



Earnings Presentation

Three- And Six-Month Period Ended June 30, 2014

Earnings Presentation

August 08, 2014

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.

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2014 Second Quarter & First Half Overview

- Financial Highlights - 2014:

	Second Quarter		First Half	
Net Revenues	\$9.6 m		\$19.1 m	
Net Loss	(\$5.0) m		(\$7.2) m	
Adj. Net Loss Available to Common Shareholders ⁽¹⁾	(\$5.3) m	(\$0.09)/share ⁽²⁾	(\$7.8) m	(\$0.15) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	(\$1.6) m		(\$0.6) m	

(1) See press release of 08/07/2014 for reconciliation of Adj. Net Loss Available to Common Shareholders to Net Loss and Adjusted EBITDA to Net Loss and Cash Flow from Operations

(2) Basic and diluted

Operational Highlights

➤ Operational Highlights: Employment extensions on up to 12-month charters

➤ **Containerships**

- Evridiki G: Extended for 12 months at \$8,200/day.
- Joanna: Extended for 1-3 months at \$7,500/day. Also thereafter fixed lump-sum \$400k with empties to far east.
- Marinos: Extended for 6 months at \$7,150/day with an option for 5 months at \$8,000/day.
- Manolis P: Extended for 10 months at \$7,200/day.
- Captain Costas: Extended for 12 months at \$7,750/day.
- Kuo Hsiung: Extended for 12 months at \$8,700/day.

➤ **Bulkers**

- Aristides NP: Fixed voyage for about 90days at TCE of about \$6,300/day. Thereafter, vessel fixed for a short trip (30 days) at \$4,000/day.
- Eirini P: fixed for 4/6mos at \$9,000/day.
- Pantelis: fixed for min10months at an index linked charter.
- NB Kamsarmax with (end-2015): fixed for 4 years at \$14,100/day plus + 1 optional year at \$14,350/day.

Current Fleet (not including Euromar vessels)

Name	Type	DWT	TEU	Built / To be built	Year Acquired
<u>Newbuilding Program</u>					
Hull No YZJ1116	Kamsarmax	82,000		2015	2014
Hull No YZJ1153	Kamsarmax	82,000		2016	2014
Hull No DY160	Ultramax	63,500		2015	2013
Hull No DY161	Ultramax	63,500		2016	2013
<u>Vessels in the water</u>					
Eirini P	Panamax	76,466	-	2004	2014
Pantelis	Panamax	74,020	-	2000	2009
Eleni P	Panamax	72,110	-	1997	2009
Aristides NP	Panamax	69,268	-	1993	2006
Monica P	Handymax	46,667	-	1998	2009
Evridiki G	Intermediate	34,677	2,556	2001	2008
Angeliki P	Intermediate	30,360	2,008	1998	2010
Tiger Bridge	Intermediate	31,627	2,228	1990	2007
Despina P.	Handysize	33,667	1,932	1990	2007
Captain Costas	Handysize	30,007	1,742	1992	2007
Joanna	Handysize	22,301	1732	1999	2013
Marinos	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
Total	19 vessels	892,519	17,587	18.75 (w/o the nb's)	

Drybulk Carriers

Containerships

Euromar Joint Venture

Containerships

Name	Type	DWT	TEU	Built
AKINADA BRIDGE	Post Panamax	71,366	5,600	2001
CAP EGMONT	Intermediate	41,850	3,091	2007
ALANCA SAN MARTIN	Intermediate	37,180	2,785	2007
EM ASTORIA	Intermediate	35,600	2,778	2004
EM CORFU	Intermediate	34,654	2,556	2001
EM CHIOS	Intermediate	32,350	2,506	2000
EM ATHENS	Intermediate	32,350	2,506	2000
EM ANDROS	Intermediate	33,216	2,450	2003
EM ITHAKI	Intermediate	28,917	2,135	1999
EM HYDRA	Handysize	23,400	1,736	2005
EM SPETSES	Handysize	23,400	1,736	2007
Total	11 vessels	394,283	29,879	10.9 yrs

➤ **Original capital commitment has been contributed:**

- Total capital invested \$175m ..
- ..of which \$25m are from Euroseas.
- Further Euroseas' commitment of \$5m as preferred equity.
- Current cash position of about \$26.5m.

➤ **Has bought 11 containerships**

- Ten between 1700 and 3100 teu and one post-panamax.
- Has funds for 1 to 2 additional vessel acquisitions.



Market Overview

Market Highlights - 2014 Q2

Bulkers

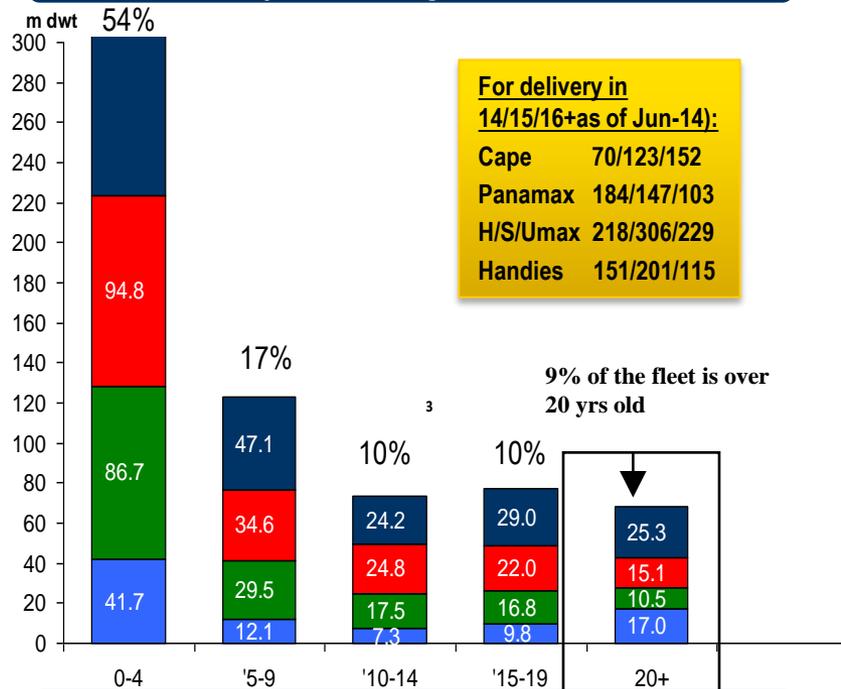
- The BDI dropped from 1362 to 894 points and currently stands at 732 points.
- **Spot:**
 - Capes dropped sharply from about \$18,500/day down to Q2's low of \$8,000/day within the first 2 weeks of April and then fluctuated to finish Q2 at abt \$14,000/day and currently stand at \$8,486/day.
 - PMX started Q2 at abt \$7,300/day fluctuating its way to a peak of \$8,500/day on 20/May to then drop to the unhealthy \$3,400/day levels by the end of Q2 and currently stand at \$4,854/day.
 - SMX slid almost one-way, not violently but substantially, from about \$11,000/day to \$7,000/day and currently stand at \$7,739/day.
- **Period TC – 1 year Contract:**
 - for Capes gradually dropped from \$28,000/day to \$22,000/day and currently stand at \$20,000/day.
 - for PMX gradually dropped from \$14,000/day to \$10,000/day and currently stand at \$9,000/day.
 - for SMX gradually dropped from \$12,750/day to \$10,000/day and currently stand at \$10,000/day.
- **Second hand vessel prices fell by up to 20% whilst new building prices held.**

Containerships

- Rates have moved slightly downwards on the smaller geared sizes whilst activity for over PMX size vessels has been stronger with rates on a gradual rise. Idle fleet has been reduced to around 250k teu which is the lowest since the summer of 2011, however it is expected to rise again after the peak season.
- Secondhand prices have fallen about 15% since their recent peak and are around all time low levels last seen in 2013.
- Newbuilding prices continued to strengthen gradually due to demand for other ship types.

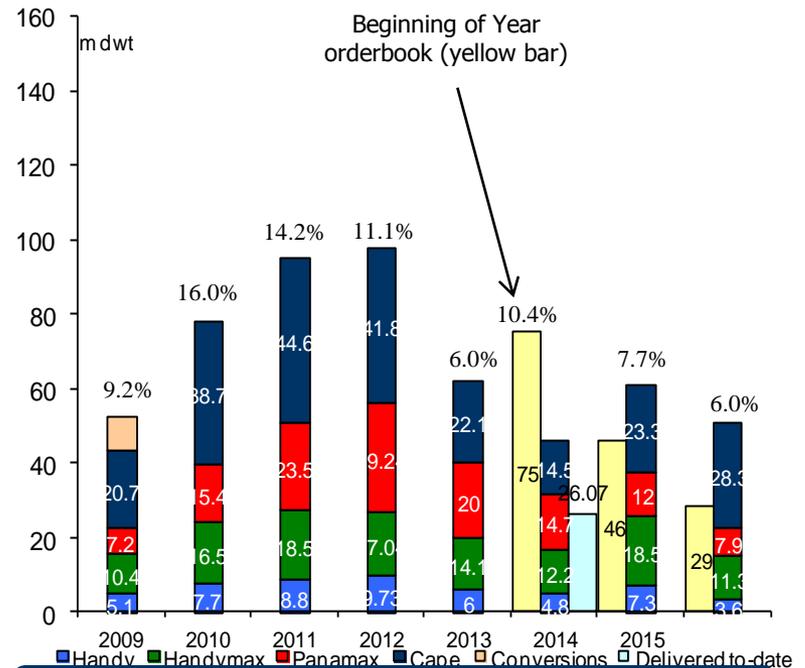
Drybulk Age Profile & Orderbook Delivery Schedule

Dry Bulk Age Profile



Large bulkers are still young

Dry Bulk Orderbook



Large Vessels Dominate Orderbook

Source: Clarksons, as of June 2014. 2009-2013 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.

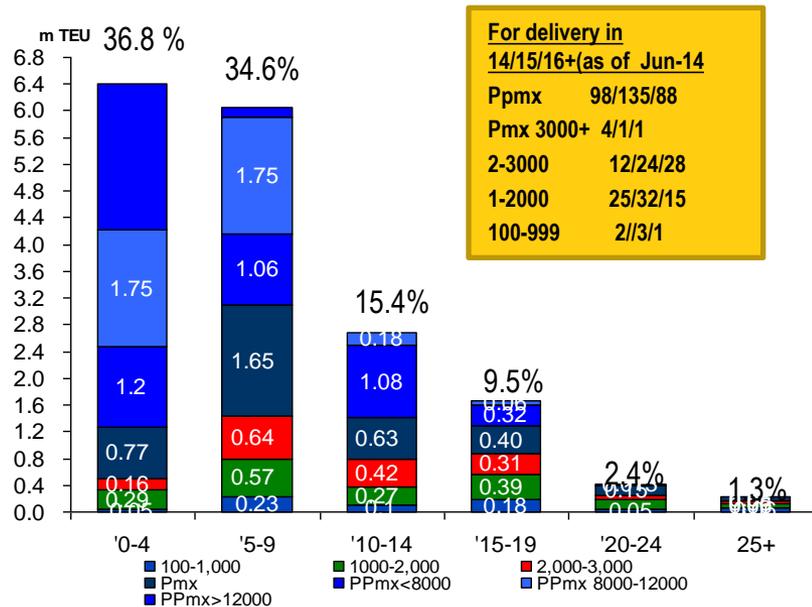
In 2012, scrapping accounted for 32.9 m dwt (5.3%), slippage and cancellations (40 m dwt) accounted for 29% of the scheduled deliveries

In 2013, scrapping accounted for 21.62 m dwt (3.2%), slippage and cancellations (39 m dwt) accounted for 39% of the scheduled deliveries

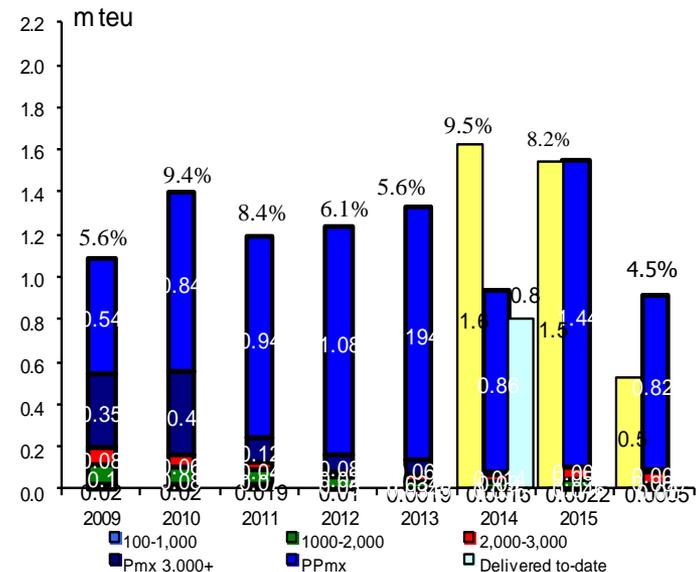
In 2014/15/16/ deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions .

Containership Age Profile & Orderbook Delivery Schedule

Containership Age Profile



Container Orderbook



Overall A Young Fleet

Source: Clarksons as of June 2014

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 0.08 m teu, or 0.5% of the fleet. Slippage and cancellations of about 0.5m 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 0.1m teu accounted for about 10% of the scheduled deliveries.

In 2013, scrapping accounted for 0.43 m teu, or 2.6% of the fleet. Slippage and cancellations of about 0.5m teu accounted for about 27% of the scheduled deliveries.

Large Vessels Dominate Orderbook

World Economic Growth

U.S. is the growth engine with volatility, Europe risks deflation and uncertainties globally remain.

Positives:

- Second half US growth could be above 3% (annualized). Pro-business government elected in India. European elections led to higher representation of Euro-sceptic parties but their fragmentation should not affect policy much. EU growth expectations revised upwards.

Negatives:

- Instability in the Middle East and Ukraine are reminders of the presence of risk. The European banking sector is still fragile as evidenced by BES in Portugal. AQR exercise by the ECB ongoing. The South American grain season has disappointed causing Atlantic dry rates to fall. Inflation can undershoot in the medium term. In addition the coal trade was down during the first 6 months of the year. The Eurozone risks deflation.

World GDP & Shipping Demand Growth

Real GDP (% p.a. - IMF)	2010	2011	2012	2013	2014	2015
USA	2.8 (2.7)	1.8 (3.0)	2.8(1.8)	1.9(1.2)	1.7(2.8)	3.0(3.0)
Eurozone	1.8 (1.0)	1.5 (1.5)	-0.7 (-0.5)	-0.5(-0.4)	1.1(1.2)	1.5(1.5)
Japan	4.3 (1.7)	-0.6 (1.7)	1.4(1.7)	1.5(2.0)	1.6(1.4)	1.1(1.0)
China	10.3 (10.0)	9.3 (10.3)	7.7 (8.2)	7.7(7.6)	7.4(7.5)	7.1(7.3)
India	9.7(7.7)	6.3 (8.4)	3.2 (7.0)	4.4(3.8)	5.4(5.4)	6.4(6.4)
Russia	3.7 (3.6)	4.3 (4.5)	3.4 (3.0)	1.3(1.5)	0.2(1.3)	1.0(2.3)
Brazil	7.5 (4.7)	2.7 (4.5)	1.0 (3.0)	2.3(2.5)	1.3(1.8)	2.0(2.7)
ASEAN-5	6.7 (4.7)	4.5 (5.5)	6.2 (4.8)	5.2(5.0)	4.6(4.9)	5.6(5.4)
World	5.0 (3.9)	3.9 (4.4)	3.1 (3.3)	3.0(2.9)	3.4(3.6)	4.0(3.9)

Figures in parantheses:

(2014/15: Previous forecast by IMF April-14)

Dry Bulk Trade (% p.a.)

Tons	13.0 (5.0)	7.0 (6.0)	7.0 (4.0)	6.0(5.0)	5.0 (4.0)	5.0(5.0)
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Containerized Trade (% p.a.)

TEU	13.1 (8.0)	7.2(8.7)	3.1 (7.0)	5.0 (4.8)	5.8(5.8)	6.7(6.7)
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Figures in parantheses:

(2014/15: Last forecast Apr-14)

(1) Sources:

GDP - International Monetary Fund: 2010-2012 and start of year estimates (in parentheses), 2014/15 IMF Forecasts (July-14)

Trade – Clarksons estimates 2014 (Jun-14) for drybulk and 2014/15 (Jun-14) for Containers, Company estimates 2015

/(drybulk), 2016 (containers), trade outlook takes into account revised economic views

Outlook Summary

Bulker trends

- New vessel deliveries have softened up in the Q2 2014 and are expected to continue softening in H2. Rates expected to improve from the extremely low current spot levels. Market analysis suggests a balanced demand and supply which will result in the average time charter being similar to last year's (which averaged around \$10,100/day for Panamax one-year time charter rates and closed the year at \$14,375/day).
- In 2015, we expect rates to move sideways. The FFA market currently suggests Cal-15 rates in the range of \$10,000/day. The 2016 remaining newbuilding capacity (slots) is causing worries that the market will soften up again if new orders are placed. If new incremental deliveries for 2016 do not exceed 2% of the fleet, we would expect charter rates to remain at least as in 2015.

Containership trends

- We expect demand prospects to improve further in the remainder of 2014 and 2015.
- With no new incremental deliveries expected for the remainder of 2014 and 2015 and few for 2016, we expect a supply/demand balance in favor of demand in 2014 and 2015 and improvement of rates over the next 2 years.
- If new incremental deliveries in 2016 do not exceed 3% of the fleet, we would expect charter rates to remain as in 2015. If incremental deliveries are lower, as we believe will probably be the case, then 2016 could be better than 2015.



Chartering, Operations & Investment Strategy



Vessels Employment Chart – Bulkers

Coverage: 2014: 84% in 2014 based on max durations (includes ships on index charters)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	14 Q1			14 Q2			14 Q3			14 Q4			15 Q1			15 Q2			15 Q3			15 Q4		
ARISTIDES N.P.	\$7,500			\$6,300			\$4K																	
MONICA P				\$7,500																				
EIRINI P				dd			\$9,000																	
ELENI P				97 % BPI 4-TC																				
PANTELIS	\$12,500						105 % BPI 4-TC						Unlimited redely Option											

Minimum TC period
 Re-delivery range
 Optional period

Vessels Employment Chart – Containerships

Coverage: Abt 62% in 2014 and 17% in 2015 (based on min duration apart from Joanna)

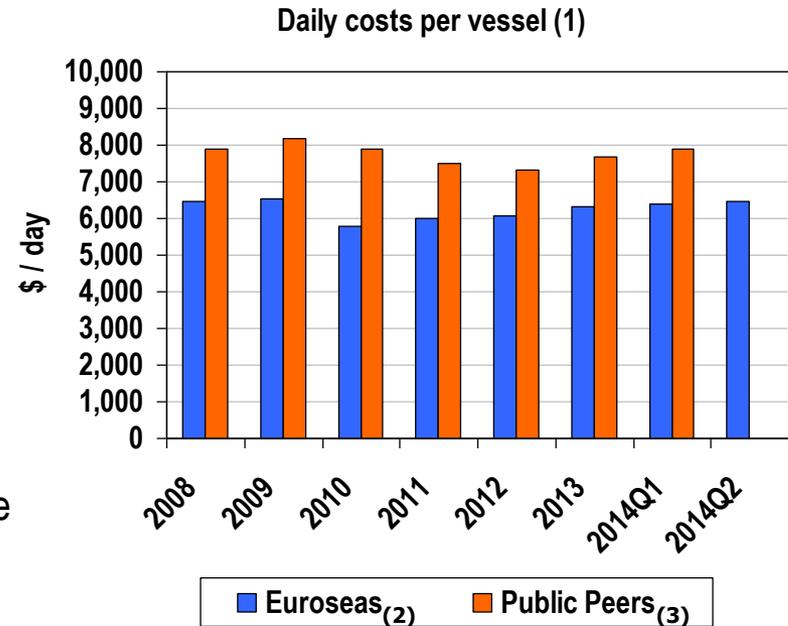
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	14 Q1			14 Q2			14 Q3			14 Q4			15 Q1			15 Q2			15 Q3			15 Q4		
JOANNA	\$7,500			\$7,500			\$400k lumsam for trip to DD																	
TIGER BRIDGE	6.800			\$6,800																				
AGGELIKI P	\$6,000				\$6,950																			
DESPINA P	\$6,400				\$6,950																			
MARINOS	\$7,150			\$7,150						\$8,000														
NINOS				\$8,200																				
EVRIDIKI G	\$8,000						\$8,200																	
MANOLIS P	\$7,200						\$7,200																	
CPT. COSTAS				\$6,500						\$7,750														
KUO HSIUNG				\$7,700						8.700														

Minimum TC period
 Re-delivery range
 Optional period

Fleet Management & Operational Performance

- Operational fleet utilization rate in excess of 98.5% over last 5 years.
 - Outstanding safety and environmental record.
 - For 2014Q2, operational fleet utilization 99.7% and commercial 99.5%.
 - For 2013, operational fleet utilization 98.9% and commercial 96.8%.

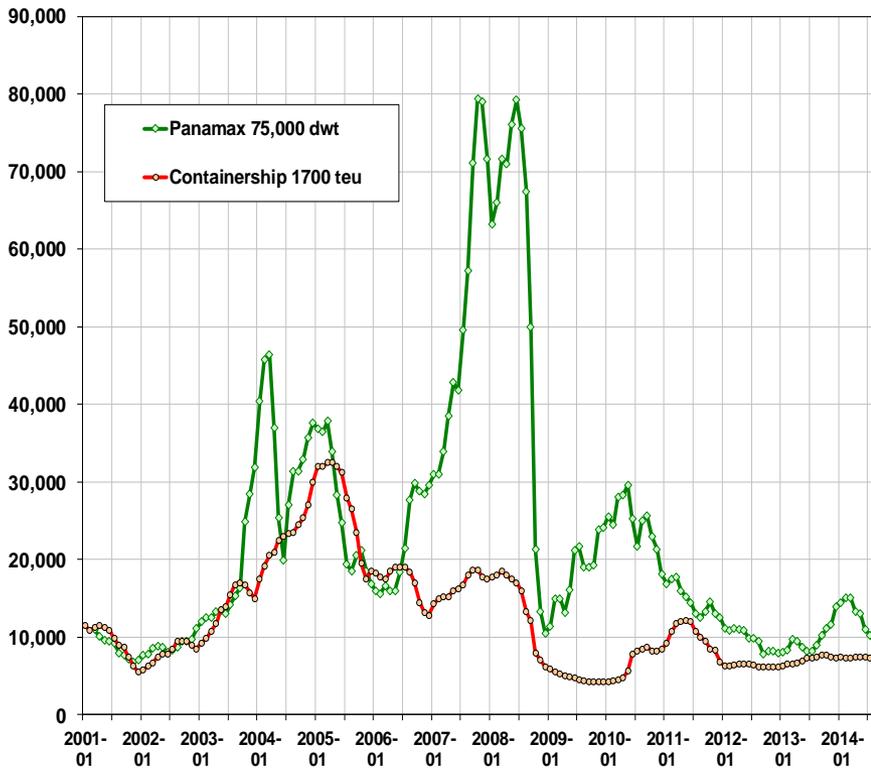
- Overall costs achieved are amongst the lowest of the public shipping companies.



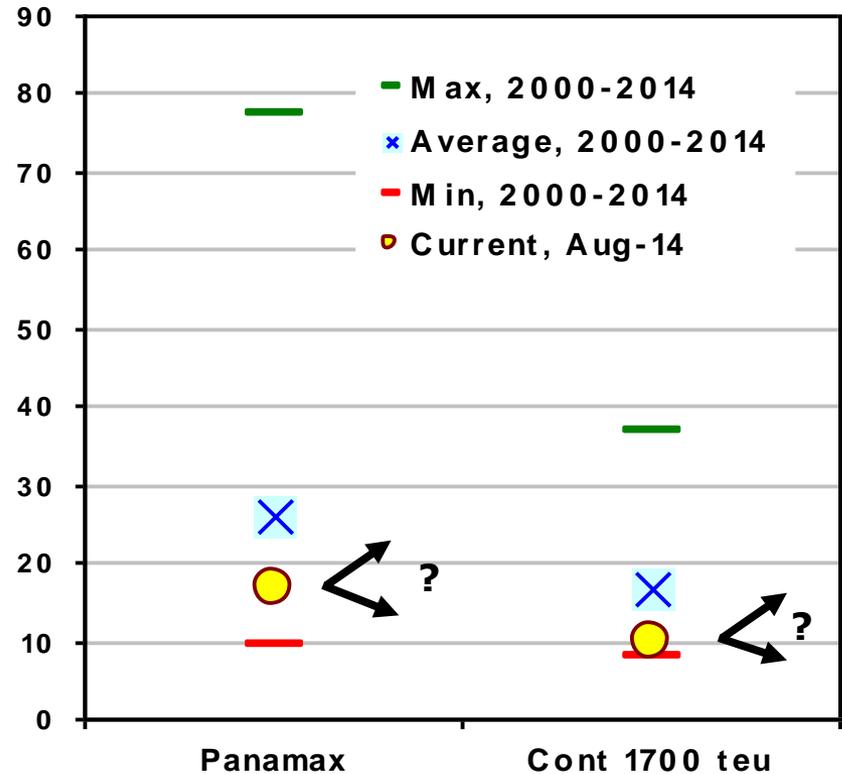
- (1) Includes running cost, management fees and G&A expenses (not drydocking expenses)
- (2) 2009 figure was increased by abt \$600/day to account for the lower cost of the 3 laid-up vessels; 2010 figure was increased by abt \$300/day to account for the lower cost of the laid-up vessels (2 in 2010H1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

\$/day **1-Year Time Charter Rate**



\$m **10-yr old Price Historical Range**





Financial Overview

Financial Highlights: 2nd Quarter and 1st Half of 2013 and 2014

(in million USD except per share amounts)	Second Quarter			First Half		
	2013	2014	change %	2013	2014	change %
Net Revenues	\$9.6	\$9.6	0.7%	\$20.5	\$19.1	-6.6%
Net Loss	(\$8.9)	(\$5.0)		(\$13.5)	(\$7.2)	
Preferred Dividends	\$0.0	(\$0.4)		\$0.0	(\$0.7)	
Net Loss available to Common Shareholders	(\$8.9)	(\$5.4)		(\$13.5)	(\$7.9)	
Loss on Sale of Vessel	\$3.2	\$0.0		\$3.2	\$0.0	
Loss on derivatives	\$0.0	\$0.1		\$0.0	\$0.1	
Adj. Net Loss available to Common Shareholders	(\$5.7)	(\$5.3)		(\$10.3)	(\$7.8)	
Adjusted EBITDA ⁽¹⁾	(\$1.0)	(\$1.6)		(\$1.1)	(\$0.6)	
"GAAP" EPS, Diluted⁽²⁾	(\$0.20)	(\$0.09)		(\$0.30)	(\$0.15)	
"Operating"⁽³⁾ Adj. EPS, Diluted	(\$0.12)	(\$0.09)		(\$0.23)	(\$0.15)	
Dividends per share, declared	\$0.015	\$0.00		\$0.03	\$0.00	

(1) See press release of 08/07/2014 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Available to Common Shareholders; calculated on 45,319,605 shares for 2013 and on 56,888,123 and 52,446,850 for 2014.

(3) "Operating" EPS available to Common Shareholders; excludes from Net Loss the capital gains, unrealized and realized derivative gains and losses and preferred dividends, See press release of 08/07/2014 for reconciliation to Net Loss.

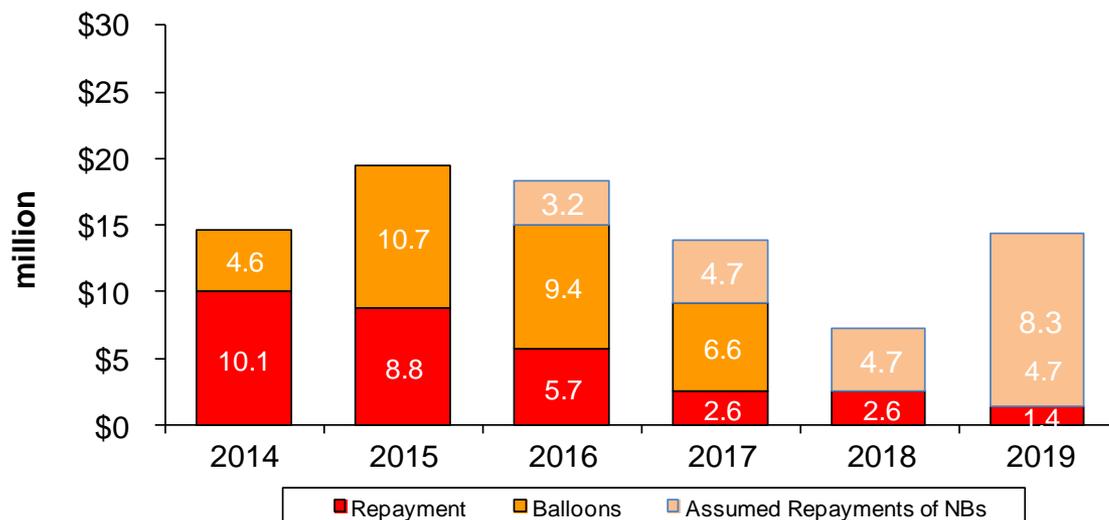
Fleet Data for 2nd Quarter and 1st Half of 2013 and 2014

<u>Fleet Statistics</u>	Second Quarter		First Half	
	2013	2014	2013	2014
	<u>(unaudited)</u>		<u>(unaudited)</u>	
Number of vessels	14.96	14.40	14.98	14.20
Utilization Rate (%)				
Overall⁽¹⁾	90.4%	99.2%	94.2%	99.5%
Commercial⁽¹⁾	90.6%	99.5%	95.0%	99.7%
Operational⁽¹⁾	99.8%	99.7%	99.3%	99.8%
Averages in usd/day/vessel				
Time Charter Equivalent (TCE)⁽²⁾	\$ 7,708	\$ 7,373	\$ 8,256	\$ 7,585
Operating Expenses				
Vessel Oper. Exp. excl. laid-up	5,534	5,708	5,545	5,628
G&A Expenses	581	741	647	771
Total Operating Expenses	6,115	6,449	6,192	6,399
Interest Expense	359	372	357	373
Drydocking Expense	783	982	1,063	525
Loan Repayments	3,992	6,346	2,746	3,646
Total Cash Flow Breakeven	11,249	14,149	10,358	10,943

- (1) Utilization Rate is calculated excluding scheduled offhire (drydockings and special surveys) and vessels in lay-up. Scheduled offhire amounted to 64.3 days for the second quarter and first half of 2014.
- (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 08/08/2014



Notes:

Assumed repayments include:

- A \$15.3m loan was drawn in Q2-2014 for financing part of the acquisition of Eirini P & for refinancing the balloon of Eleni P. The new facility will be repaid by 2019.
- Repayments of assumed loans for newbuildings from 2016 onwards.

Cash Flow Breakeven

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

	<u>\$/day</u>
OPEX	\$ 5,750
G&A	\$ 780
Interest	\$ 550
Drydock	\$ 520
Loan Rpmt(*)	\$ 2,700
TOTAL	\$10,300

(*) Corresponds to \$4.9m for balloon payments and \$9.7m for loan repayments scheduled in the next 12 months.

Balance Sheet & Other Data

- **Cash as of June 30, 2014: \$ 46.4m**
 - \$38.4m unrestricted – and about \$8.0m of restricted funds and retention accounts
- **Debt: \$59.4m as of June 30, 2014**
 - Debt to Capitalization ratio about 35%
 - Debt to Market Value of Fleet ratio about 55%
 - Net debt to Market Value of Fleet ratio about 12%
 - Loan covenants satisfied
- **Capital commitments over 2014-2016**
 - Newbuilding drybulk investment program of about \$118 million to be financed with typical levels of debt and equity already raised
 - 60%-70% debt financing → \$70-\$83 million
 - \$43.5 million, net raised (via preferred & common stock offerings) will be used to fund equity portion (in excess of \$12 million paid to-date)

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