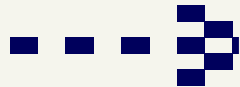




EUROSEAS LTD

June 2006

1870



Today



Safe Harbor Statement



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. The Company exercised reasonable care and judgment in preparing these estimates, however, the estimates provided herein may not match information from other sources.

Company & Strategy



Who is Euroseas Ltd.



- A public company involved in ocean-going transportation; we transport:
 - Bulk raw materials including iron ore, coal, grain & others; and,
 - Containerized trade (container boxes)

- Financial Highlights:

	<u>1st Quarter 2006</u>	<u>Full Year 2005</u>
<u>Net Revenues:</u>	\$9.8 million	\$42.1 million
<u>EBITDA:</u>	\$5.4 million	\$30.4 million
<u>Net Income:</u>	\$3.4 million	\$25.2 million

- Currently trades on OTCBB (symbol ESEAF.OB)
 - Plans to list in NASDAQ National Market as soon as it qualifies
- Market Capitalization:
\$ 113 million based on share price \$3.00 as of 6/16/06
(there are 37,860,341 shares outstanding)
- Owner of 7 vessels, 3 dry bulkers, 3 containerships, 1 multipurpose



Existing Fleet



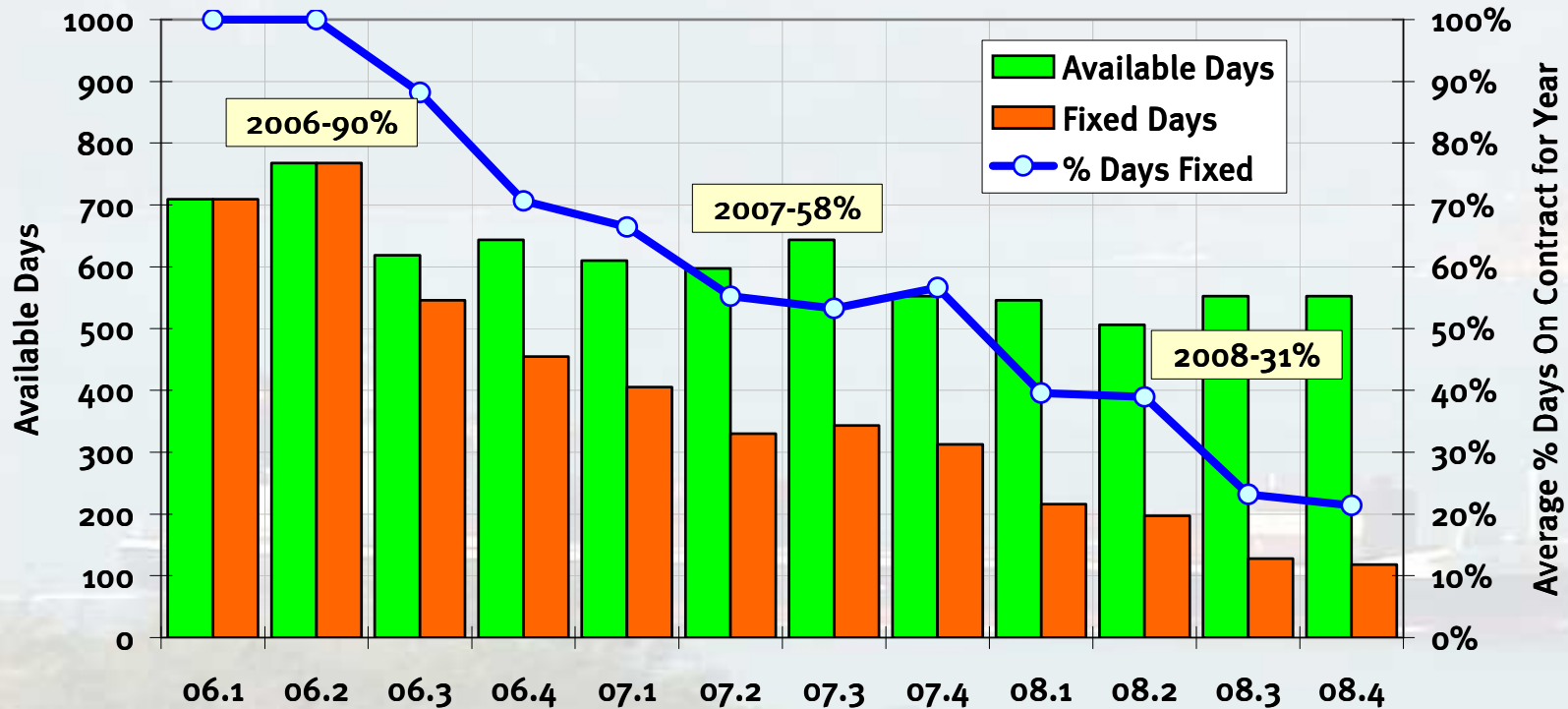
VESSEL List	Type	Size	Units	Year Built
Ariel	Dry Bulk	33,712	dwt	1977
Nikolaos P	Dry Bulk	34,750	dwt	1984
Irini	Dry Bulk	69,734	dwt	1988
QuingDao	Container	1,269	teu	1990
Kuo Hsiung	Container	1,269	teu	1993
Artemis	Container	2,098	teu	1987
Tasman Trader	MPP	22,568 / 950	dwt/teu	1990
Total / Average	7 vessels	160,764 / 5,586	dwt/teu	19 yrs
<i>Vessels sold (delivery during May-June '06 timeframe):</i>				
John P	Dry Bulk	26,354	dwt	1981
Pantelis P	Dry Bulk	26,354	dwt	1981

Last 12 months – A pivotal period for Euroseas



- **Private company since 1870**
 - Backed by the Pittas family with four generations of maritime history dating back to the late 19th century
- **Completed a private placement in Aug. 2005 raising \$21 million from institutional investors**
 - Parallel agreement of a subsidiary to merge with Cove Apparel Inc., a public shell company
 - Registration statements were declared effective by SEC on Feb. 3rd, 2006
- **Have invested part of proceeds in replacing 2 of its vessels**
 - John P blt '81 and Pantelis P blt '81 were sold; Artemis blt' 87 and Tasman Trader blt '90 were purchased
- **Well positioned to take advantage of the market developments in 2006**
 - Purchasing power of about \$50 million (\$15-16 in cash plus debt)
 - Secure earnings based on fixed capacity days (90% for '06 and 58% for '07)

Charter Coverage



Secure position in 2006 and 2007 for the existing fleet

- 90% of our 2006 available days are fixed / 58% of our 2007 available days
- In 2007, even if we earn zero revenues on our not-yet-fixed days, we should have a positive net income for the year

Euroseas Fleet Employment Specifics



- Our containerships & multipurpose vessel are employed under Time Charters with remaining terms from 10 months to more than 5 ½ years
 - M/V *YM Qingdao* - 'til Mar-2007 [\$11,900/day]
 - M/V *Kuo Hsiung* - 'til Nov-2007 [\$16,000/day 'til Nov-06 then \$12,000/day]
 - M/V *Artemis* - 'til Dec-2008 [\$19,000/day]
 - M/V *Tasman Trader* - 'til Feb-2012 [\$8,850/day - \$9,500/day - \$9,000/day]

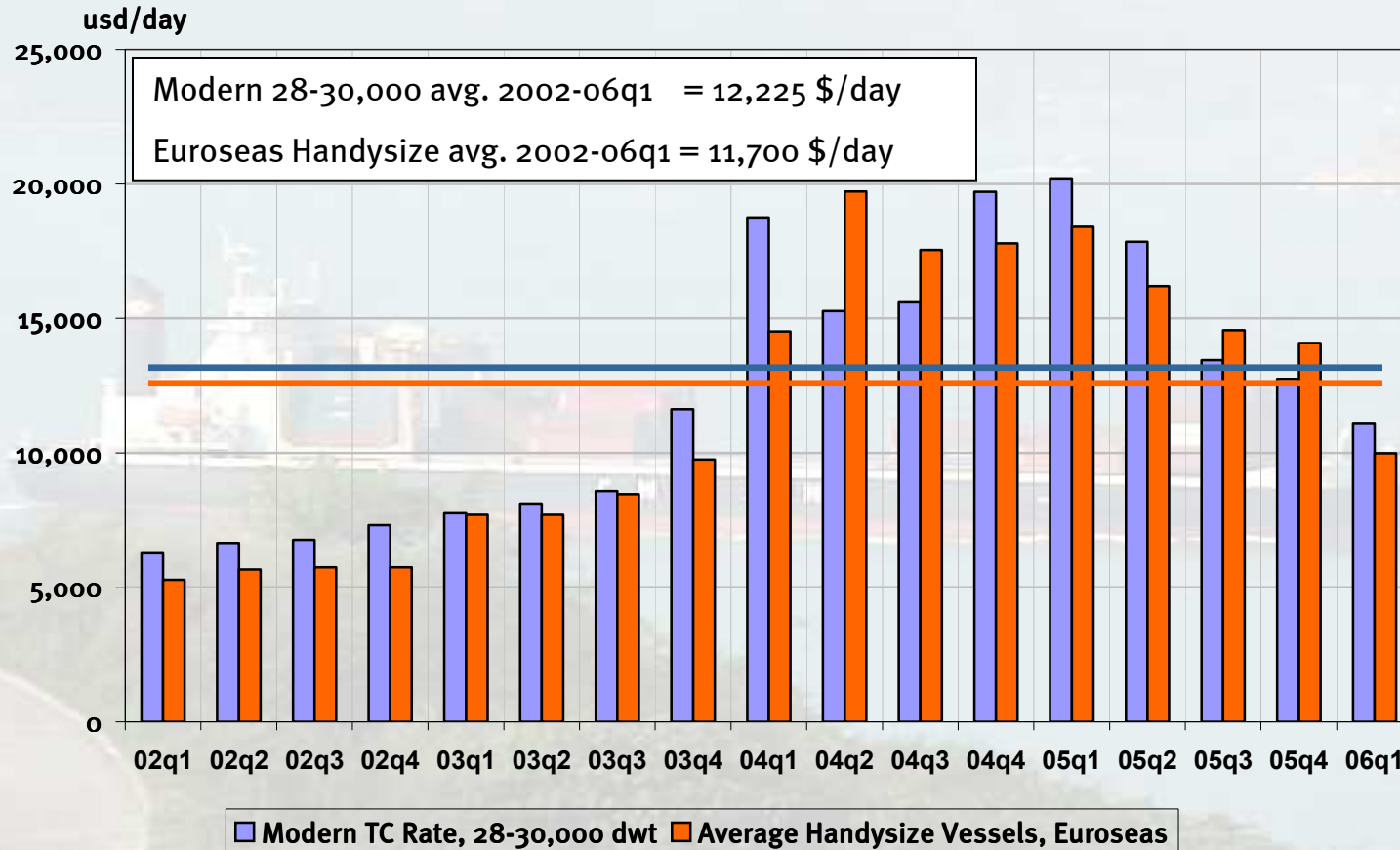
- Our panamax, M/V *Irini*
 - participates in the Klaveness Baumarine pool and in 3 short funds (i.e. contracts to carry cargo at agreed rates)
 - Secures a rate range in the \$17,000-20,000 / day for the greater part of the next 2½ years (covered at 102% in 2006, 77% for 2007 and 42% for 2008, approximately)

- Our handysize vessels are/will be employed in the short-term time charter or “spot” market
 - After sale & delivery of John P and Pantelis P only 2 handysize vessels left
 - M/V *Ariel* chartered 'til end August-2006 @ \$8,500/day
 - Will secure longer-term charters at appropriate rates when and if available
 - Vessels have low running costs and low capital costs

Own Earnings Vs. Market Rates



Our actual average rates for our 4 Handysize vessels compared against the 1-year TC rate for a 5-year old handysize vessel



Source: Company compiled data based on industry / broker reports and Company data



Our Investment and Employment Strategy



- Maximize cash flow and earnings per dollar invested
 - Target mid-age vessels at time of purchase
 - Evaluate all projects on own merits plus effect on fleet
- Employ our vessels in a mix of profitable time charters and the spot market
 - Exploit our strong worldwide network of clients
- Run our vessels efficiently and economically
 - Long experience in managing vessels of any age
- Take advantage of the cyclical nature of the market
 - Buy and sell vessels at the right time

Our Execution Strategy

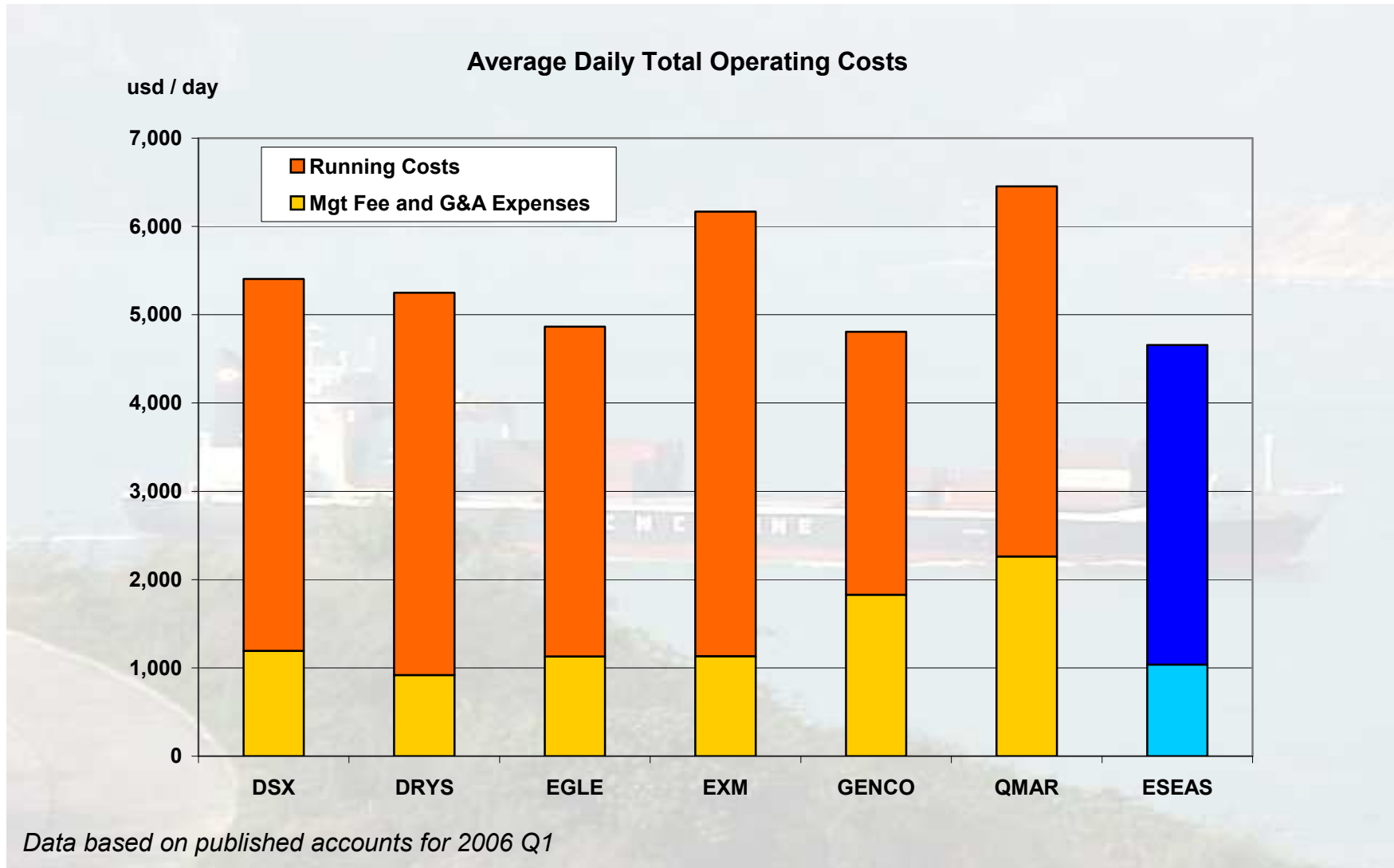


- We expect the second half of 2006 to present purchasing opportunities
 - Would allow us to grow our fleet based on existing capital resources & new funds
- We continuously inspect and evaluate vessels listed for sale
 - Targeting vessels mainly 10 to 20 years old which we believe give the best return per dollar invested, but evaluate all projects
- Invest in dry bulkers, containerships & dry cargo ships
 - Selecting segments with lower supply-side growth & flexible trading
 - All part of Chinese & world economic growth scenarios
- We will continue managing and chartering our ships through our affiliated companies Eurobulk and Eurochart
 - Maintaining the cost effective operation we have achieved over the years

Q1 2006 Comparison with Peers

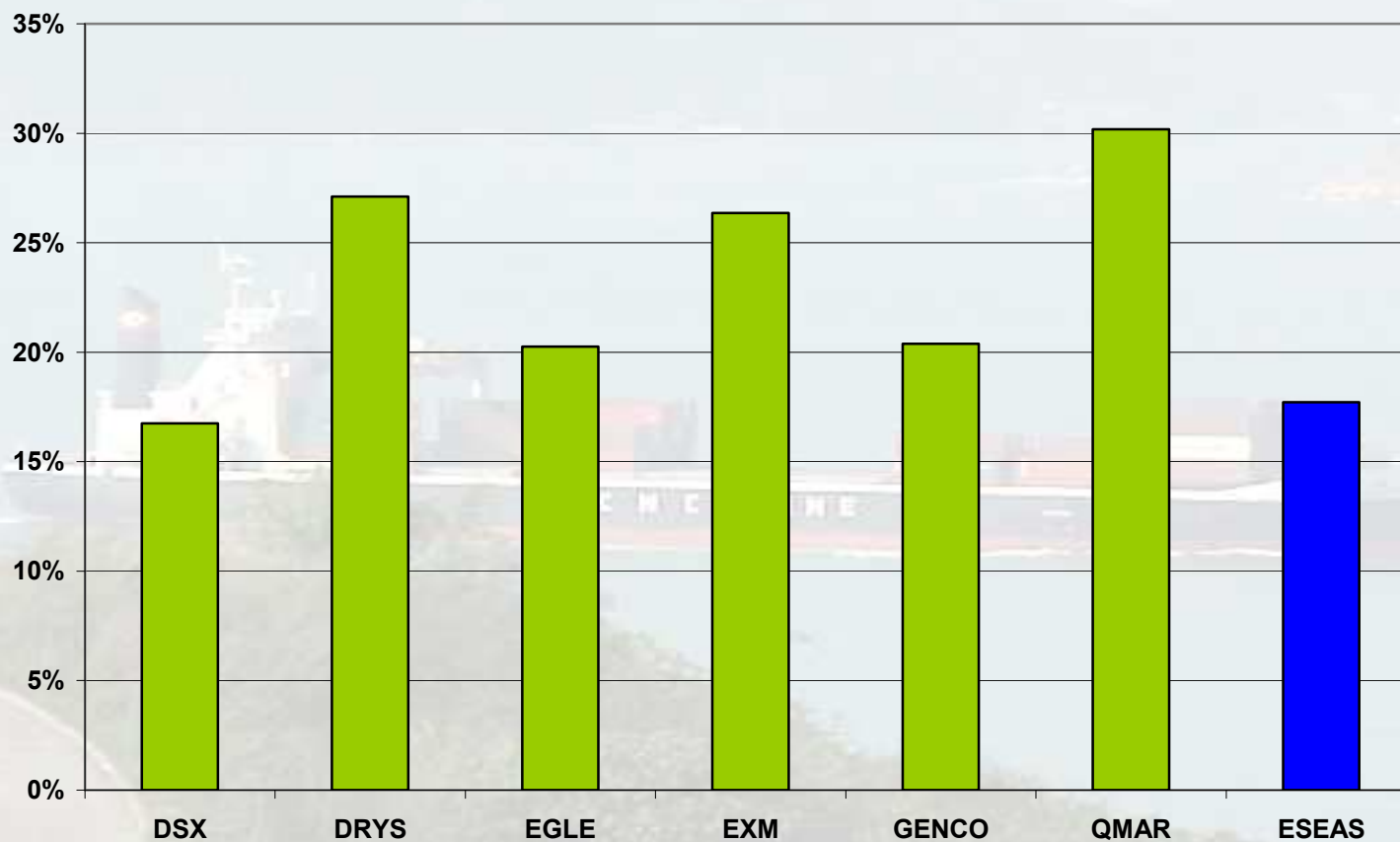


Average Daily Operating Costs – 2006Q1



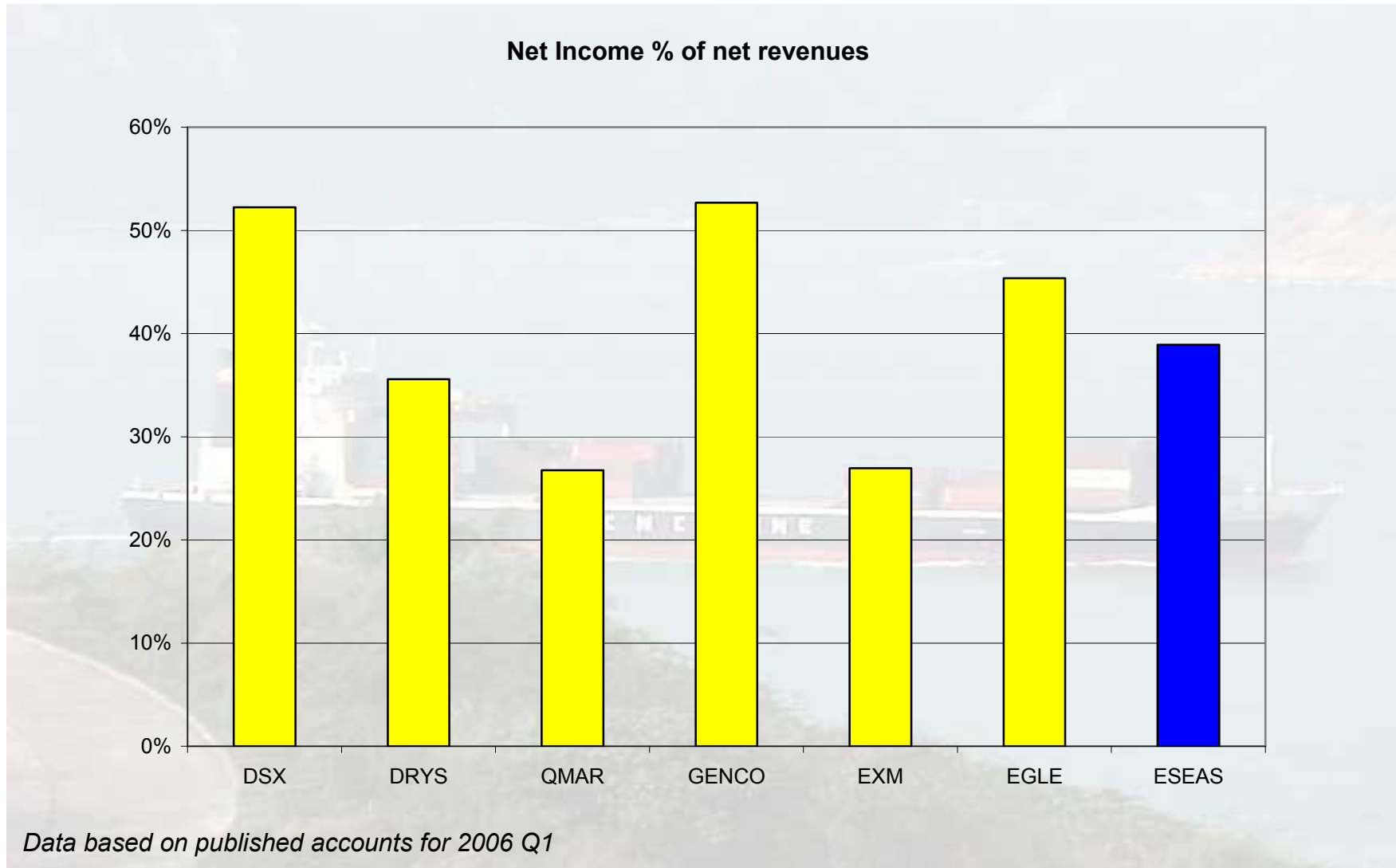
Capital Costs – 2006 Q1

Depreciation & Amorization as % of Net Revenues



Data based on published accounts for 2006 Q1

Net Income Margin – 2006 Q1



Q1 2006 Financial Results and Dividend History



Income Statement, 2003, 2004, 2005 & 2006 Q1



INCOME STATEMENT in '000 USD except per share amounts and number of vessels	Year ending at December 31,			Three months ending at March 31,	
	2003	2004	2005	2005	2006
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
TC Equivalent revenue	25,514	45,348	43,853	12,624	9,268
Commissions	-906	-2,215	-2,388	-709	-480
Operating expenses					
Vessel operating expenses	8,776	8,906	8,610	2,057	2,606
Management fees	1,723	1,972	1,912	492	512
General & Admin. Expenses	0	0	421	0	234
Total operating expenses	10,499	10,879	10,943	2,549	3,352
Amortization and depreciation	-4,758	-3,462	-4,208	-917	-1,556
Net gain on sale of vessel	0	2,316	0	0	0
Operating income	9,352	31,108	26,313	8,448	3,880
Interest and finance cost	-793	-708	-1,496	-58	-678
Other Income (expenses), net	-132	212	361	74	218
Net income for the year	8,427	30,612	25,178	8,464	3,419
Earnings per share	0.28	1.03	0.78	0.28	0.09
based on number of shares	29,754	29,754	32,218	29,754	36,781
Number of vessels	8.00	7.31	7.10	7.00	8.00

Fleet Data, 2003, 2004, 2005 & 2006 Q1



Per Vessel Statistics in USD/day/vessel	Year ending at December 31,			Three months ending at March 31,	
	2003 (audited)	2004 (audited)	2005 (audited)	2005 (unaudited)	2006 (unaudited)
Number of vessels	8.00	7.31	7.10	7.00	8.00
Period Days (days)					
Calendar	2,920	2,677	2,591	630	720
Available	2,867	2,554	2,546	630	709
Voyage	2,846	2,542	2,508	629	709
Utilization Rate (%)	99.3%	99.5%	98.5%	99.8%	100.0%
Averages in USD/day/vessel					
Time Charter Equivalent (TCE)	8,738	17,839	17,487	20,070	13,072
Vessel running expenses	3,005	3,327	3,323	3,265	3,620
Management fees	590	737	738	781	711
Vessel operating expenses	3,595	4,064	4,061	4,046	4,330
General & Admin. Expenses	0	0	162	0	326
Total operating expenses	3,595	4,064	4,223	4,046	4,656
Amortization & Depreciation	-1,629	-1,293	-1,624	-1,456	-2,162

Select Financials, Balance Sheet



BALANCE SHEET in USD	March 31, 2006
Assets	(unaudited)
Current assets	
Cash and cash equivalents	21,283,078
Other current Assets	2,888,263
Total current assets	24,171,341
Vessels, net	51,065,207
Deferred charges, net	1,669,034
Total assets	76,905,582
Liabilities and shareholders' equity	
Current liabilities	
Long-term debt, current portion	13,005,000
Other current liabilities	3,861,760
Total current liabilities	16,866,760
Long-term debt, net of current portion	31,885,000
Total liabilities	48,751,760
Shareholders' equity	
Common stock	378,603
Additional paid-in capital	17,882,990
Retained earnings	9,892,229
Total shareholders' equity	28,153,822
Total liabilities and shareholders' equity	76,905,582

- **Unrestricted cash: \$21.3 m**
- **Long term debt: \$44.9 m**
 - **Modest leverage by industry standards**
 - **Repaid \$12 m debt since private placement**
- **Acquisition of M/V "Artemis" was financed 75% by debt**

Dividend Policy & History



- “Euroseas plans to distribute, on a quarterly basis, substantially all available cash flow generated by operations less expenses, debt service, reserves for drydocking expenses, special surveys, and after establishing necessary working capital reserves. Necessary working capital reserves will be determined by the business needs, terms of existing credit facilities, growth strategies, and other cash needs as determined by the Board of Directors, or required by prevailing law. “
 - Dividend is at the discretion of the Board
- Declared dividend of \$0.06 per share for the first quarter of 2006
- Dividend History
 - November 2, 2005 - \$0.07/share
 - February 7, 2006 - \$0.06/share
 - May 9, 2006 - \$0.06/share



Shipping Markets



Overview - Shipping

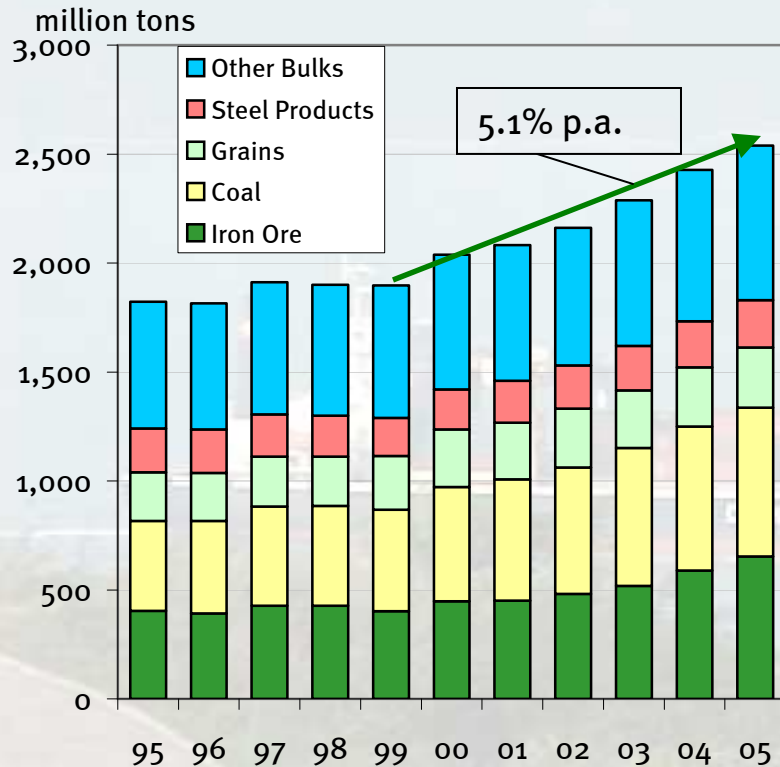
- **Directly linked to world trade**
 - If you believe world trade growth will continue,
.. .. shipping is the industry to invest
 - No substitute to ocean transportation!

- **Shipping is a worldwide industry - not tied up to a particular region**
 - Invest in China's growth potential without having to be in China
 - Main segments are very liquid in terms of buying and selling ships
 - Dry bulk, containerships & tankers
 - Should take into account supply side developments (cyclical industry)

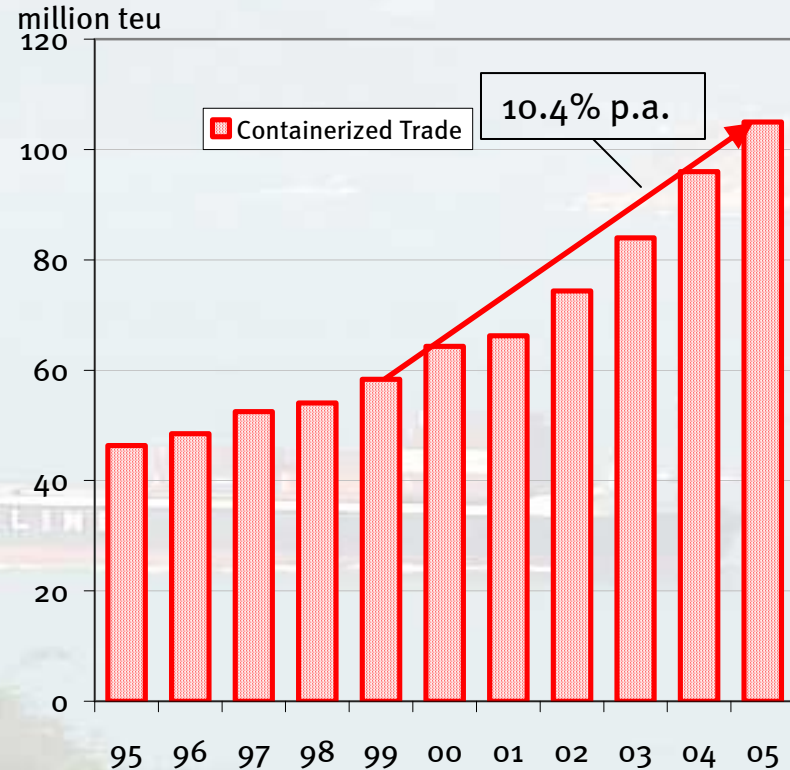
- **Dry bulkers and containerships have less potential liability & costs**
 - i.e. Tankers could face higher liability due to possible pollution and clean-up costs in the event of an accident

Dry Bulk & Container Trade Growth

Dry Bulk Trade



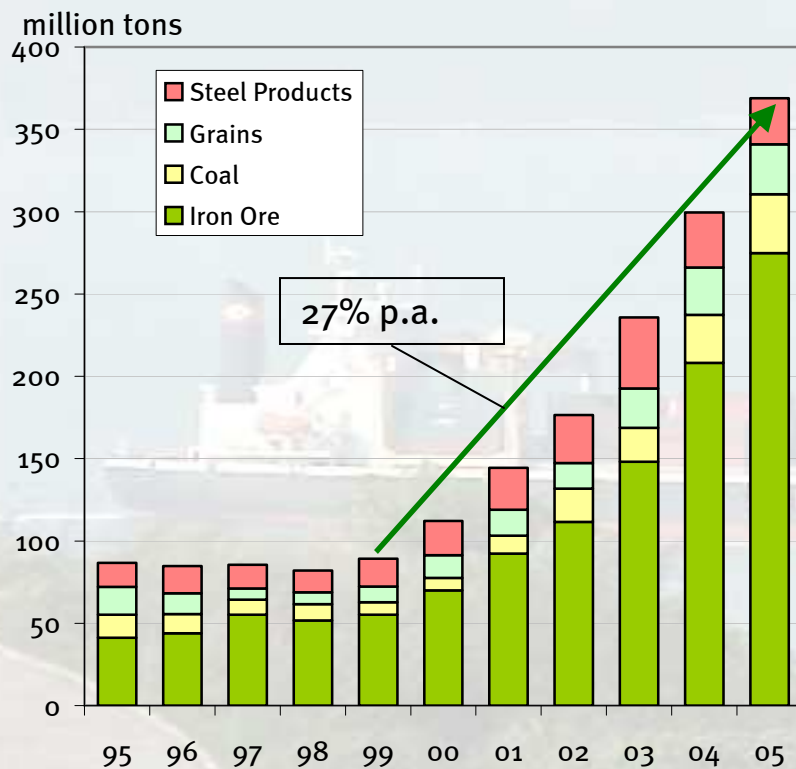
Containerized Trade



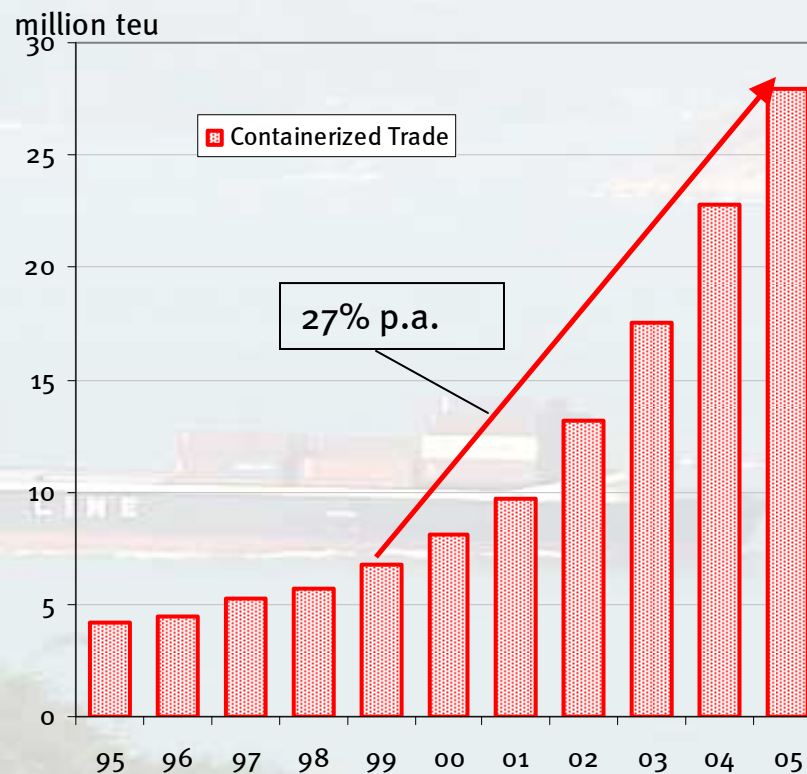
Source: Company compiled data based on industry publications; figures for 2005 are estimates

China Is The Driving Force

Selected Bulk Imports - China



Container Exports - China

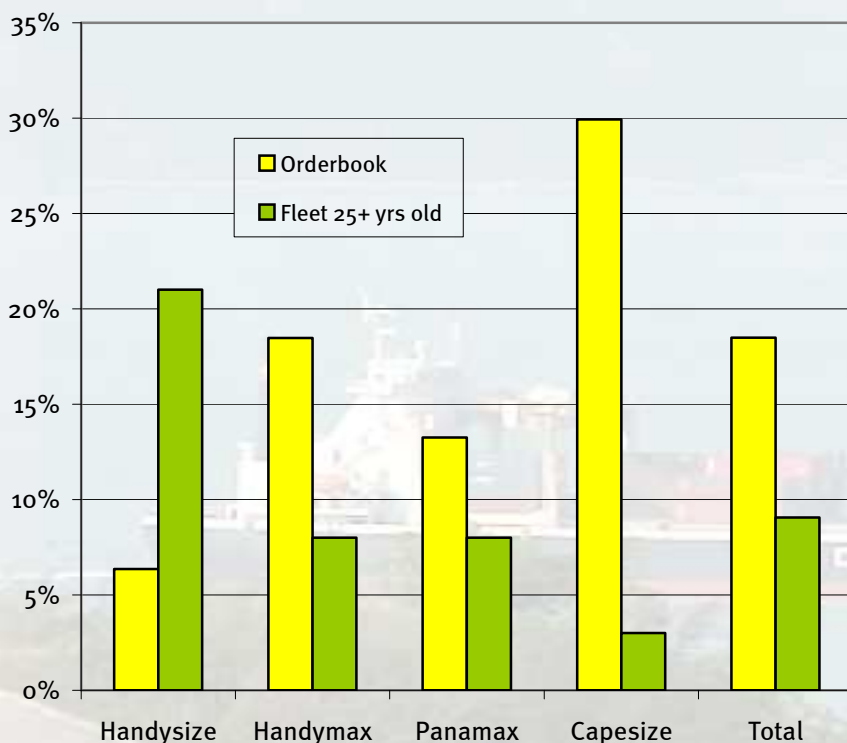


In 2005, China contributed about 62% of dry bulk trade growth and 57% of the containerized trade growth

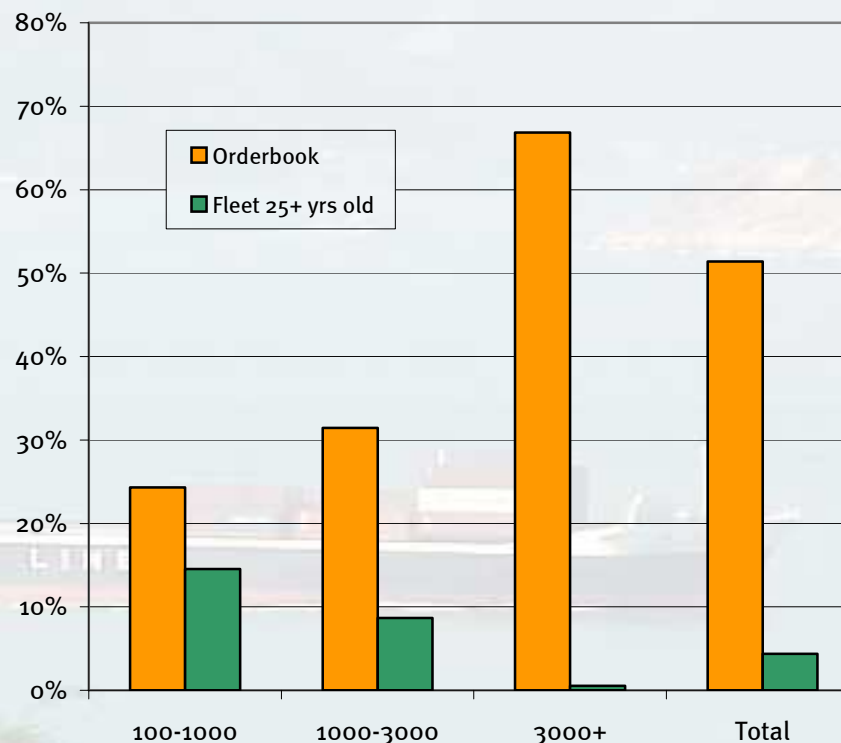
Source: Company compiled data based on industry publications; figures for 2005 are estimates

Fleet Development

Dry Bulk Fleet Profile (% of fleet), end '05



Containership Fleet Profile (% of fleet), end '05



- Presently, it takes about 3 years to deliver a vessel => orderbook will be delivered over the next 3-3.5 years
- We operate in segments (handysize, 1000-2000 teu) where less fleet growth is expected

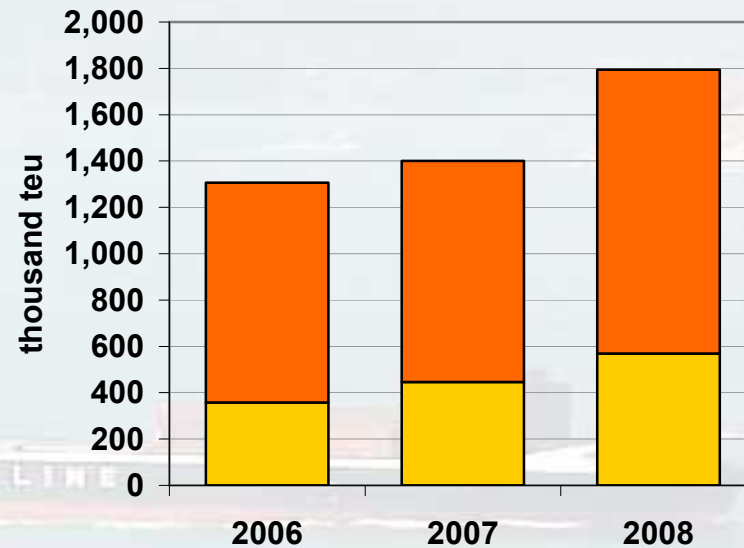
Source: Company compiled data based on industry publications

Fleet Deliveries 2006-2008

Dry Bulk Fleet – Current Orderbook 18%



Containership Fleet – Orderbook ~50%

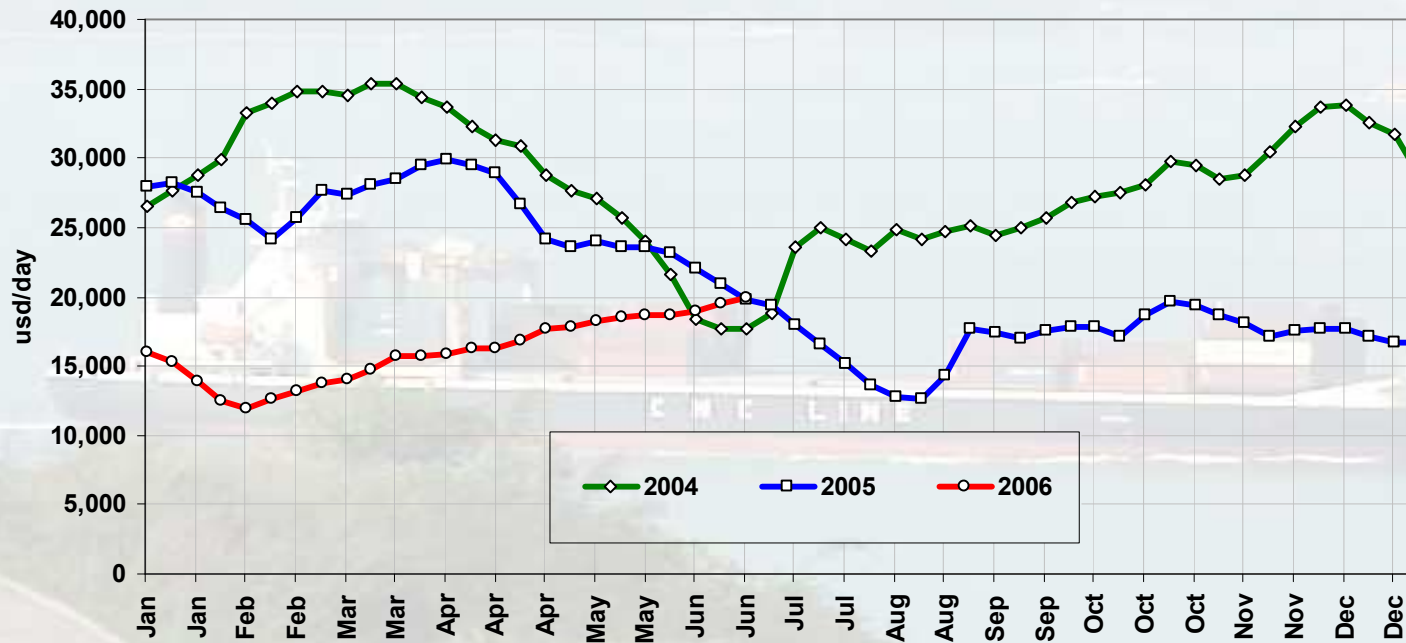


- Dry bulk market has been able to absorb significant number of deliveries in 2006 H1 as evidenced by the rising rates
- Future scheduled deliveries are slowing down
- Presently, it takes 3-3.5 yrs to deliver a ship
- Containership deliveries are to increase in 2007 and, more so, in 2008

Source: Company compiled data based on industry publications

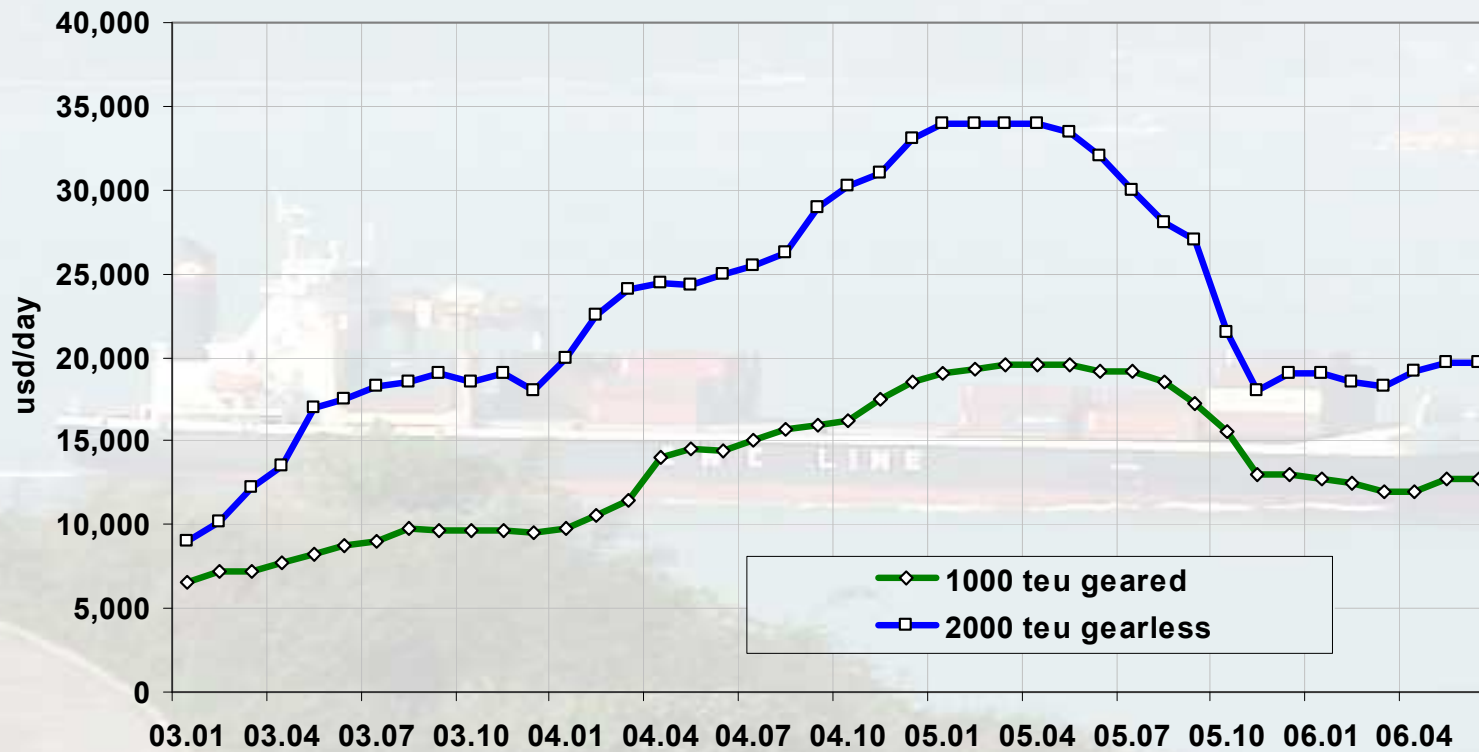
Dry Bulk Market

Dry Bulk Spot Rates - Handymax 45,000



Containership Market

Containership TC Rates



Summary



Why Invest in Euroseas



- **Value driven investment strategy**
 - Mid-age vessel that maximize cash flow and returns per dollar invested
 - Dry bulkers, containerships & multipurpose vessels: flexibility to invest in either segment
 - Selection of segments with lower supply-side growth

- **Downside protection with upside potential**
 - Cost effective operations: Long experience in running vessel of any age
 - Diversified employment strategy: mix of time charter & spot
 - Balanced strategy between growth and dividend yield

- **Committed sponsor: Pittas family in shipping for over 100 yrs / 4 generations**
 - Well established reputation in the shipping industry
 - Currently, 80% owner
 - Record of high profitability & significant growth over the last 10 years

Euroseas Offers An Investment Alternative

