

Paragon Shipping Inc.



**4th Annual Invest in International Shipping
Capital Link Forum – March 2010**

Forward Looking Statements



This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of the Securities Acts. Forward-looking statements reflect management's current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements, which are other than statements of historic facts. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, managements' examination of historical operating trends, data contained in our records and other data available from third parties. Although Paragon Shipping Inc. believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, Paragon Shipping Inc. can not assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of the world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydockings, changes in our vessel operating expenses, including drydocking, crewing and insurance costs, or actions taken by regulatory authorities, ability of our counterparties to perform these obligations under sales agreements and charter contracts on a timely basis, potential liability from future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists. Risks and uncertainties are further described in reports filed by Paragon Shipping Inc. with the Securities and Exchange Commission.

Delivering on Strategic Objectives



Focused Chartering

**Appropriate
Leverage**

**Modern Versatile
Fleet**

Fleet Growth

Visible Cash Flows

Dividend Pay-out

**Efficient Operating
Structure**



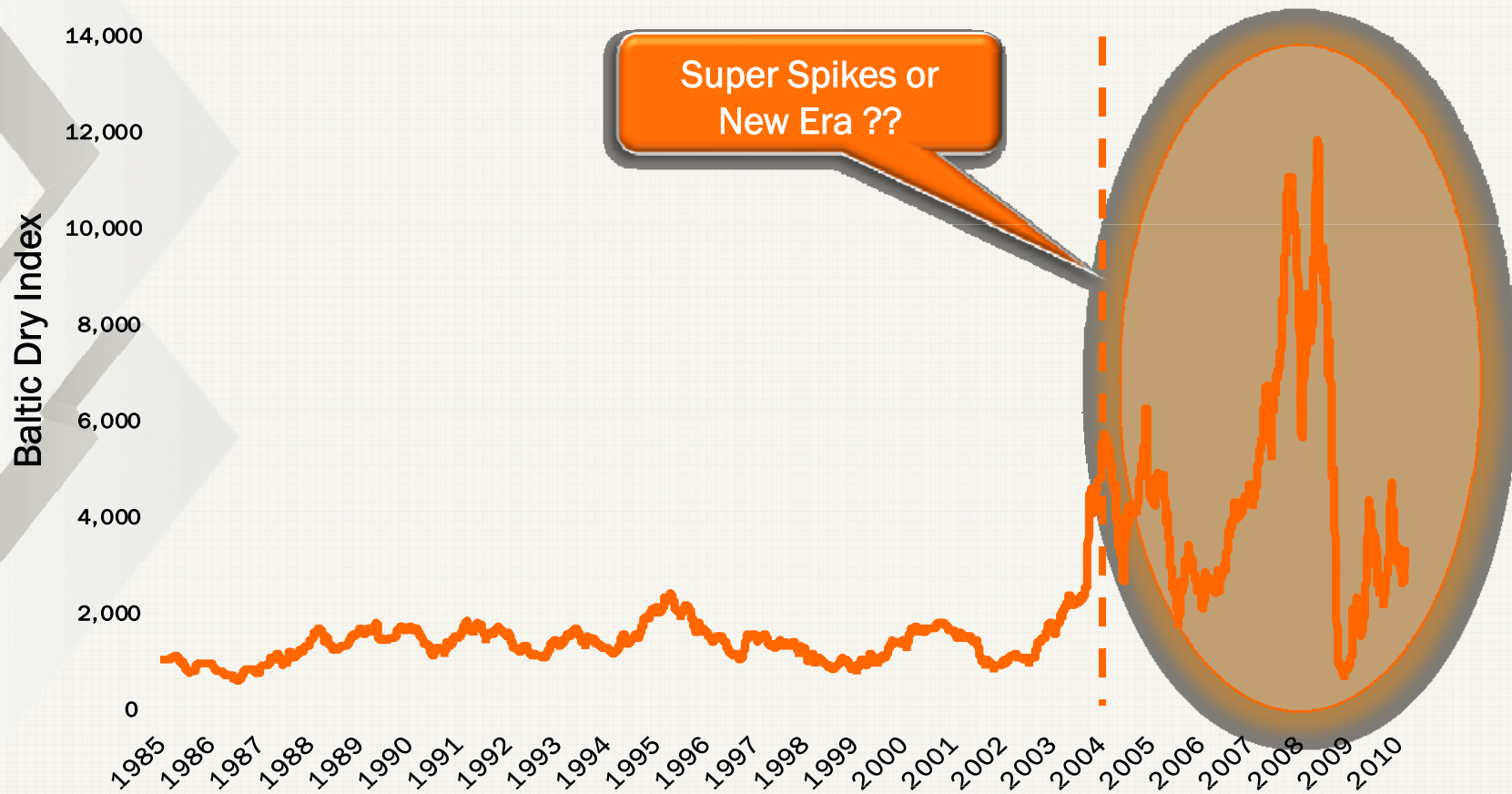
Industry Overview



History of Drybulk Shipping



- ✓ Pre 2009 – Profits from asset sales
- ✓ Post 2003 – Profits also from chartering

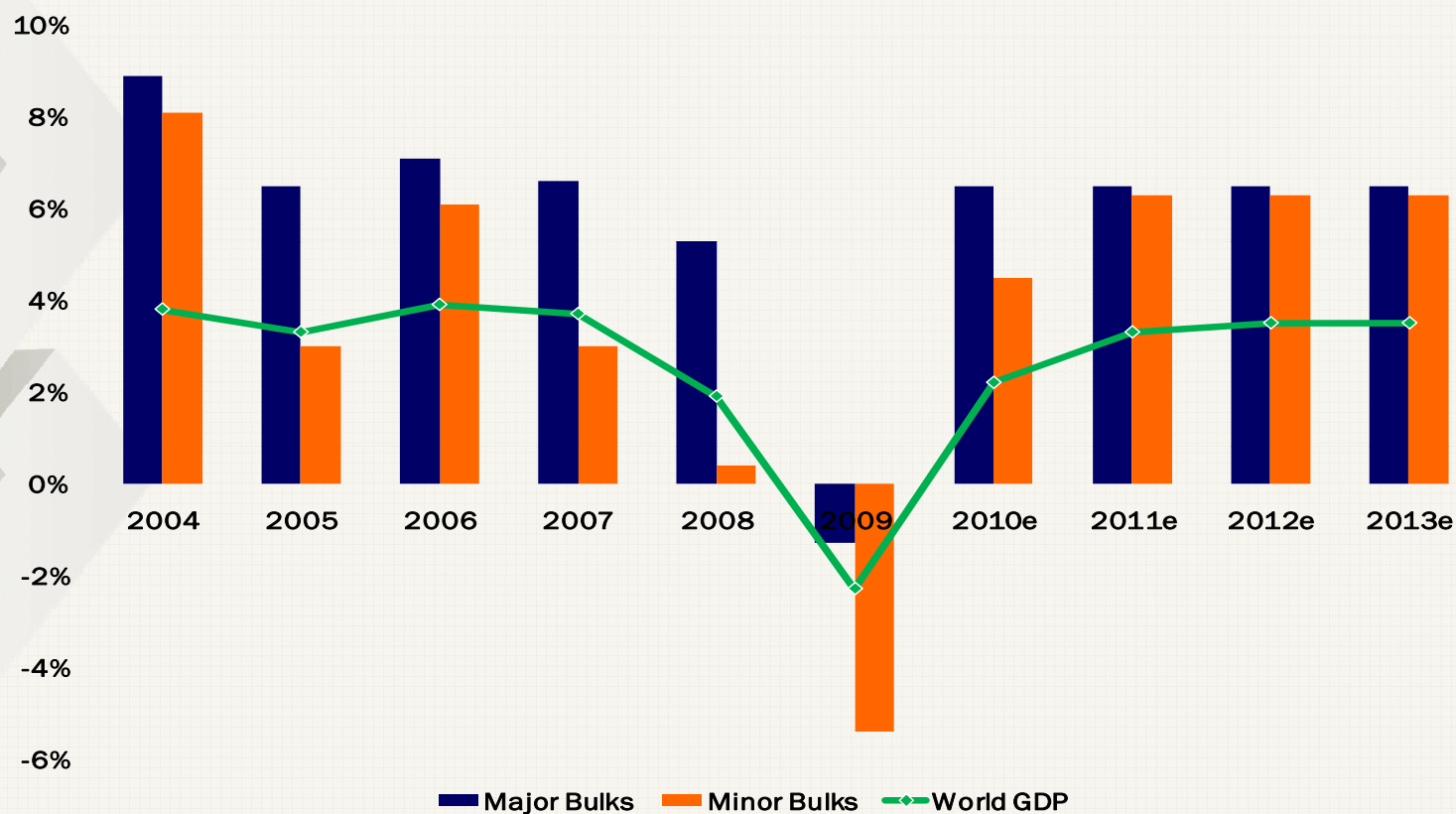


Source: Braemar Seascope Research

World GDP vs. Drybulk Demand



✓ GDP growth in the emerging markets will continue to drive drybulk market

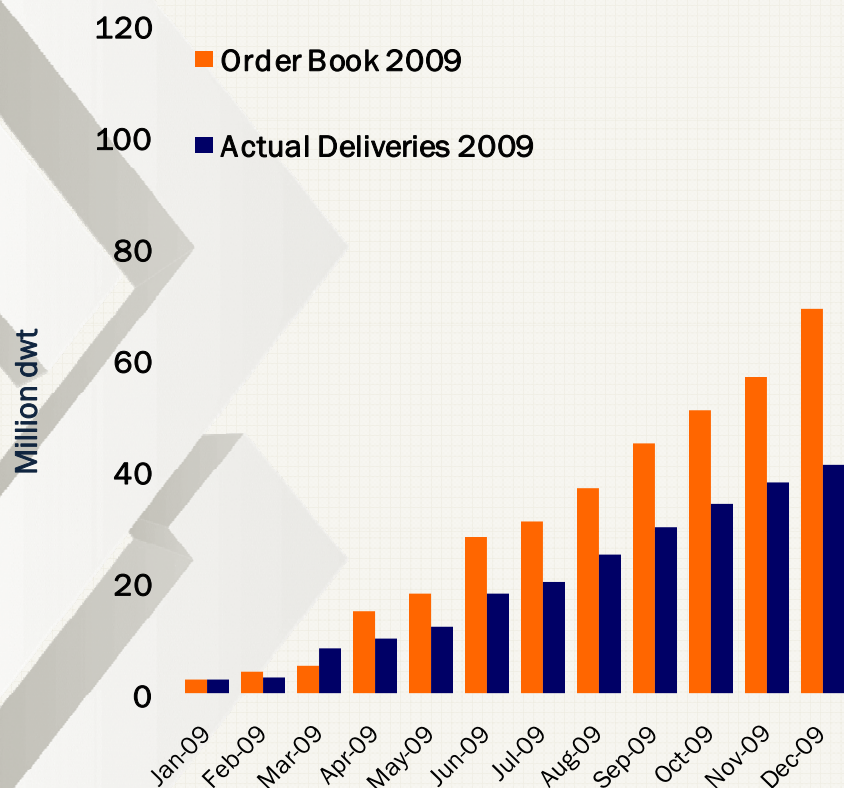


Source: HSBC Research, Business Monitor International

Orderbook & Deliveries 2009 & 2010

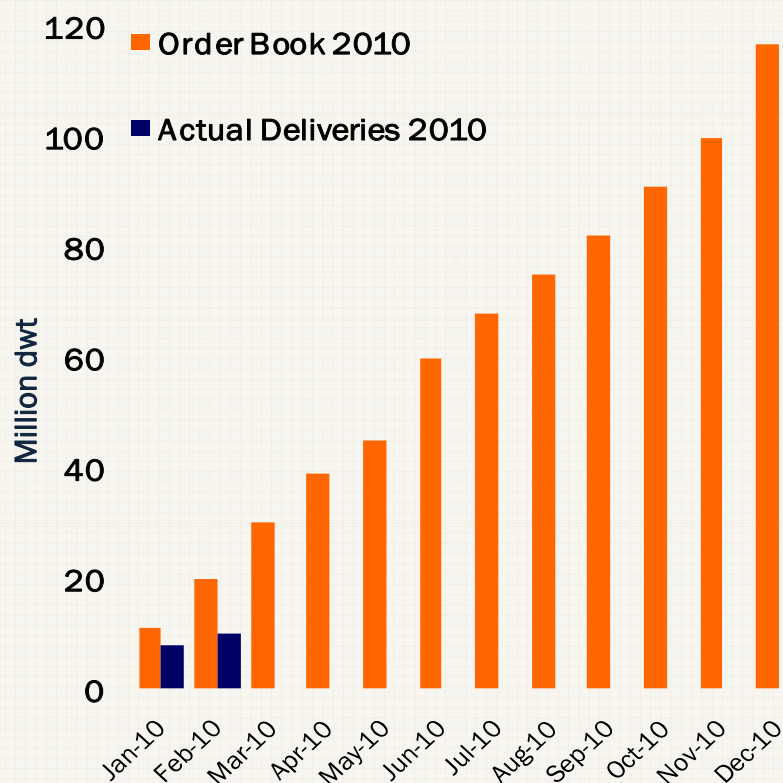


✓ Already experiencing slippage in 2010



✓ Scheduled for 2009 – 69.4 million dwt

✓ Delivered in 2009 – 41.1 million dwt



✓ Scheduled to Feb 2010 – 21.0 million dwt

✓ Delivered to Feb 2010 – 10.2 million dwt

Source: RS Platou

Paragon Shipping Inc. – Current Position



Modern and Versatile Fleet

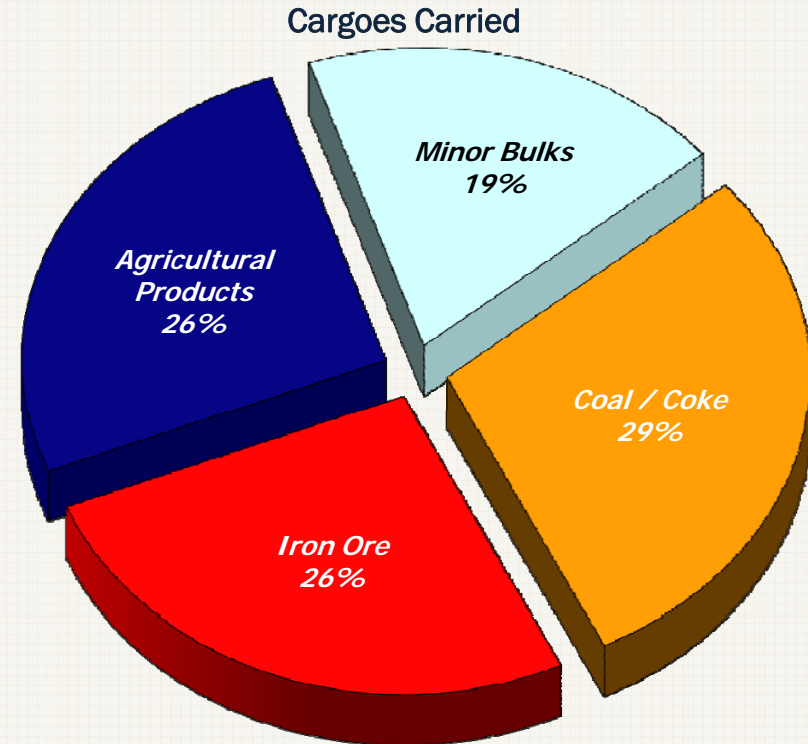
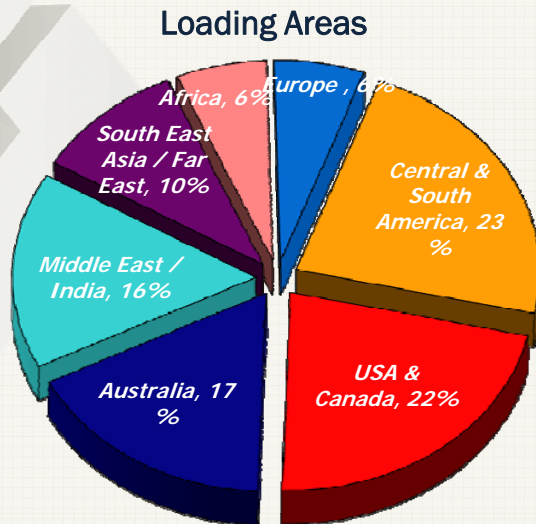
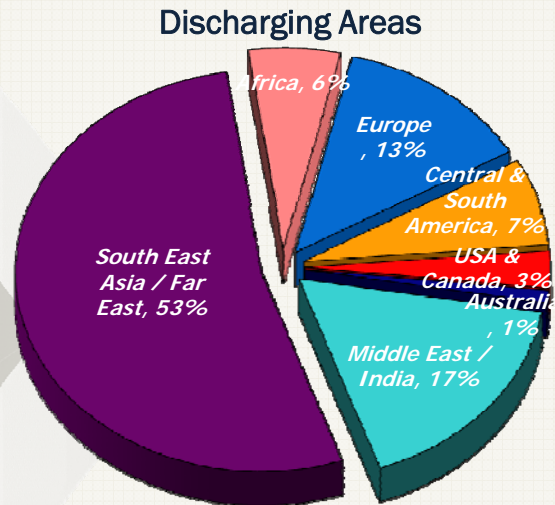


- ✓ Average fleet age under 8 years compared to industry average of 15



Source: Braemar Seascope Research

Modern and Versatile Fleet

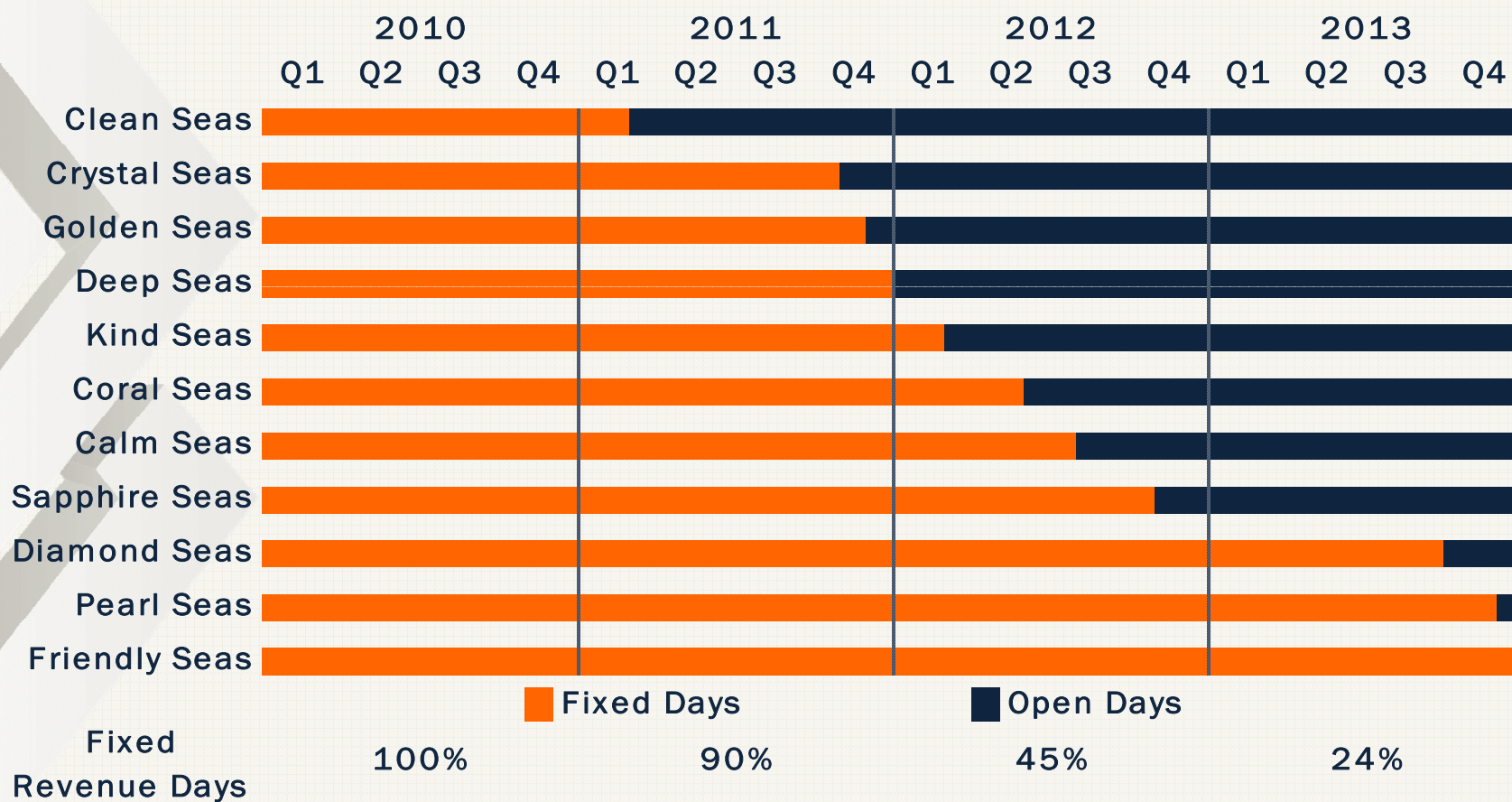


- ✓ The fleet carries all types of drybulk cargoes
- ✓ 53% of discharging areas in the Far East

Chartering Update



- ✓ Resilience to changing market conditions



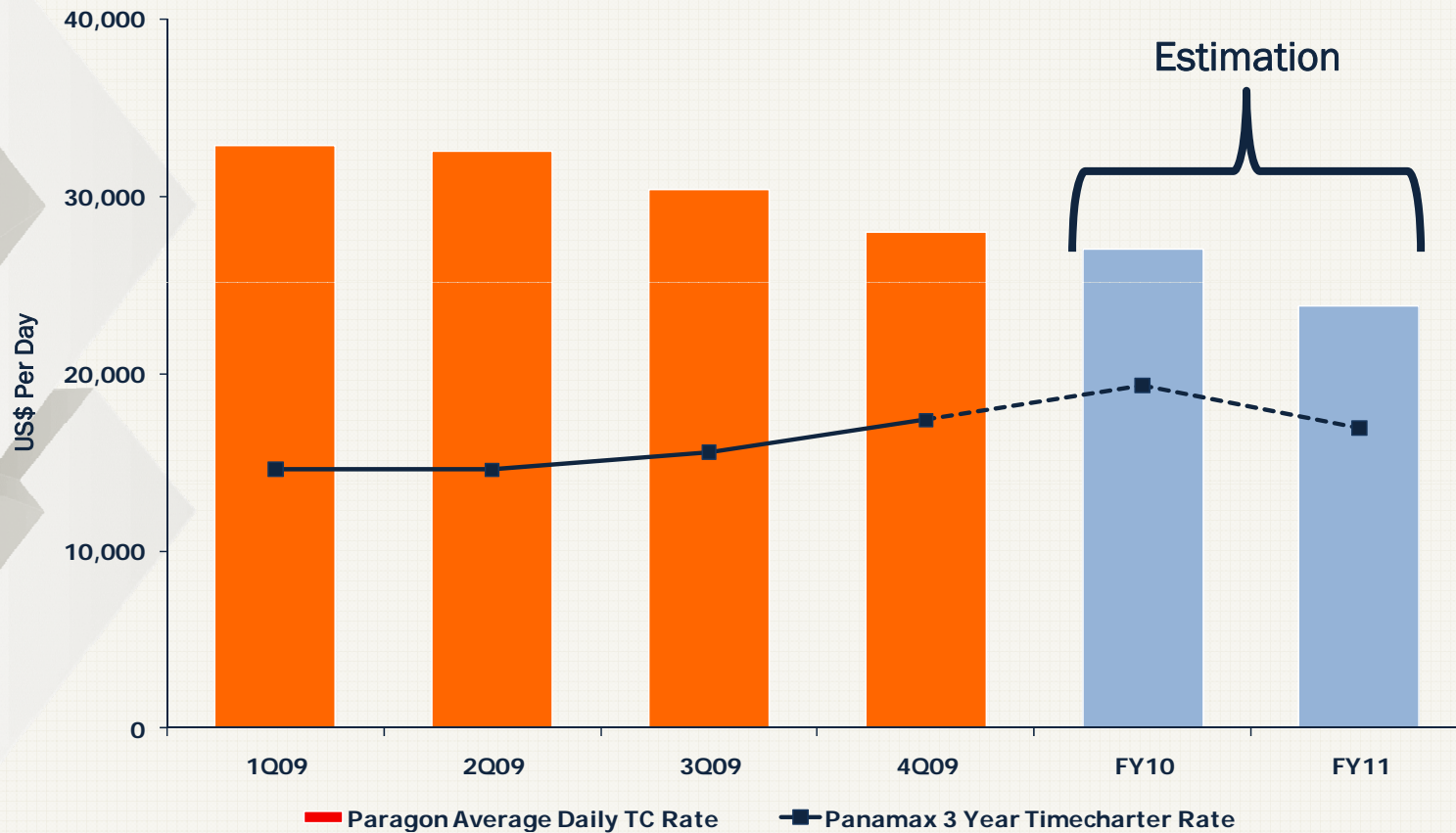
Average charter term remaining = 2.4 years

Assumes all extensions options are exercised

Time Charter Rates



✓ Superior Chartering Performance



FFA Rates are used for the estimation of Spot Revenue for the years 2010 and 2011

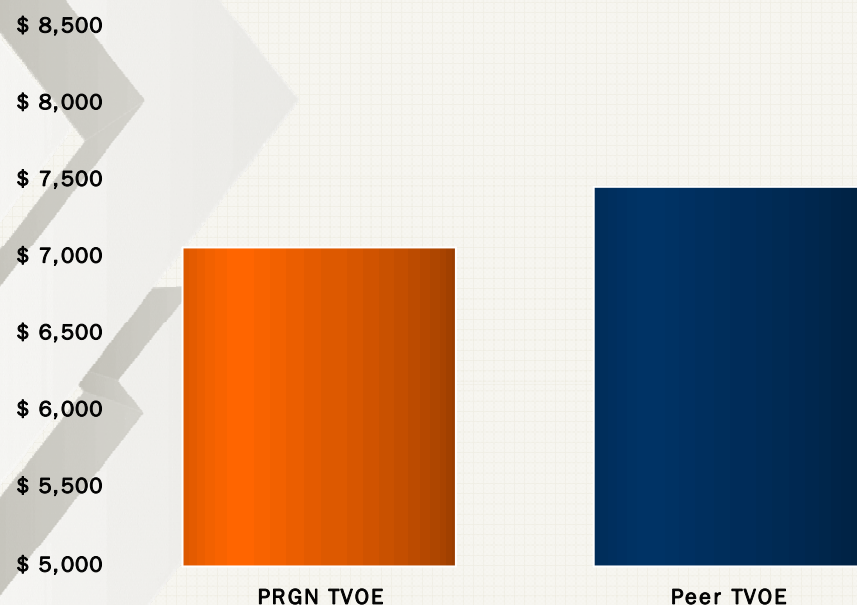
Source: Clarkson's Research

Operating Costs and Utilization

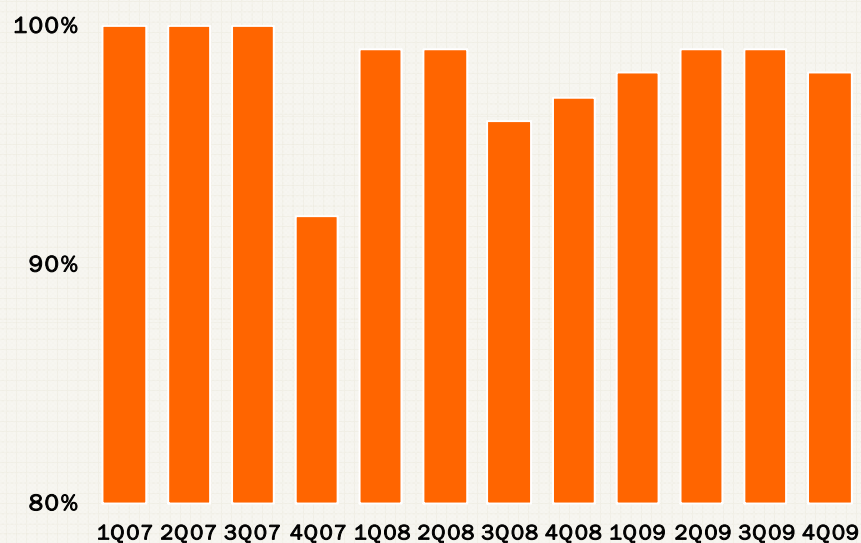


✓ Efficient operating structure

Total Vessel Operating Expense (TVOE) 2009



Fleet Utilization Rate



TVOE in 2009 was 5% below the peer group average

Peer group includes Diana Shipping, Genco, Eagle Bulk, Safe Bulkers, Star Bulk and Excel Maritime

Cash Generation and Leverage



- ✓ \$71 million of debt repayments in 2010-11
- ✓ \$32 million of free cash flow to be generated in 2010-11

Estimated Free Cash Flow Projections

	2010E	2011E
EBITDA	\$ 72 m	\$ 53 m
Interest	\$ 12 m	\$ 10 m
Loan Repayments	\$ 39 m	\$ 32 m
Free Cash Flow	\$ 21 m	\$ 11 m

Leverage Ratios

Market Capitalization	\$ 240 m
Total Debt	\$ 300 m
Cash	\$ 180 m
Enterprise Value	\$ 360 m
Net Debt/Enterprise Value	33%

Estimates are based on existing fixed charters as well as current FFA rates for unfixed days for each year

The Company's actual performance may vary significantly from these projections

Growth Versus Dividends

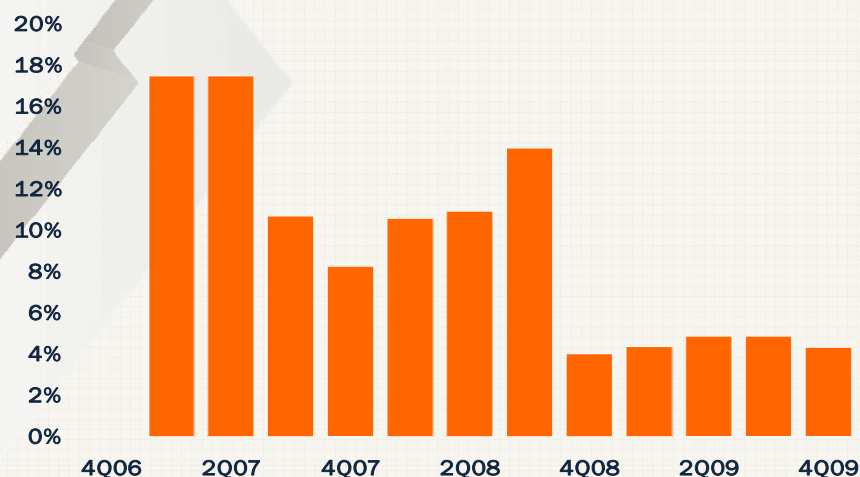


Funding Sources for Growth

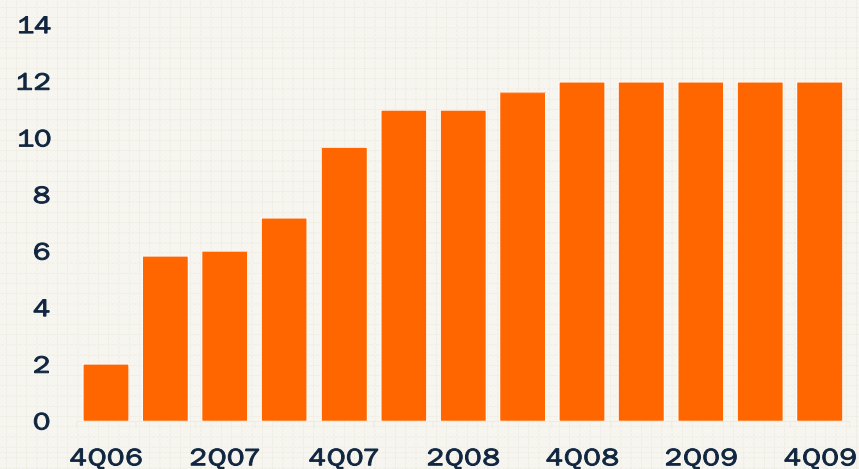
Credit Facilities	\$ 325,510,000
Drawn Portion	300,510,000
Undrawn Portion	25,000,000
Free Cash ⁽¹⁾	150,000,000
Expected Additional Credit Loan	125,000,000
Liquidity	\$ 300,000,000

Sufficient liquidity to
double fleet size

Annualized Dividend Yield



Average Number of Vessels



1. Free cash excludes restricted cash

4Q and Full Year 2009 - Highlights



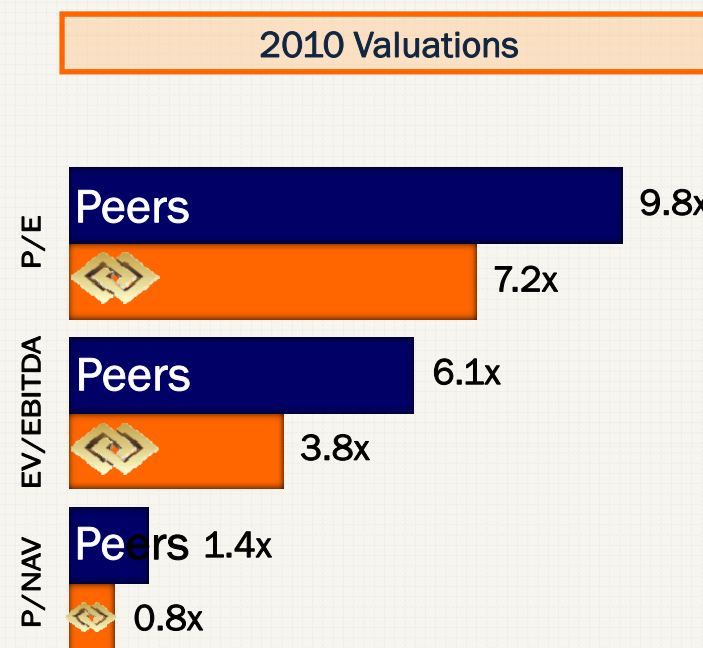
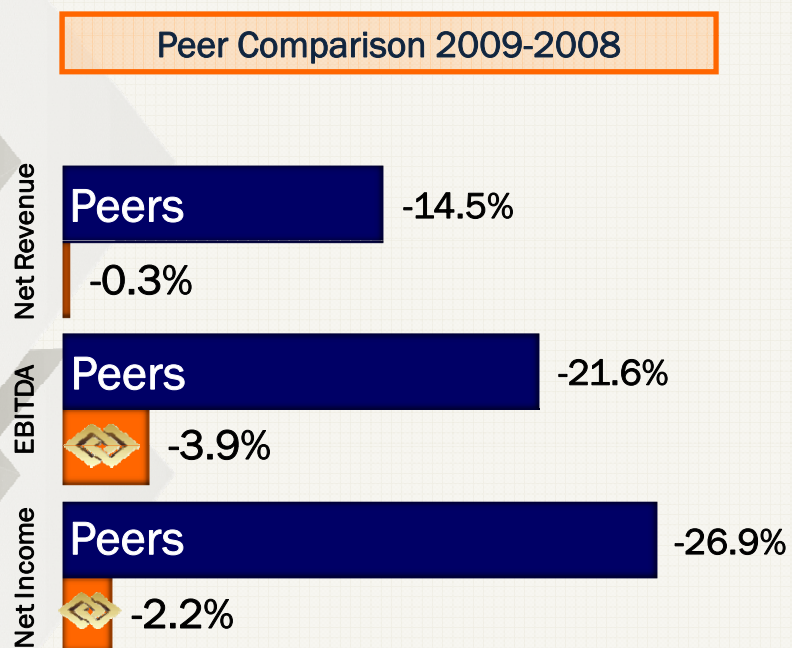
✓ Consistent financial performance

	4th Quarter		Full Year	
	2009	2008	2009	2008
Time Charter Revenues	\$37.1m	\$44.3m	\$161.1m	\$169.3m
Net Income	\$12.7m	\$10.0m	\$65.7m	\$69.2m
Adjusted Net Income	\$8.6m	\$14.0m	\$55.0m	\$56.2m
EBITDA	\$22.4m	\$22.7m	\$109.8m	\$116.1m
EBITDA Adjusted	\$17.6m	\$26.0m	\$96.4m	\$100.3m
EPS	\$ 0.26	\$ 0.37	\$ 1.69	\$ 2.58
EPS Adjusted	\$ 0.17	\$ 0.52	\$ 1.42	\$ 2.10
No. of Vessels	12.0	12.0	12.0	11.4
Average Daily TCE Rate Adjusted	\$ 28,007	\$ 34,140	\$ 30,942	\$ 32,920

Peer Group Comparisons



✓ Stronger performance but lower valuation



Peer group includes Diana Shipping, Genco, Eagle Bulk, Safe Bulkers, Star Bulk and Excel Maritime

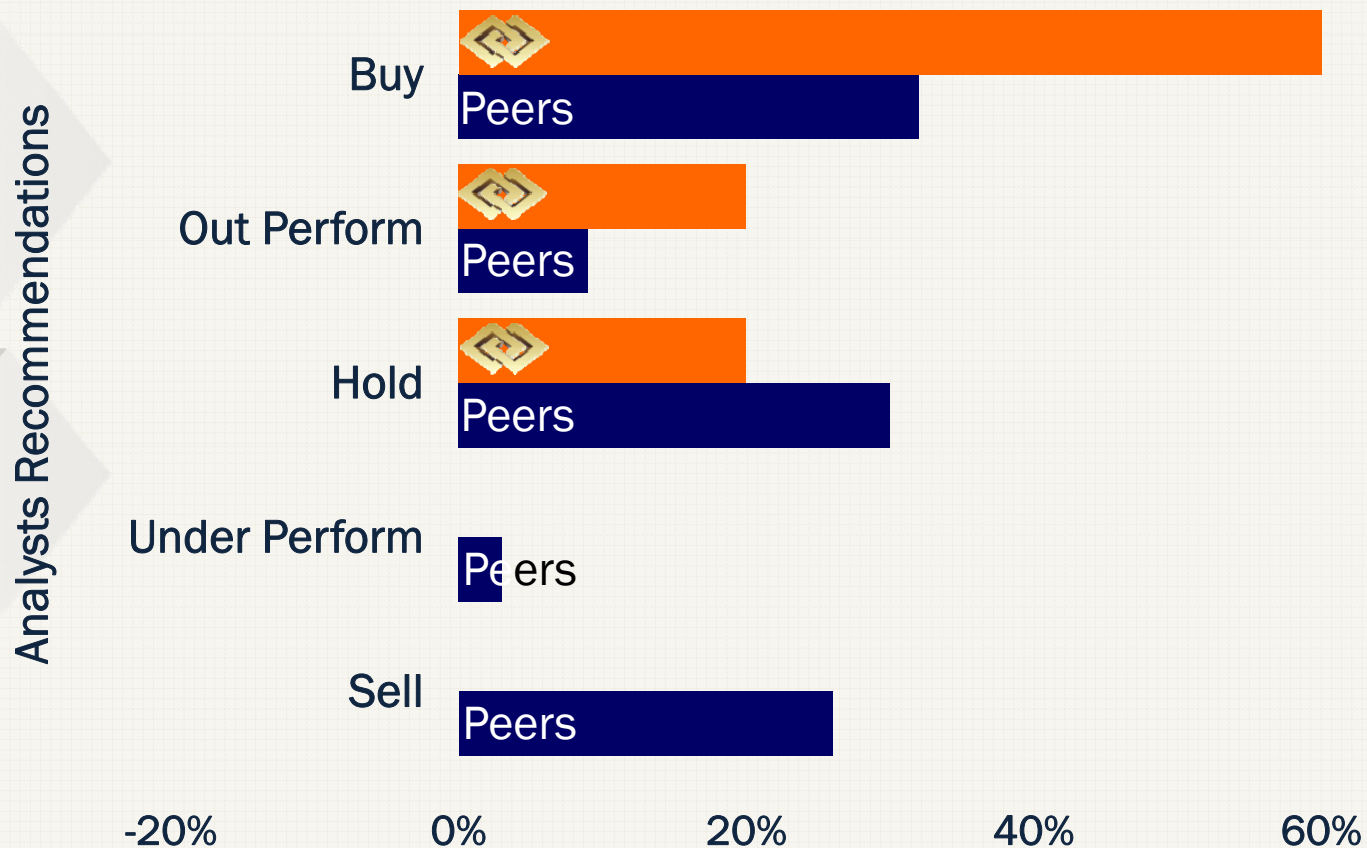
Non cash and One-off items are excluded

2010 valuations, Source: Dahlman Rose & Co. Research

Analysts Recommendations



- ✓ 80% of Paragon analysts have buy/out perform recommendations
- ✓ 39% of Peer Group analysts have sell/under perform recommendations



Peer group includes Diana Shipping, Genco, Eagle Bulk, Safe Bulkers, Star Bulk and Excel Maritime

Source: NASDAQ

Positioned for Growth and Profitability



- ✓ 100% of revenue days covered in 2010
- ✓ \$71m debt repayment from cash flow thru 2011
- ✓ Current fleet to produce \$32m of free cash flow thru 2011
- ✓ Moderately leveraged balance sheet
- ✓ Capacity to double fleet size
- ✓ Continue to pay quarterly dividend

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Thank you

Appendices



Fleet List



Vessel Name	Type	DWT	Year Built	Country of Build	Date Acquired
Calm Seas	Panamax	74,047	1999	Japan	December 2006
Deep Seas	Panamax	72,891	1999	Korea	December 2006
Kind Seas	Panamax	72,493	1999	Japan	December 2006
Clean Seas	Handymax	46,640	1995	Japan	January 2007
Crystal Seas	Handymax	43,222	1995	Korea	January 2007
Pearl Seas	Panamax	74,483	2006	China	August 2007
Sapphire Seas	Supramax	53,702	2005	China	August 2007
Diamond Seas	Panamax	74,274	2001	Japan	September 2007
Coral Seas	Panamax	74,477	2006	China	November 2007
Golden Seas	Panamax	74,475	2006	China	December 2007
Friendly Seas	Supramax	58,779	2008	China	August 2008
FLEET TOTAL		719,483			

Current Fleet Employment



PARAGON FLEET EMPLOYMENT					
VESSEL	CHARTERER	GROSS HIRE	DURATION	DELIVERY	REDELIVERY
PANAMAX FLEET					
Calm Seas	Great Pacific Navigation	\$ 26,000	60 - 90 Days	Jan-10	Mar-10 / Apr-10
	Intermare Transport	\$ 15,775	23-26 Months	Jan-10 / Apr-10	Dec-11 / Jul-12
Deep Seas	Morgan Stanley	\$ 15,000	24-28 Months	Sep-09	Sep-11 / Dec-11
Kind Seas	Deiulemar Shipping	\$ 45,500	34-37 Months	Jan-09	Nov-11 / Feb-12
Pearl Seas	Korea Line Corp.	\$ 51,300 till 23rd June 09	35-37 Months	Sep-08	Aug-11 / Oct-11
		\$ 37,300 for Balance Prd			
		\$ 32,500 Plus Profit Share 50/50	26-28 Months ⁽¹⁾	Aug-11	Oct-13 / Dec-13
Diamond Seas	Eastern Ocean Trans.	\$ 27,500	35-37 Months	Sep-07	May-10 / Jul-10
	Bunge	\$ 16,250	23-25 Months	Apr-10 / Jul-10	Feb-12 / Sep-12
		\$ 18,500	11-13 Months ⁽²⁾	Mar-12 / Jun-12	Feb-13 / Sep-13
Coral Seas	Intermare Transport	\$ 15,775	23-26 Months	Mar-10	Feb-12 / May-12
Golden Seas	Deiulemar Shipping	\$ 43,500	34-36 Months	Nov-08	Sep-11 / Nov-11
SUPRAMAX FLEET					
Sapphire Seas	Korea Line Corp.	\$ 30,750 1st Year	35-37 Months	Aug-07	May-10 / Jul-10
		\$ 26,750 2nd Year			
		\$ 22,750 3rd Year			
	STX Panocean	\$ 13,700	23-25 Months	May-10 / Aug-10	Mar-12 / Oct-12
Friendly Seas	Deiulemar Compagnia	\$ 33,750	58-62 Months	Jun-09	Apr-14 / Aug-14
HANDYMAX FLEET					
Clean Seas	Cosco Bulk	\$ 7,400 for 50 Days	23-25 Months	Jan-09	Jan-11 / Mar-11
		\$ 9,000 until 4th Jan 10			
		\$17,250 for Balance Prd			
Crystal Seas	Cosco Bulk	\$33,000 until 30th Apr 09	35-37 Months	Sep-08	Aug-11 / Nov-11
		\$23,000 until 31st Dec 09			
		\$33,000 for Balance Prd			

1. Owner's option 2. Charterer's option

Operating Performance Full Year 2009



Full Year Ended
Dec. 31, 2009

Fleet Data

Average number of vessels	12.0
Available days for fleet	4,322
Calendar days for fleet	4,380
Fleet utilization	99%

Average Daily Results

Time Charter Equivalent - Adjusted	30,942	% of TCE
Vessel operating expenses	4,574	14.78%
Dry-docking	163	0.53%
Management fees	822	2.66%
G&A expenses (ex. non-cash items)	1,510	4.88%
Total Vessel Operating Expenses (TVOE)	7,069	22.85%
EBITDA	23,873	77.15%
Loan interest	2,598	8.40%
Loan repayments	12,135	39.22%
Free Cash Flow	9,140	29.54%

Income Statement 4Q09



US\$ 000's	3 Months Ended Dec. 31, 2009	Adjustments 3 Months Ended Dec. 31, 2009	Adjusted 3 Months Ended Dec. 31, 2009
Revenue			
Time charter revenue	\$37,121	\$(4,704)	\$32,417 Non-cash recurring
Less: Commisssions	1,900		1,900
Net Revenue	35,221	(4,704)	30,517
Expenses			
Voyage expenses	186		186
Vessel operating expenses	5,211		5,211
Dry-docking expenses	627		627
Management fees	1,699	763	937 Non-cash
Depreciation	8,210	696	7,514 Non-cash recurring
General & administrative	5,612	1,681	3,931 Non-cash recurring
Vessel fair value gain	(655)	(655)	0 Non-cash
Gain from vessel early redelivery	(549)	(549)	0 Non-cash
Total Operating Expenses	20,341	1,936	18,405
Operating Income	14,880	(2,768)	12,112
Other Income (Expense)			
Interest and finance costs	(1,971)		(1,971)
Loss from interest rate swap	(691)	(1,373)	(2,064) Non-cash
Interest income	488		488
Other	(6)		(6)
Total Other Expenses, net	(2,179)	(1,373)	(3,552)
Net Income	\$12,701	\$(4,141)	\$8,559
Weighted average number of shares	47,548	47,548	47,548
Earnings per Common Share	\$0.26	(\$0.09)	\$0.17

Income Statement Full Year 2009



US\$ 000's	Full Year Ended Dec. 31, 2009	Adjustments Full Year Ended Dec. 31, 2009	Adjusted Full Year Ended Dec. 31, 2009
Revenue			
Time charter revenue	\$161,112	\$(18,619)	\$142,493 Non-cash recurring
Less: Commisssions	8,365		8,365
Net Revenue	152,747	(18,619)	134,128
Expenses			
Voyage expenses	398		398
Vessel operating expenses	20,035		20,035
Dry-docking expenses	715		715
Management fees	4,363	763	3,600 Non-cash
Depreciation	33,815	2,759	31,056 Non-cash recurring
General & administrative	8,949	2,339	6,610 Non-cash recurring
Loss from sale of MV Blue Seas	6,005	6,005	0 Non-cash
Gain from vessel early redelivery	(801)	(549)	(252) Non-cash
Total Operating Expenses	73,479	11,317	62,162
Operating Income	79,268	(7,302)	71,966
Other Income (Expense)			
Interest and finance costs	(11,379)		(11,379)
Loss from interest rate swap	(3,239)	(3,367)	(6,607) Non-cash
Interest income	1,050		1,050
Other	(21)		(21)
Total Other Expenses, net	(13,590)	(3,367)	(16,957)
Net Income	\$65,679	\$(10,669)	\$55,009
Weighted average number of shares	38,027	38,027	38,027
Earnings per Common Share	\$1.69	(\$0.27)	\$1.42

Balance Sheet & Cash Flow Statement



(US\$ 000's)

	December 31, 2009	December 31, 2008
Cash	133,960	68,442
Current assets, excluding cash	56,089	3,833
Fixed assets, net	604,784	662,230
Other long term assets	17,859	7,916
TOTAL ASSETS	812,693	742,421
Current liabilities, excluding short-term debt	14,890	16,070
Current portion of long-term debt	64,100	53,150
Long-term debt	270,235	334,335
Long-term liabilities	7,202	30,435
TOTAL LIABILITIES	356,427	433,990
Shareholders'equity	456,266	308,431
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	812,693	742,421

(US\$ 000's)

	December 31, 2009	December 31, 2008
Net cash from operating activities	80,407	83,474
Net cash used in investing activities	(40,500)	(78,072)
Net cash from financing activities	25,612	31,711
Net increase in cash	65,518	37,113

(US\$ 000's)

	3 Months Ended Dec. 31, 2009	3 Months Ended Dec. 31, 2008
Net income	12,701	9,955
Non-cash revenue, write-off & depreciation	(4,557)	(4,613)
Vessel fair value gain	(655)	-
Unrealized (gain) loss from interest rate swaps	(1,373)	8,535
Non-cash management fees	763	-
Non-cash G&A expenses	1,681	134
Adjusted Net Income	8,559	14,012
Plus: net interest expense	1,483	3,970
Plus depreciation	7,514	8,047
Adjusted EBITDA	17,556	26,029

(US\$ 000's)

	Full Year Ended Dec. 31, 2009	Full Year Ended Dec. 31, 2008
Net income	65,679	69,229
Non-cash revenue, write-off & depreciation	(16,409)	(23,792)
Impairment loss	6,005	-
Unrealized (gain)/loss from interest rate swaps	(3,367)	10,284
Non-cash management fees	763	-
Non-cash G&A expenses	2,339	523
Adjusted Net Income	55,009	56,244
Plus: net interest expense	10,329	13,969
Plus depreciation	31,056	30,108
Adjusted EBITDA	96,394	100,321

Drydockings 2010 - 2011



	Vessel Type	Next DD Quarter	Estimated Budget ⁽¹⁾	Estimated Offhire Days ⁽¹⁾
Clean Seas	Handymax	2Q10	\$ 750,000	25
Sapphire Seas	Supramax	2Q10	\$ 750,000	25
Crystal Seas	Handymax	4Q10	\$ 750,000	25
		Total 2010	\$ 2,250,000	75
Friendly Seas	Supramax	1Q11	\$ 750,000	25
Pearl Seas	Panamax	2Q11	\$ 850,000	25
Coral Seas	Panamax	2Q11	\$ 850,000	25
Diamond Seas	Panamax	3Q11	\$ 850,000	25
Calm Seas	Panamax	3Q11	\$ 850,000	25
Golden Seas	Panamax	3Q11	\$ 850,000	25
Deep Seas	Panamax	4Q11	\$ 850,000	25
		Total 2011	\$ 5,850,000	175

1. The costs reflected are estimates based on drydocking our vessels in China. We estimate that each drydock will result in 25 days off-hire.

Actual costs may vary on various factors. We expect to fund these costs with cash from operations

Non-Cash Items 2010



✓ Non-Cash Revenue

Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
4,703,848	3,446,761	2,375,059	-	-

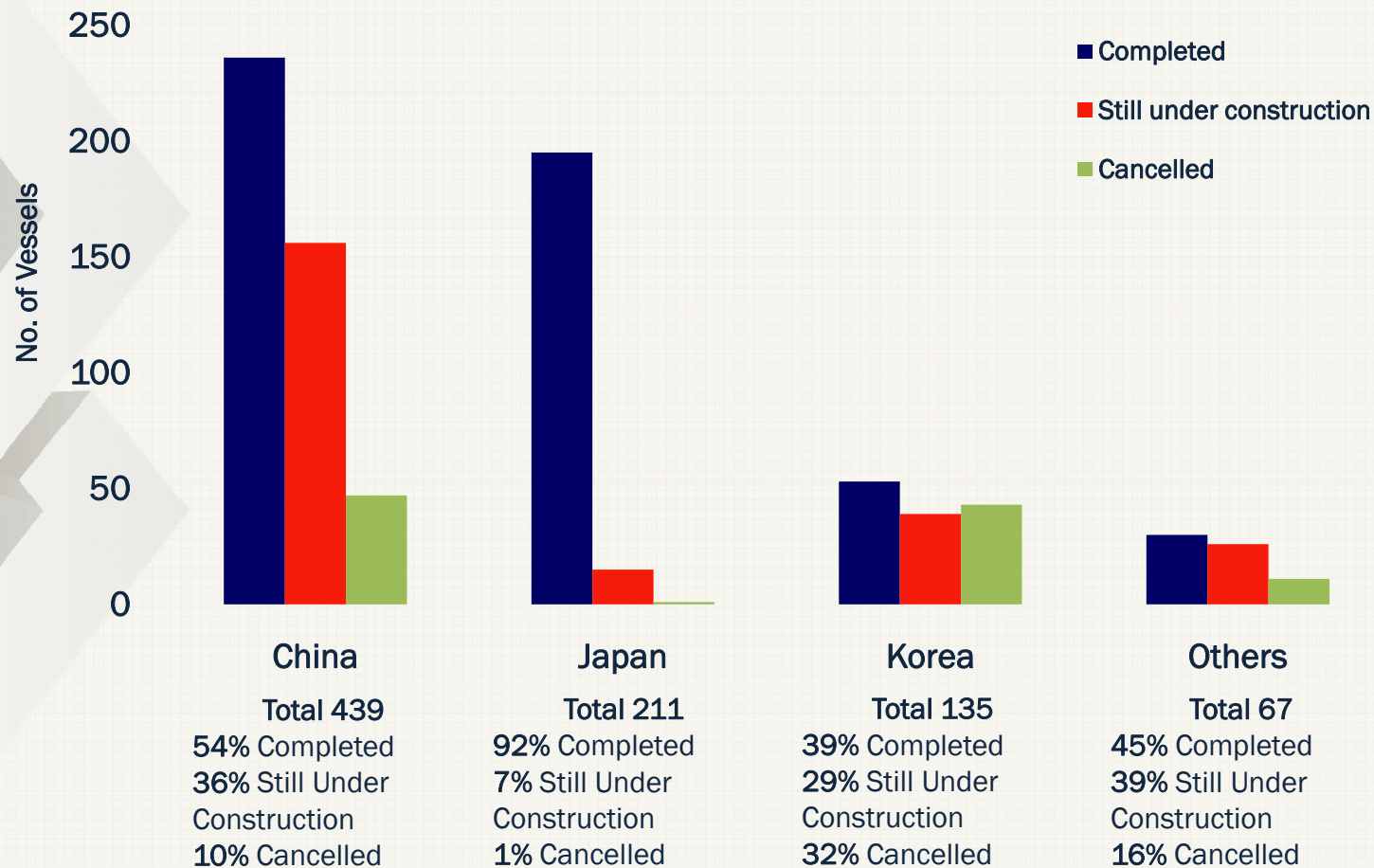
✓ Additional Depreciation Charge

Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
695,825	680,598	688,261	695,825	695,825

2009 Deliveries & Cancellations



✓ 2009 delivery schedule interrupted

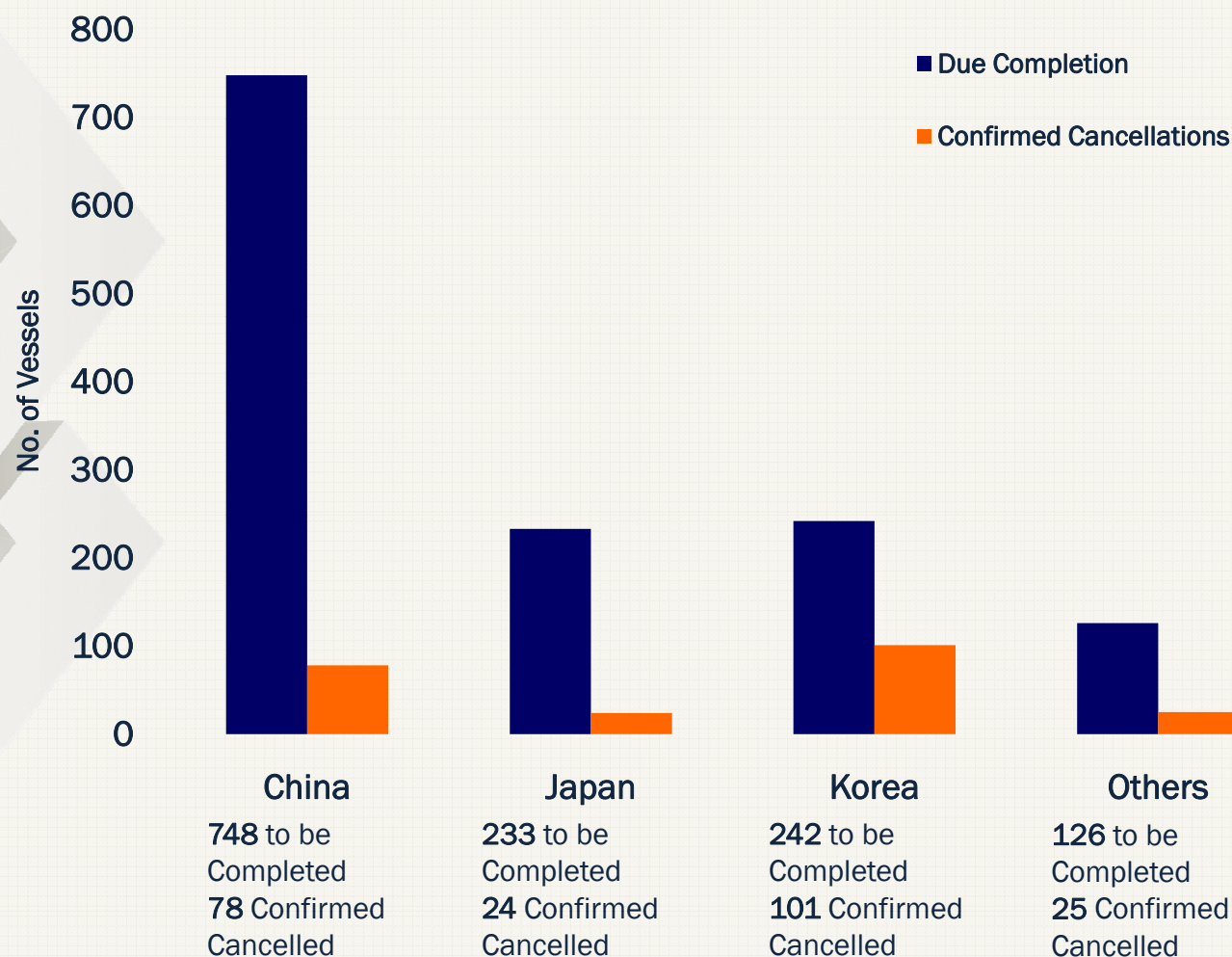


Source: Fairplay Research

2010 Deliveries & Cancellations



✓ Record deliveries expected in 2010



Source: Fairplay Research