

EUROSEAS LTD.
Form S-8
December 18, 2007

As filed with the Securities and Exchange Commission on December 17, 2007

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

EUROSEAS LTD.

(Exact Name of Registrant as Specified in its Charter)

Republic of the Marshall Islands
(State or Other Jurisdiction of
Incorporation or Organization)

N/A
(I.R.S. Employer Identification No.)

Aethrion Center
40 Ag. Konstantinou Street
151 24 Maroussi Greece
(Address of Principal Executive Offices)

EUROSEAS LTD.
2007 EQUITY INCENTIVE PLAN
(Full Title of the Plan)

Seward & Kissel LLP
Attention: Lawrence Rutkowski, Esq.
One Battery Park Plaza
New York, New York 10004
(Name and Address of Agent for Service)

(212) 574-1200
(Telephone Number, Including Area Code, of Agent of Service)

Copies to:

Lawrence Rutkowski, Esq.
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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered ⁽¹⁾	Proposed Maximum	Proposed Maximum	Amount of Registration Fee
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		Offering Price Per Share ⁽²⁾	Aggregate Offering Price⁽²⁾	⁽²⁾
Common Stock	600,000	\$12.66	\$7,596,000	\$233.20

(1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the “Securities Act”), the number of shares of common stock registered hereby is subject to adjustment to prevent dilution by reason of any stock dividend, stock split, recapitalization or other similar transaction that results in an increase in the number of shares of our outstanding common stock.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) and (h) under the Securities Act, based on the average of the high and low sales prices of a share of the Registrant’s Common Stock on December 14, 2007, as reported on the NASDAQ Global Market.

EXPLANATORY NOTE

This Registration Statement on Form S-8 is filed by Euroseas Ltd., a Marshall Islands corporation (the “Company”), relating to 600,000 shares of its common stock, par value \$0.03 per share, that may be issued under the Euroseas Equity Incentive Plan dated October 25, 2007 (the “Equity Incentive Plan”).

Under cover of this Registration Statement on Form S-8 is our reoffer prospectus prepared in accordance with Part I of Form F-3. Our reoffer prospectus has been prepared pursuant to Instruction C of Form S-8 and in accordance with Part I of Form F-3, and may be used for reofferings and resales on a continuous basis in the future of up to an aggregate of 600,000 shares of common stock of the Company that may be issued to key persons (“Key Persons”) under the Equity Incentive Plan. Of these shares, we have agreed to issue 135,000 shares to certain Key Persons under the Equity Incentive Plan. The reoffer prospectus has been included in this registration statement on Form S-8 so that upon issuance 80,000 of these shares to certain officers and directors of the Company, all Key Persons may resell their respective shares of common stock. Accordingly, we have included in the reoffer prospectus the names of these Key Persons to whom we have agreed to issue shares of common stock and we have described the nature and the number of securities to be reoffered by each of them.

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

The documents constituting Part I of this Registration Statement will be sent or given by the Company to the Key Persons, the grantees under the Equity Incentive Plan, as specified by Rule 428(b)(1) under the Securities Act. The Part I Information is not filed with the U.S. Securities and Exchange Commission (the “Commission”) either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424.

Upon written or oral request, the Company will provide, without charge, the documents incorporated by reference in Item 3 of Part II of this Registration Statement. The documents are incorporated by reference in the Section 10(a) prospectus. The Company will also provide, without charge, upon written or oral request, other documents required to be delivered to employees pursuant to Rule 428(b) under the Securities Act. Requests for the above-mentioned information should be directed to the Company’s Chief Executive Officer, Aristides Pittas, at the address and telephone number on the cover of this Registration Statement.

CONTROL SECURITIES REOFFER PROSPECTUS

This Registration Statement includes a reoffer prospectus prepared in accordance with the applicable requirements of Part 1 of Form F-3 (pursuant to Instruction C of the General Instructions to Form S-8) which is included below. The reoffer prospectus relates to reoffers and resales of control securities that may be acquired under the Equity Incentive Plan.

REOFFER PROSPECTUS

80,000 SHARES OF COMMON STOCK

EUROSEAS LTD.

This prospectus relates to the offer and sale by the selling shareholders identified in this prospectus, and any of their respective pledgees, donees, transferees or other successors in interest, of up to an aggregate of 80,000 shares of common stock of the Company. We will not receive any of the proceeds from the sale of shares by the selling shareholders. The Company will pay all expenses in connection with the sale of the shares through this prospectus.

The shares of common stock will be issued pursuant to awards granted under our 2007 Equity Incentive Plan (the "Equity Incentive Plan"). The selling shareholders will acquire 80,000 shares pursuant to the Equity Incentive Plan. The shares of common stock covered by this prospectus may be sold at fixed prices or prices that may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Our common stock is listed on the NASDAQ Global Market ("NASDAQ") under the symbol "ESEA." On December 14, 2007, the closing sale price of our common stock on NASDAQ was \$12.66 per share.

The securities issued under this prospectus may be offered directly or through underwriters, agents or dealers. The names of any underwriters, agents or dealers will be included in a supplement to this prospectus.

Our principal executive offices are located at Aethrion Center, 40 Ag., Konstantinou Street, 151 24, Maroussi, Greece. Our telephone number at that address is 011 30 211 1804005.

An investment in these securities involves risks. See the section entitled "Risk Factors" beginning on page 7.

NEITHER THE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is December 17, 2007

TABLE OF CONTENTS

	<u>Page</u>
PROSPECTUS SUMMARY	3
PRICE RANGE OF COMMON STOCK AND DIVIDENDS	5
USE OF PROCEEDS	6
CAPITALIZATION	6
ENFORCEMENT OF CIVIL LIABILITIES	7
DESCRIPTION OF CAPITAL STOCK	7
EXPENSES	8
LEGAL MATTERS	10
EXPERTS	10
WHERE YOU CAN FIND ADDITIONAL INFORMATION	10

Unless otherwise indicated, all dollar references in this prospectus are to U.S. dollars and financial information presented in this prospectus that is derived from financial statements incorporated by reference is prepared in accordance with United States generally accepted accounting principles.

This prospectus does not contain all the information provided in the registration statement we filed with the Commission. For further information about us or the securities offered hereby, you should refer to that registration statement, which you can obtain from the Commission as described below under “Where You Can Find Additional Information.”

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Matters discussed in this document may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbour protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

Please note in this offering memorandum, “we”, “us”, “our” and “the Company” all refer to Euroseas Ltd. and its consolidated subsidiaries.

The Company desires to take advantage of the safe harbour provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbour legislation. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words “believe”, “anticipate”, “intends”, “estimate”, “forecast”, “project”, “plan”, “potential”, “will”, “may”, “should”, “expect” and similar expressions identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from independent third parties. Although we believe 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, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors and matters discussed elsewhere herein and in the documents incorporated by reference herein, 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 world economies and currencies, general market conditions, including fluctuations in charter hire rates and vessel values, changes in the Company's operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations, changes in income tax legislation or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports filed by the Company with the Commission and NASDAQ.

We refer you to the section entitled “Risk Factors”, beginning on page 7, for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this offering memorandum are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

PROSPECTUS SUMMARY

This section summarizes some of the information that is contained later in this prospectus or in other documents incorporated by reference into this prospectus. As an investor or prospective investor, you should review carefully the risk factors and the more detailed information that appears later in this prospectus or is contained in the documents that we incorporate by reference into this prospectus.

Unless the context otherwise requires, as used in this prospectus, the terms “Company,” “we,” “us,” and “our” refer to Euroseas Ltd. and all of its subsidiaries, and “Euroseas Ltd.” refers only to Euroseas Ltd. and not to its subsidiaries.

We use the term “deadweight tons,” or dwt, in describing the capacity of our drybulk carriers. Dwt, expressed in metric tons, each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry. We use the term “twenty foot equivalent unit,” or teu, the international standard measure of containers, in describing the capacity of our container ships. Drybulk carriers are categorized as Capesize, Panamax, Handymax and Handysize. The carrying capacity of a Capesize drybulk carrier is 80,000 dwt and above. The carrying capacity of a Panamax drybulk carrier ranges from 60,000 to 79,999 dwt. The carrying capacity of a Handymax drybulk carrier ranges from 40,000 to 59,999 dwt and that of a Handysize drybulk carrier ranges from 10,000 to 39,999 dwt. Container ships are categorized as Deep Sea, Intermediate, Handysize and Feeder. The carrying capacity of a Deep Sea container ship is 3,000 teu and above. The carrying capacity of an Intermediate container ship ranges from 2,000 to 2,999 teu. The carrying capacity of a Handysize container ship ranges from 1,300 to 1,999 teu and that of a Feeder container ship is less than 1,300 teu. Unless otherwise indicated, all references to currency amounts in this prospectus are in U.S. dollars and all share numbers and per share data give effect to a 1-for-3 reverse stock split effected on October 6, 2006.

Our Company

We are a Marshall Islands company incorporated in May 2005. We are a provider of worldwide ocean-going transportation services. We own and operate drybulk carriers that transport major bulks such as iron ore, coal and grains, and minor bulks such as bauxite, phosphate and fertilizers. We also own and operate container ships and multipurpose vessels that transport dry and refrigerated containerized cargoes, principally manufactured products and perishables.

Since January 1, 2007, we have acquired seven vessels for approximately \$148 million. During this period, we have increased our drybulk carrier capacity 34% to 277,316 dwt and our container ship capacity 126% to 16,271 teu, including our multipurpose vessel, which can carry 950 teu or 22,568 dwt. Following the delivery of m/v *Ioanna P*, our fleet consists of a total of 15 vessels consisting of five drybulk carriers, comprised of three Panamax drybulk carriers and two Handysize drybulk carriers, nine container ships and one multipurpose vessel with an average age of approximately 17.5 years. Given current market conditions, we believe that middle-age vessels offer the most compelling value proposition, particularly in light of the expertise of our affiliated management company in evaluating, operating and maintaining middle-age vessels.

We intend to strategically employ our fleet with time and spot charters. We actively pursue time charters to obtain adequate cash flow to cover our fleet’s fixed costs, consisting of vessel operating expenses, management fees, general and administrative expenses, interest expense and dry-docking costs for the upcoming 12-month period. We look to employ the remainder of our fleet through time charters, spot charters, shipping pools or contracts of affreightment, depending on our view of the direction of the markets and other tactical or strategic considerations. Eleven of the 15 vessels in our fleet are currently employed under time charters, one vessel participates in a shipping pool, which provide us with both stable cash flow and high utilization rates that help us generate steady earnings and enhance our ability to pay dividends to our shareholders and two vessels are currently undergoing scheduled dry-docking. The

staggered maturities of our time charters enable us to constantly reevaluate the market and adjust the balance of our charter book accordingly. We believe this employment strategy provides us with more predictable operating cash flows and sufficient downside protection, while allowing us to participate in the potential upside of the spot market during periods of rising charter rates.

Our Fleet

The profile of our fleet is as follows::

Name	Type	Dwt	TEU	Year Built	Employment	TCE Rate (\$/day)
Dry Bulk Vessels						
IRINI ⁽¹⁾	Panamax	69,734	—	1988	Baumarine Pool – until end 2008	\$17,000 to \$20,000
ARISTIDES N.P.	Panamax	69,268	—	1993	Time Charter until Jan-08	\$29,000
IOANNA P. (ex TRUST JAKARTA)	Panamax	64,873	—	1984	Time Charter until Aug-08	\$35,500
NIKOLAOS P.	Handysize	34,750	—	1984	Spot	\$44,750 until Jan-08
GREGOS	Handysize	38,691	—	1984	Spot	\$57,000 until Dec-07
Drybulk Total		277,316				
Multipurpose Vessels						
TASMAN TRADER	Multipurpose	22,568	950	1990	Time Charter until Mar-12	\$8,850 until Dec-08, \$9,500 until Dec-10, \$9,000 until Mar-12
Container Carriers						
TIGER BRIDGE	Intermediate	31,627	2,228	1990	Time Charter until Jul-09	\$16,500

ARTEMIS	Intermediate	29,693	2,098	1987	Time Charter until Dec-08	\$19,000
DESPINA P	Handysize	33,667	1,932	1990	Undergoing scheduled dry-docking ⁽²⁾	—
JONATHAN P	Handysize	33,667	1,932	1990	Time Charter until Dec-07	\$15,000
CLAN GLADIATOR	Handysize	30,007	1,742	1992	Time Charter until Apr-08	\$19,000
YM XINGANG I	Handysize	23,596	1,599	1993	Time Charter until Jul-09	\$26,650
MANOLIS P	Handysize	20,346	1,452	1995	Time Charter until Mar-08	\$13,450
NINOS	Feeder	18,253	1,169	1990	Time Charter until Apr-08	\$12,800
KUO HSIUNG	Feeder	18,154	1,169	1993	Time Charter until Feb-09	\$12,000 until Dec-07 \$15,800 until Feb-09
Container Total		239,010	15,321			
Fleet Grand Total	15	538,894	16,271			

⁽¹⁾ *IRINI* is employed in the Baumarine pool that is managed by Klaveness, a major global charterer in the dry bulk area, and also participates in two “short” funds (contracts to carry cargo at agreed rates), minimizing its exposure to the spot market (covered at 77% for 2007 and 42% for 2008, approximately). The rate mentioned above corresponds only to the fixed portion of the vessel’s employment. The remaining portion earns the spot market rate.

⁽²⁾ *Despina P* is currently undergoing scheduled dry-docking. The vessel will be re-chartered after its dry-docking is complete.

Management of our Fleet

The operations of our vessels are managed by Eurobulk Ltd., or Eurobulk, an affiliated company founded in 1994 by members of the Pittas family, under a master management agreement with us and separate management agreements with each ship-owning company. Under our master management agreement, Eurobulk is responsible for providing us with executive services and commercial management services, which include obtaining employment for our vessels and managing our relationships with charterers. Eurobulk also performs technical management services, which include managing day-to-day vessel operations, performing general vessel maintenance, ensuring regulatory and classification society compliance, supervising the maintenance and general efficiency of vessels, arranging our hire of qualified officers and crew, arranging and supervising dry-docking and repairs, arranging insurance for vessels, purchasing stores, supplies, spares and new equipment for vessels, appointing supervisors and technical consultants and providing technical support and shoreside personnel who carry out the management functions described above and certain accounting services.

Dividend Policy

Our policy is to declare regular quarterly dividends to shareholders from our net profits each February, May, August and November in amounts the Board of Directors may from time to time determine are appropriate. Our Board has adopted a minimum target quarterly dividend of \$0.24 per common share, but we expect to pay quarterly dividends of at least the level of our last divid