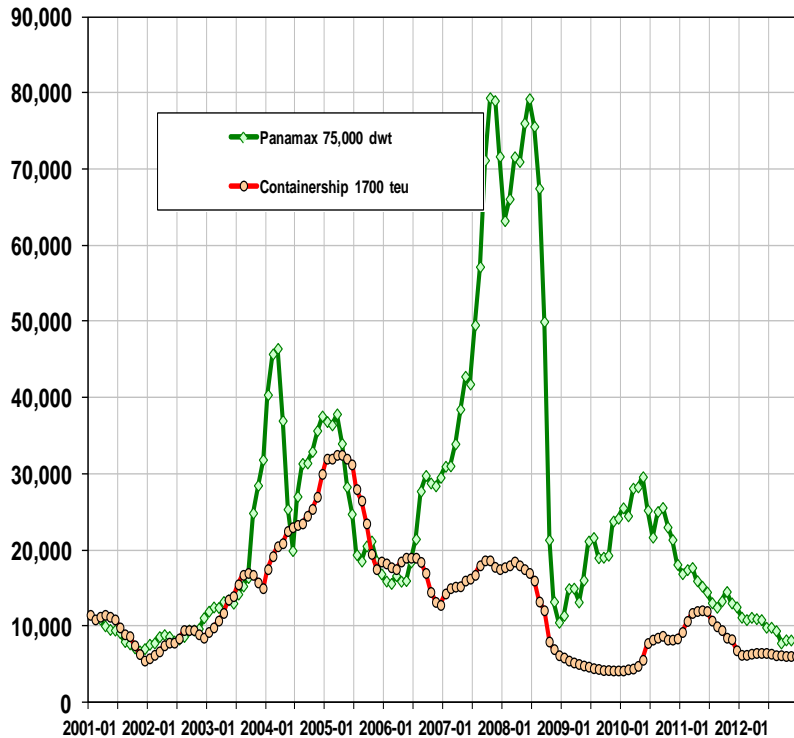
» Cash Flow Breakeven - rough estimate for next 12 months:

	<u>\$/day</u>
OPEX	\$ 5,500
G&A	\$ 700
Interest	\$ 550
Drydock	\$ 1,100
<u>Loan Rpmt(*)</u>	<u>\$ 3,800</u>
TOTAL	\$11,650

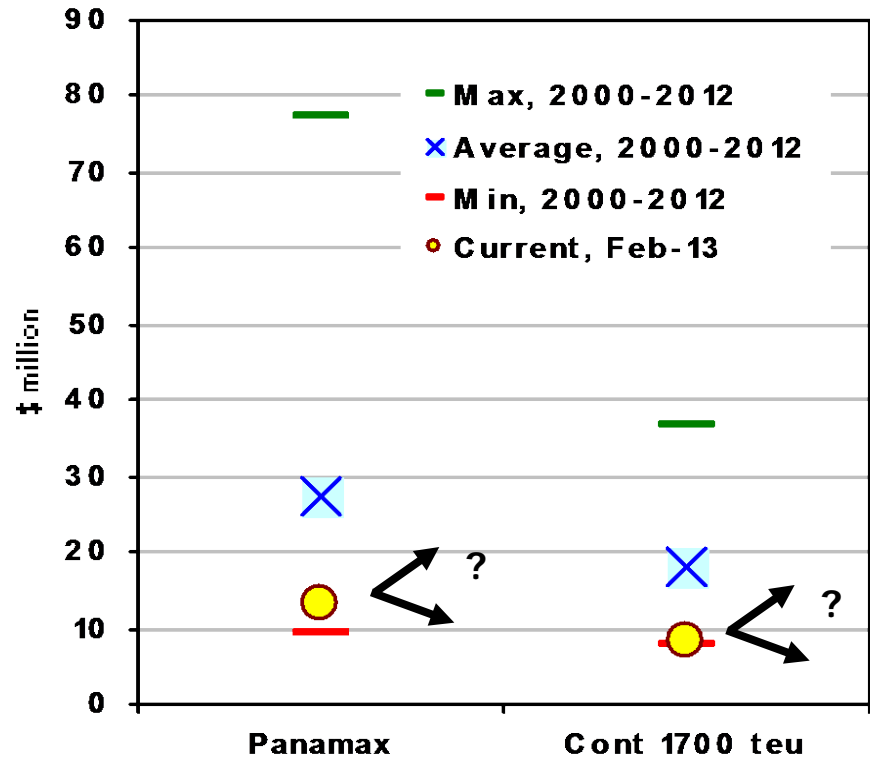
(*) Corresponds to \$9.9m for balloon payments and \$11.0m for loan repayments scheduled in the next 12 months

Market Snapshot – Investment Opportunities

1-Year Time Charter Rate



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 and maintained a revenue base well into 2009 due to our containership charters while investing in bulkers at the bottom of the market;
 - In 2010, when the containership market bottomed, our bulkers recovered and provided a new revenue base allowing us to invest in containerships again at the bottom of the market (partly directly and partly via Euromar); and,
 - In 2012, again, our bulkers being chartered out for the entire year provided us with significant cash flow to deal with the renewed weakness of the containership sector

- Growth plans focused on:
 - Adding value & size without dilution: more investments to be made if opportunities exist
 - Directly by Euroseas – about \$20 million of equity available
 - Via Euromar – a portion of the \$44 million of funds remaining
 - Keeping risks low => moderate leverage



Balance Sheet & Other Data

- **Cash @ December 31, 2012: \$ 43.3m**
 - \$33.4m unrestricted – and about \$9.9m of restricted funds and retention accounts
 - Cash per share amounts to about \$0.95 (versus yesterday's share price of \$0.99)
- **Debt: \$61.6m as of December 31, 2012**
 - Debt to Capitalization ratio about 23%
 - Debt to Market Value of Fleet ratio 70%
 - Net debt to Market Value of Fleet ratio about 20%
 - Loan covenants satisfied
- **About \$20-25 m cash equity to fund further growth**
 - \$6.3m committed to be invested via Euomar
 - \$15-20m of additional equity to buy vessels



Euroseas Market Position

We have what it takes ...

- » Strong balance sheet with low leverage & funds available for investment
- » 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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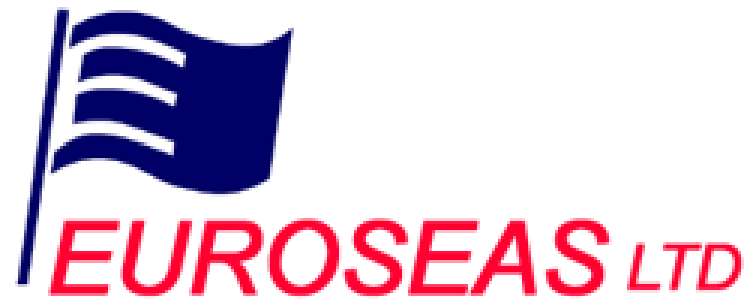
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Appendices

- 1) Fourth Quarter and Full Year 2012 Financial Results
- 2) Our Team

Financial Highlights: 4th Quarter and Full Year of 2011 and 2012

(in million USD except per share amounts)	Fourth Quarter			Full Year		
	2011	2012	change % ⁽⁴⁾	2011	2012	change % ⁽⁴⁾
Net Revenues	\$15.3	\$12.4	-19.2%	\$61.4	\$52.5	-14.5%
Net Income	\$1.1	(\$2.0)		\$1.1	(\$13.2)	
(Gain) / Loss on Sale of Vessel	-	-		-	\$8.6	
(Gain) / loss on derivatives & unrealized (gain)/ loss on trading securities	\$0.0	\$0.0		\$1.7	\$0.6	
Amort. FV of charters, net	-	-		(\$1.3)	-	
Adj. Net Income	\$1.1	(\$2.0)		\$1.5	(\$4.0)	
Adjusted EBITDA⁽¹⁾	\$6.2	\$2.5	-58.7%	\$21.6	\$14.9	-31.0%
"GAAP" EPS, Diluted⁽²⁾	\$0.03	(\$0.04)		\$0.04	(\$0.34)	
"Operating"⁽³⁾ Adj. EPS, Diluted	\$0.04	(\$0.04)		\$0.05	(\$0.10)	
Dividends per share, declared	\$0.05	\$0.015	-70.0%	\$0.26	\$0.09	-65.4%

(1) See press release of 02/14/2013 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Calculated on 31,867,856 and 31,794,381 diluted shares for 2011 and 45,265,155 and 38,950,100 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 02/14/2013 for reconciliation to Net Income.

(4) Calculated based on figures in press release of 02/14/2013, i.e. before rounding to million USD

Fleet Data for 4th Quarter and Full Year of 2011 and 2012

<u>Fleet Statistics</u>	Fourth Quarter		Full Year	
	2011	2012	2011	2012
	(unaudited)		(unaudited)	
Number of vessels	16.00	15.00	16.00	15.21
Utilization Rate (%)				
Overall⁽¹⁾	90.1%	98.9%	96.4%	95.6%
Commercial⁽¹⁾	90.5%	99.8%	96.8%	96.2%
Operational⁽¹⁾	99.6%	99.1%	99.7%	99.4%
Averages in usd/day/vessel				
Time Charter Equivalent (TCE)⁽²⁾	\$ 12,099	\$ 9,510	\$ 11,525	\$ 10,155
Operating Expenses				
Vessel Oper. Exp. excl. laid-up	5,242	5,381	5,490	5,401
G&A Expenses	524	654	511	658
Total Operating Expenses	5,766	6,035	6,001	6,058
Interest Expense	368	343	375	355
Drydocking Expense	213	611	539	290
Loan Repayments	2,380	2,491	2,307	2,395
Total Cash Flow Breakeven	8,727	9,480	9,222	9,098

- (1) Utilization Rate is calculated excluding scheduled offhire (drydockings and special surveys) and vessels in lay-up. Scheduled offhire amounted to 28.8 and 44.9 days for the fourth quarter and full year 2012.
- (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.



Appendix

Please refer to the Company's press release of February 14, 2013 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

Our Team

Euroseas Ltd

Aristides J. Pittas (52), Chairman & CEO since inception (2005), President of Eurobulk Ltd. since 1994

27+ year involvement in shipping. Managed the Pittas family interests since 1994 and Euroseas since inception (2005). BSc and MSc degrees in Naval Architecture and Shipping Management from MIT and Newcastle.

Dr. Tasos Aslidis (52), CFO since inception (2005).

23+ years involvement in shipping; previously with Marsoft Inc. consulting on shipping investment and risk management strategies. PhD, MSc & BSc degrees in Shipping Management, Operations Research & Naval Architecture from MIT and National Technical University of Athens.

Symeon Pariaros (38), CAO since 2007

15+ years experience in shipping; previously with Clarksons and Eurochart. Bachelor of Engineering in Manufacturing Engineering, Management and Business Studies at Brunel University, London

Eurobulk Ltd

Marcos Vassilikos (53), Managing Director since 2005.

27+ years involvement in shipping. Previously with Troodos, Anangel and Oceanbulk. MSc & BSc Naval Architecture and Marine Engineering degrees from MIT and Newcastle.

Adamandios Catsambis (49), Commercial Director since June 2012.

25+ years of shipping experience as owner and managing director of Catsambis Shipping Ltd. BSc & MBA Degrees from NYU / Stern School of Business.

Eurochart SA

Nikitas Georgoudis (35), Sale & Purchase Director since 2002

12+ years of involvement in shipping. BSc Mathematics and Economics at Sussex University, UK. MSc Money Banking and Finance at Birmingham University, UK