



Earnings Presentation
Fourth Quarter & Year Ended December 31, 2012
Earnings Presentation
February 14, 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.

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 Third Quarter & First Nine Months Overview

- Financial Highlights - 2012:

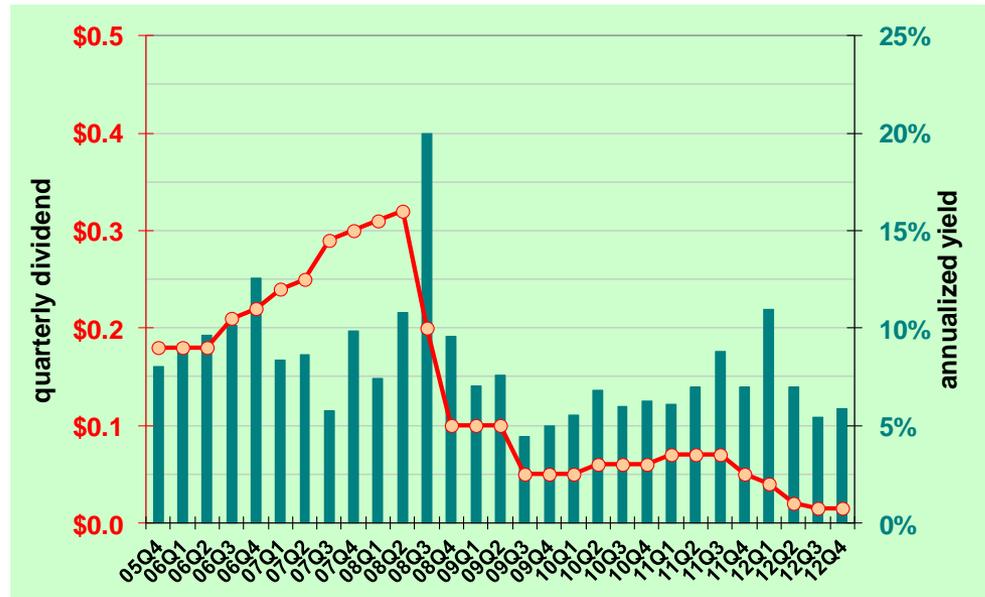
	Fourth Quarter		Full Year	
Net Revenues	\$12.4 m		\$52.5 m	
Net Loss	(\$2.0) m	(\$0.04)/ share ⁽²⁾	(\$13.2) m	(\$0.34) / share ⁽²⁾
Adj. Net Loss ⁽¹⁾	(\$2.0) m	(\$0.04)/ share ⁽²⁾	(\$4.0) m	(\$0.10) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	\$2.5 m		\$14.9 m	
Dividend declared	\$0.015 /share		\$0.09 /share	

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

(2) Basic and diluted

Dividend Declaration

- Declared the 30th consecutive dividend of \$0.015 per share for the fourth quarter of 2012
- Annualized yield of about 6% based on the closing share price of \$1.04 on 02/13/2013



Other Company Developments

- **All 15 vessels are currently chartered**
 - Aggeliki P finished its drydock on January 19 and started a charter for 1-3 months at USD 6,250 pd
 - Ninos was drydocked and renamed OEL Bengal; she was extended to OEL for a further 6-8 months at USD 6,950 pd
 - Eleni P joined the Klaveness pool with a minimum commitment of 6 months
- **Drydockings**
 - Two drydockings took place over the last quarter
 - Eight vessels to be drydocked in 2013

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
	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

- **Original capital commitment: \$175m**
 - Partnership has called 75% (about \$131 million), and, has about \$44 million available.
- **Has bought 10 containerships**
 - Between 1700 and 3100 teu



Market Overview

World Economic Growth

» Political & economic uncertainties remain:

Some positives:

- The US economy continues to improve even at a slower than desired pace
- Japan to stimulate growth with higher spending.
- Somewhat more confidence that Europe will deal with its “issues” although still a challenge

Some negatives:

- The US fiscal cliff has still to be conclusively resolved.
- China economic trends (slowdown / resumption of growth?) & elections in Italy, Germany increase uncertainties
- The Eurozone could remain in recession for an other year
- BRIC countries’ outlook revised downwards – 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:

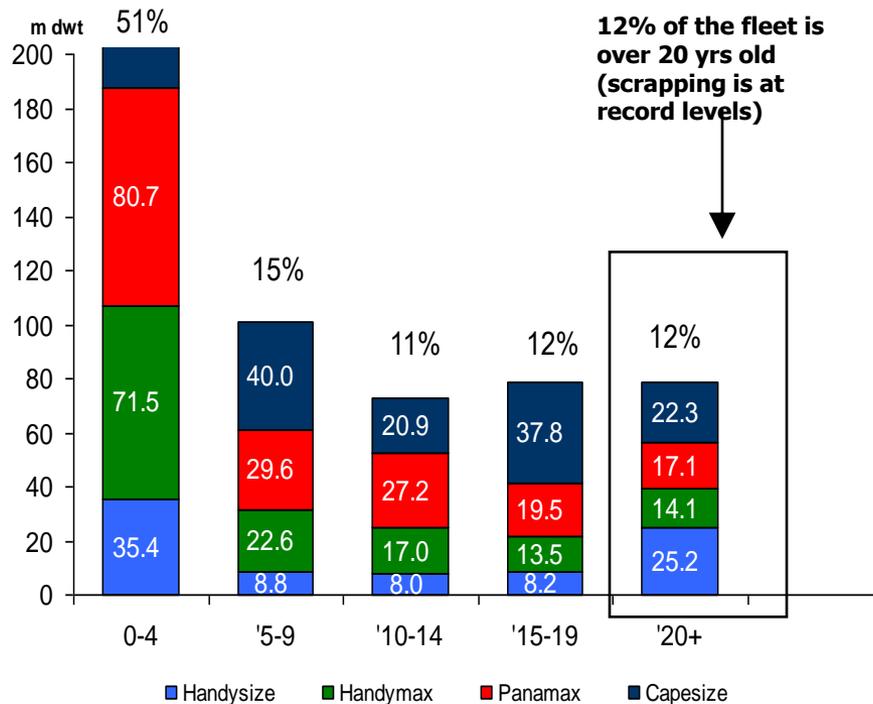
(Begin of respective year forecasts, '09-12)

(2012/14: Last forecast Oct-12)

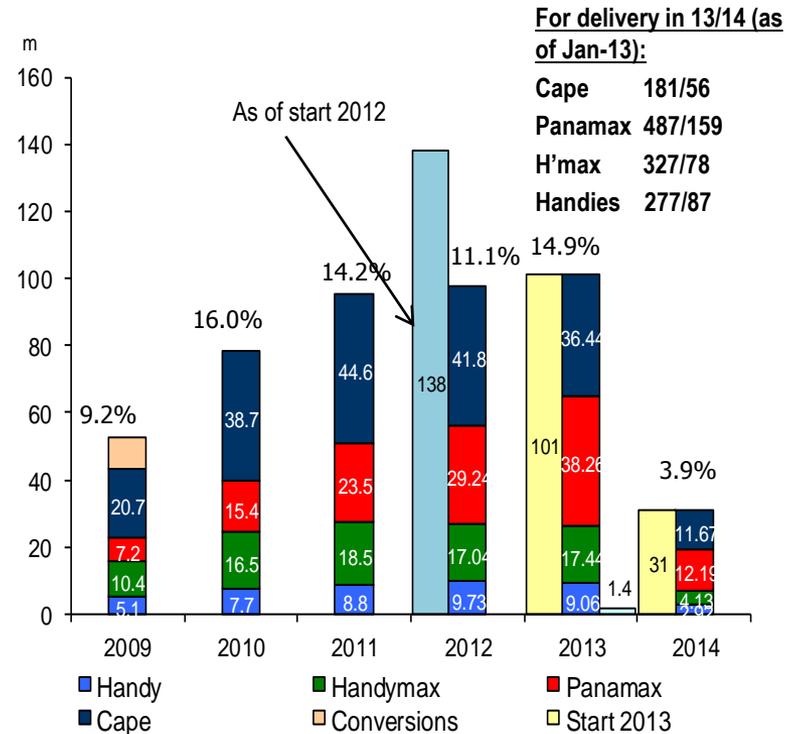
(*) Sources: GDP - International Monetary Fund: 2009-2012 and past estimates (in parentheses), 2013/14/15 IMF Forecasts; Trade – Clarksons estimates (2013), Company estimates (2014); trade outlook takes into account revised economic views

Drybulk Age Profile & Orderbook Delivery Schedule

Dry Bulk Age Profile



Dry Bulk Orderbook (1)



Source: Clarksons, as of December 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) 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.

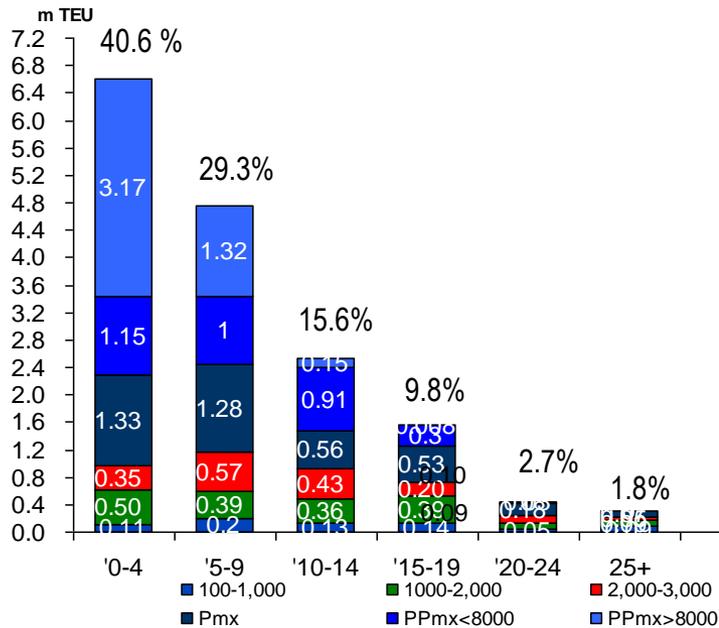
In 2011, scrapping accounted for 22.2 m dwt (4.2%), slippage and cancellations (43 m dwt) accounted for 29% of the scheduled deliveries.

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

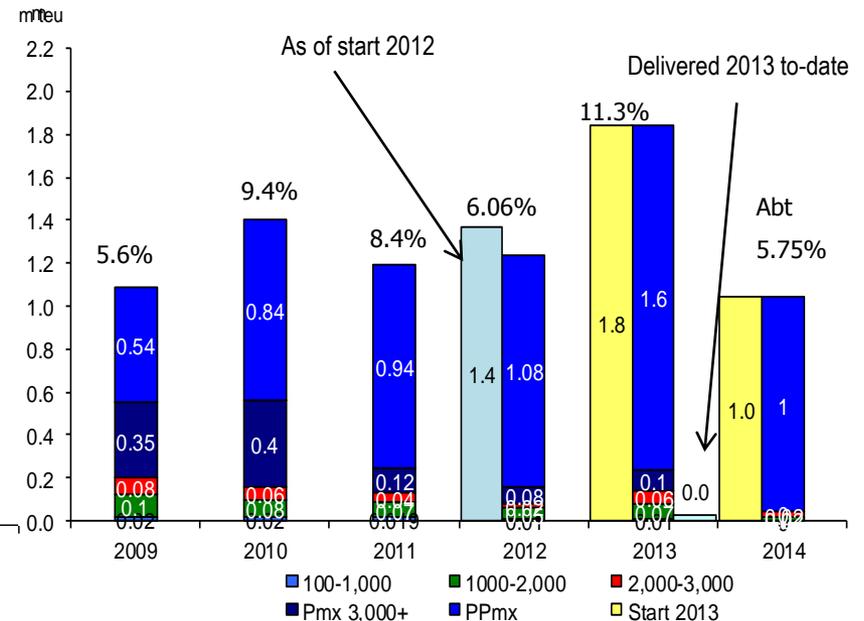
In 2013/14 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions (Jan 2013).

Containership Age Profile & Orderbook Delivery Schedule

Containership Age Profile⁽¹⁾



Container Orderbook ⁽¹⁾



Source: Clarksons as of December 2012.

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 1.9% 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 slower growth rate negatively affects dry bulk trade growth expectations since two thirds of dry bulk demand is generated in Asia
- Delivery net delays and cancellations were 40% for 2009, 37% for 2010, 29% for 2011, 29% for 2012 and expected similar for 2013
- Scrapping was at record levels in 2012 and could continue doing so since 12% of the fleet is over 20 years of age
- Nevertheless significant deliveries are expected to put pressure on the market for 2013
- 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 has affected containerized trade quite broadly as consumers in Europe and North America have remained timid in their spending. Poor demand growth from Europe affects the largest route (FE-Europe)
- Current quarter is expected to have low trading volumes due to seasonality; however if the low levels of new vessel ordering are sustained, bode well for a recovery as of late 2013 / early 2014
- 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
- Supply growth is mainly in large sizes.

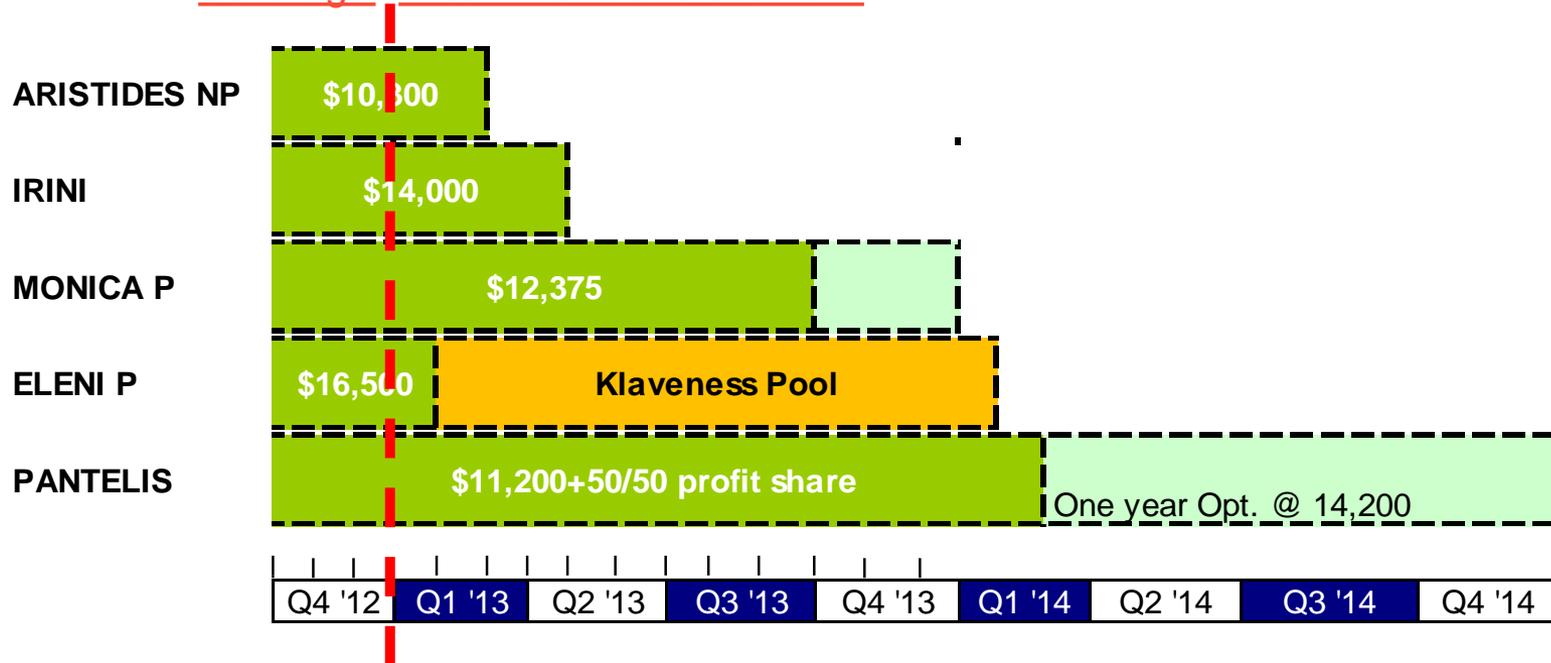


Chartering, Operations & Investment Strategy



Vessels Employment Chart – Bulkers

Coverage: 44% in 2013 and 3% 2014

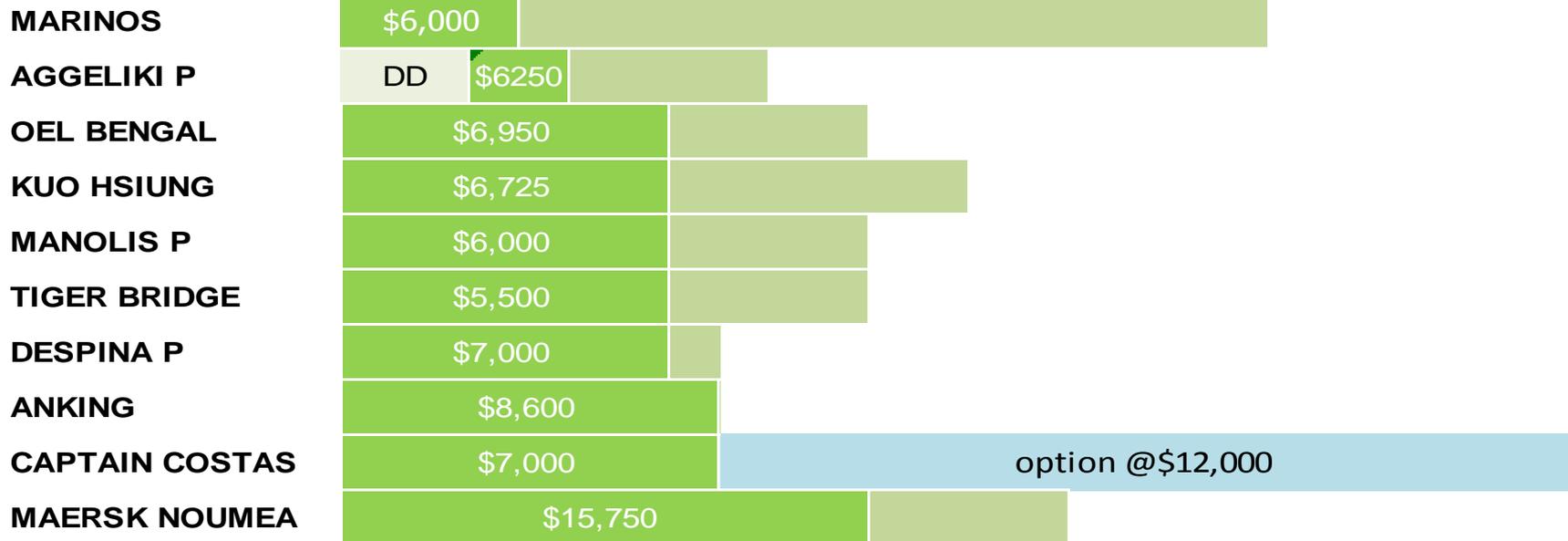


○ Optional periods
 ● Pool-based revenues (spot employment)

Vessels Employment Chart – Containerships

Coverage (as of Feb 1'13): Abt 17% in 2013 (based on min durations)

2013											
Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec
Q1			Q2			Q3			Q4		

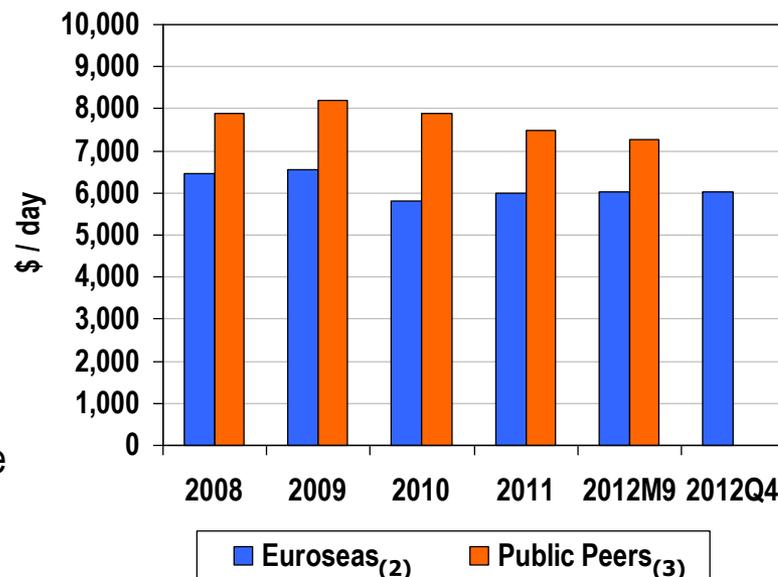


Re-delivery range Options

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

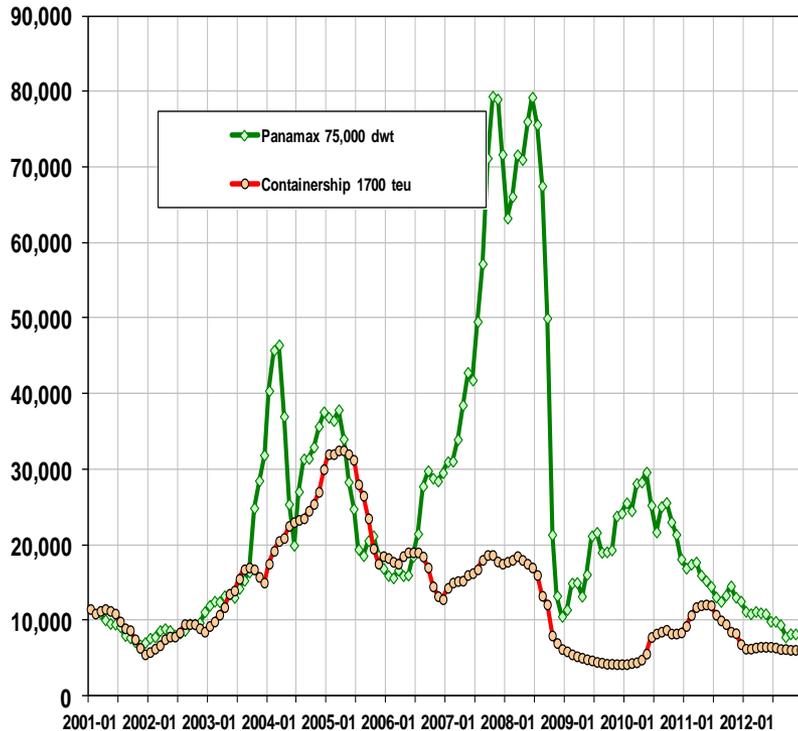
Daily costs per vessel (1)



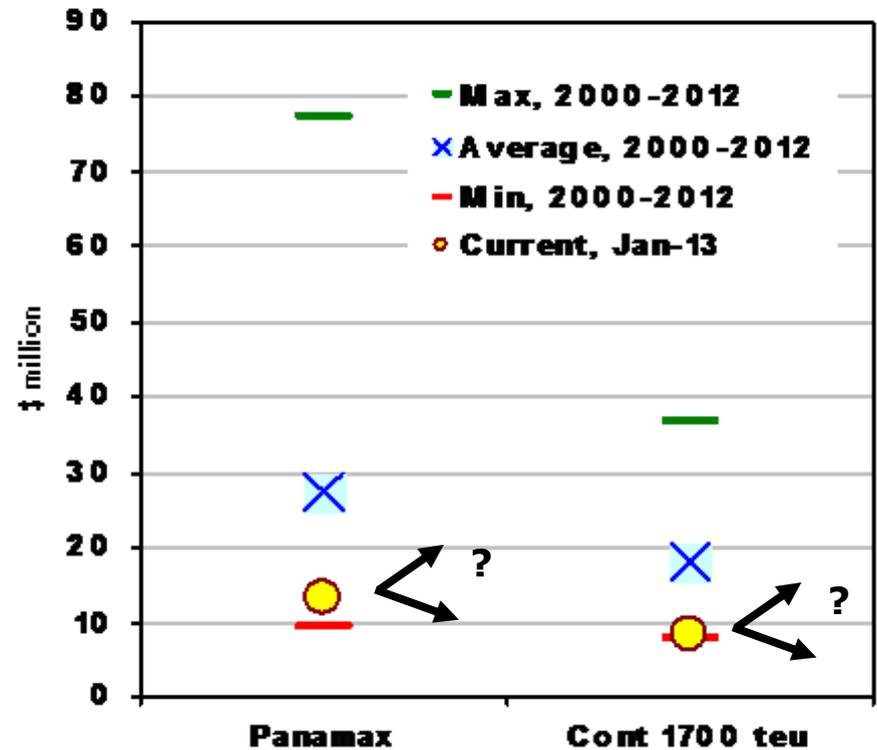
- (1) Includes running cost, management fees and G&A expenses (not drydocking expenses)
- (2) 2009 figure was increased by abt \$600/day to account for the lower cost of the 3 laid-up vessels; 2010 figure was increased by abt \$300/day to account for the lower cost of the laid-up vessels (2 in 2010H1 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 Snapshot – Investment Opportunities

1-Year Time Charter Rate



10-yr old Price Historical Range





Financial Overview

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

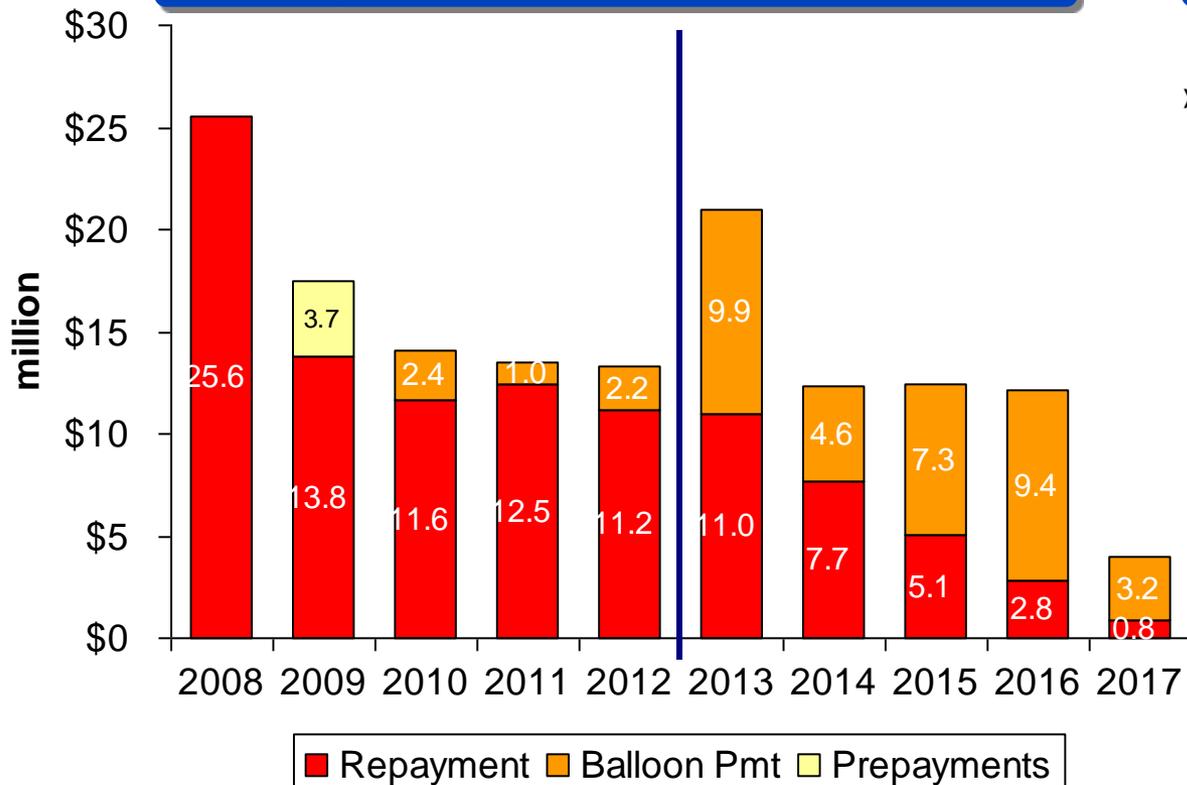
Fleet Data for 4th Quarter and Full Year of 2011 and 2012

<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.

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

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 \$1.04)
- **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 22%
 - 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

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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