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Ocean Freight Inc.



1st Quarter 2010 – Earnings Conference Call
Thursday, May 13th, 2010
8:30 AM EDT

Disclaimer

Matters discussed in this call may constitute forward looking statements. Forward looking statements reflect our 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 historical facts. The forward looking statements 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 third parties. Although OceanFreight 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, OceanFreight Inc. cannot 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 world economies and currencies, general market conditions, including changes in charter rates and vessel values, failure of a seller to deliver one or more vessels to us or delay in taking delivery of one or more vessels, default by one or more charterers of our vessels, changes in demand that may affect attitudes of time charterers, scheduled and unscheduled drydocking, changes in OceanFreight Inc.'s operating expenses, length and number of off-hire periods and dependence on third-party managers, dry-docking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, international hostilities and political events or acts by terrorists. Risks and uncertainties are further discussed in documents filed by OceanFreight Inc. with the U.S. Securities and Exchange Commission.

1st Quarter 2010 Highlights



Reported Net Income: \$ 2.03 million

	1Q 2010	4Q 2009	% Chg
Voyage Days	1163	1125	+3%
Voyage Revenues (\$ mill)	30,335	29,412	+3%
Net Income (\$ mill)	2.03	(135.2)	n/a

Adjusted EBITDA for 1Q 2010: \$14.3 mill

Sales and Purchase Developments

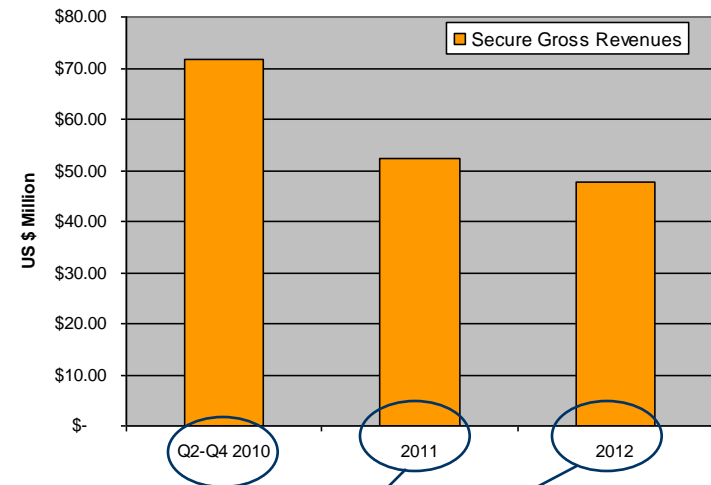
- Agreed to sell the 1996 built Suezmax, M/T Olinda for \$19 mill
We can use the sale proceeds to keep the loan and reinvest.
- Agreed to sell the 1994 built Aframax, M/T Tigani for 12.25mill.
Vessel was delivered to the new owners on May 4th 2010.

Goal:

Take advantage of the recent uptick on tanker asset prices and dispose the older tanker vessels in our fleet as they come off from fixed employment.

Consistent Strategy of Secured Cashflows

	Name	Dwt	Built	Type	Earlier T/C Redelivery	Gross T/C Rate	
Dry Bulk Vessels	Robusto	174,000	2006	Capesize	August-14	26,000	
	Cohiba	174,000	2006	Capesize	October-14	26,250	
	Partagas	173,880	2004	Capesize	July-12	27,500	
	Topeka	74,710	2000	Panamax	January-11	18,000	
	Helena	73,744	1999	Panamax	May-12	32,000	
	Augusta	69,053	1996	Panamax	November-11	16,000	
	Austin	75,229	1995	Panamax	March-10	26,000	
	Trenton	75,229	1995	Panamax	April-10	26,000	
	Vessels to enter the Fleet						
	Montecristo	180,000	2005	Capesize	April-14	23,500	
NB#1	206,000	2012	Capesize	Q2 2015	25,000		
NB#2	206,000	2012	Capesize	Q4 2017	23,000 ⁽¹⁾		
NB#3	206,000	2013	Capesize	Q1 2020	21,500 ⁽²⁾		
1) Time charter includes a 50/50 profit sharing from base rate to \$40,000 per day							
2) Time charter includes a 50/50 profit sharing from base rate to \$38,000 per day							
Tankers	Pink Sands	93,723	1993	Aframax	October-10	27,450	
	Tamara	95,793	1990	Aframax	November-10	27,000	



Q2-Q4 2010 Secured Coverage: 90% @ \$23,250 / day
2011 Secured Coverage: 52% @ \$23,824 / day
2012 Secured Coverage: 41% @ \$25,396 / day

Drybulk Market on the Rise Again... WHY?

Factor #1: Coal trade in Asia is phenomenally strong.

Coking Coal

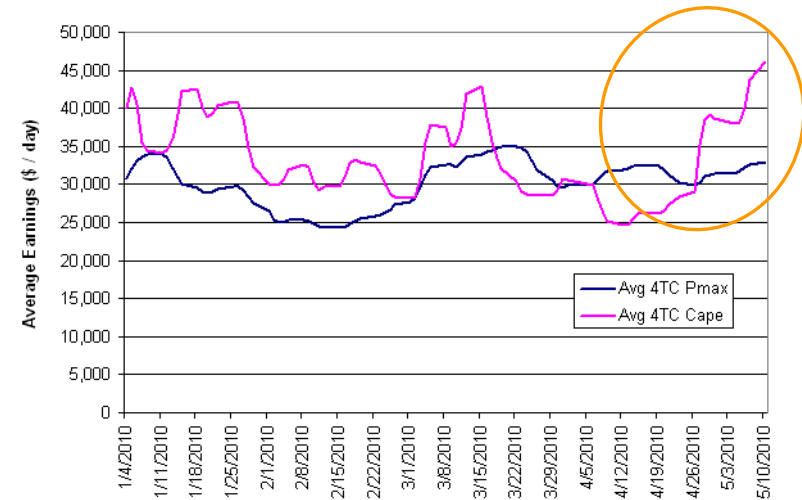
	2007	2008	2009	2010E
China	3.4	3.2	30.5	29.5
Japan	74.4	75.6	63.1	72.1
Total Asia	131.8	141.7	152.4	167.2

Asian trade expected to grow 9.7%

Thermal Coal

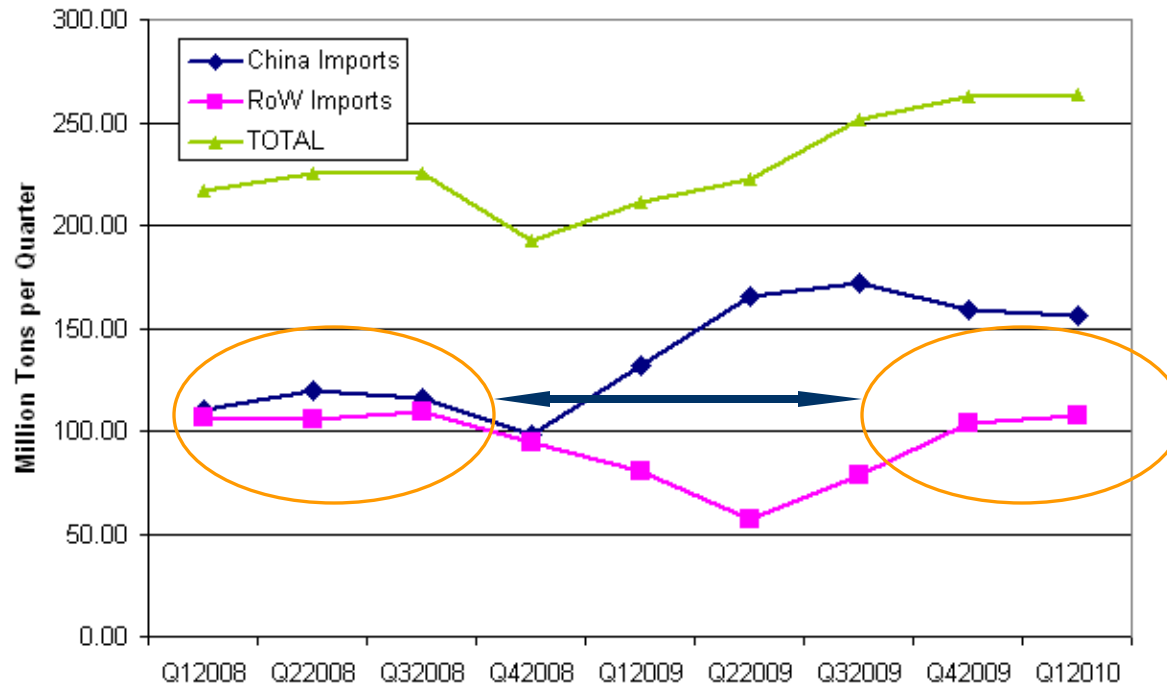
	2007	2008	2009	2010E
China	16.4	14.6	55.7	42.7
Japan	126.4	131	113.4	116.1
India	29.1	35.6	47.6	57.6
Total Asia	343.2	368.1	407.8	414.2

Asian trade expected to grow 1.6%



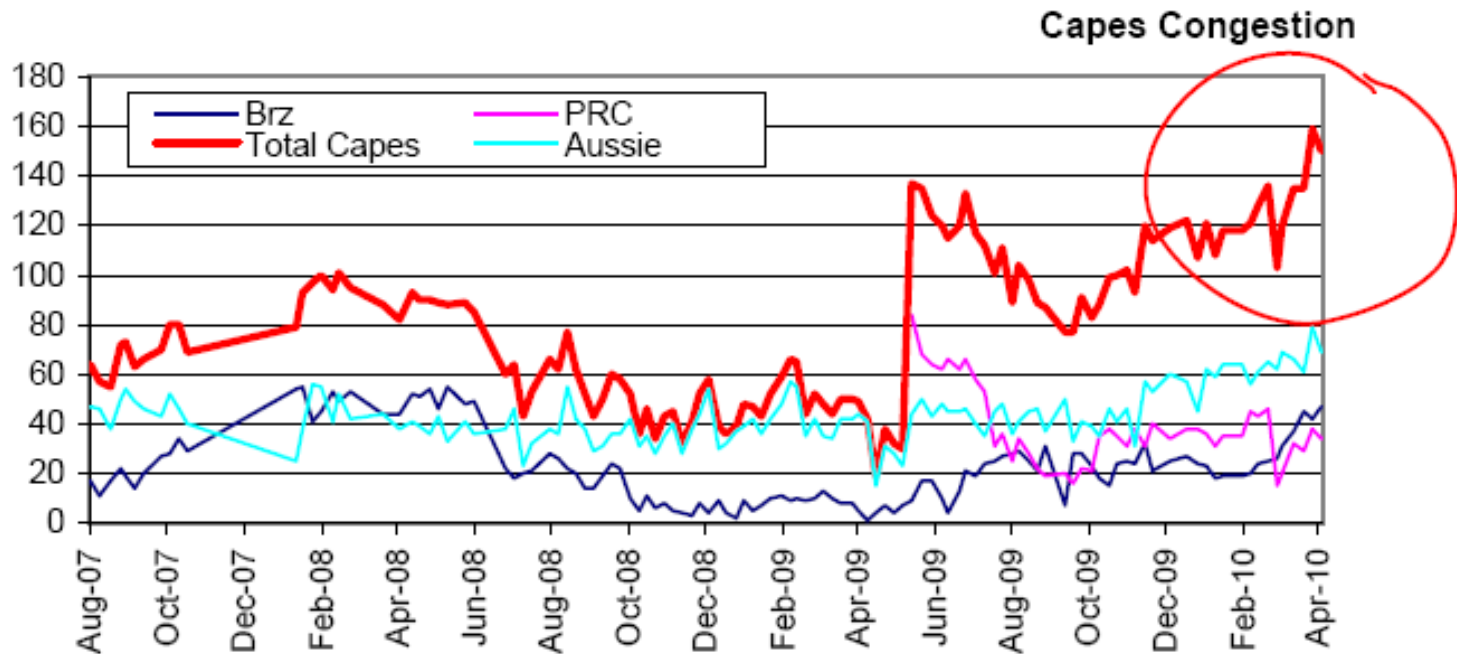
Drybulk Market on the Rise Again... WHY?

Factor #2: Iron ore imports to ROW are back to pre-crisis levels.



Drybulk Market on the Rise Again... WHY?

Factor #3: Port congestion has risen to record high levels



Congestion is acting as a supply restrictor!

Drybulk Market on the Rise Again... WHY?

Factor #4: Vessel Delivery Slippage

Supply of new Vessels:

- Handysize slippage running at about 55%
- Panamax slippage running at about 38%
- Cape slippage running at about 27%
- Drybulk fleet growth in 2009 was about 6.8% and for 2010 it is estimated to grow about 12.6%. Assuming congestion will run close to the average of the last 3 years then supply for 2010 can effectively grow at 6.9%.

Why Invest in OceanFreight?

<i>Multiple shipping sectors</i>	➔	<i>Diversified revenue base</i>
<i>Visible & stable cashflows</i>	➔	<i>Strengthens our Balance Sheet</i>
<i>Large industry footprint</i>	➔	<i>Distressed opportunities</i>
<i>Access to Capital Markets</i>	➔	<i>Equity to buy cheap assets</i>

	<i>in mill US\$</i>
Total Value of Fleet	402.8
Total Outstanding Debt	(256.4)
Total Effective Cash	66.2
Net Asset Value	212.6
Total Outstanding Shares	181.8
NAV per Share	1.17

As of March 31st 2010



Next Steps

- ➔ *Continue to dispose of older tonnage*
- ➔ *Selectively acquire vessels using existing debt in place and operational cash flow.*
- ➔ *Continue to employ vessels on long term charters*

Appendix

Income Statement



Financial Statements

The following are OceanFreight Inc.'s Consolidated Statements of Operations for the three -month periods ended March 31, 2009 and 2010:

	<u>Three Months Ended March 31,</u>	
<i>(Dollars in thousands, except for share and per share data)</i>	<u>2009</u>	<u>2010</u>
<u>STATEMENT OF OPERATIONS DATA</u>	(unaudited)	(unaudited)
Voyage revenues	\$ 31,617	\$ 28,805
Loss on forward freight agreements	-	(4,479)
Imputed deferred revenue	2,537	1,529
Gross revenue	<u>34,154</u>	<u>25,855</u>
Voyage expenses	(1,329)	(1,242)
Vessels operating expenses	(9,427)	(9,235)
Depreciation	(12,780)	(6,748)
Management fees	(960)	(1,333)
General and administrative expenses	(1,247)	(1,197)
Survey and dry docking costs	(971)	-
Gain on vessels held for sale	-	985
Operating income	<u>7,440</u>	<u>7,085</u>
Interest income	13	69
Interest expense and finance costs	(5,737)	(4,132)
Gain/(loss) on interest rate swaps	875	(992)
Net income, net	<u>\$ 2,591</u>	<u>\$ 2,030</u>
Earnings per common share, basic and diluted	\$ 0.13	\$ 0.01
Weighted average number of common shares, basic and diluted	19,926,160	178,039,561

Balance Sheet



The following are OceanFreight Inc.'s Condensed Consolidated Balance Sheets as at December 31, 2009 and March 31, 2010

(Dollars in thousands, except per share data)

	<u>2009</u> (audited)	<u>2010</u> (unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalent	\$ 37,272	\$ 31,553
Restricted cash	2,500	7,232
Vessel held for sale	51,080	52,080
Other current assets	9,447	8,643
Total current assets	<u>100,299</u>	<u>99,508</u>
FIXED ASSETS, NET:		
Vessels under construction and advances for vessel acquisition	9,900	32,691
Vessels, net of accumulated depreciation	423,242	416,558
Other, net of accumulated depreciation	856	792
Total fixed assets, net	<u>433,998</u>	<u>450,041</u>
OTHER NON-CURRENT ASSETS		
Restricted cash	6,511	6,511
Other non-current assets	8,464	8,562
Total assets	<u>\$ 549,272</u>	<u>\$ 564,622</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 49,947	\$ 48,251
Other current liabilities	23,381	25,571
Total current liabilities	<u>73,328</u>	<u>73,822</u>
NON -CURRENT LIABILITIES:		
Long-term debt, net of current portion	215,727	208,166
Other	3,606	4,680
Total non-current liabilities	<u>219,333</u>	<u>212,846</u>
TOTAL STOCKHOLDERS' EQUITY		
Total liabilities and stockholders' equity	<u>\$ 549,272</u>	<u>\$ 564,622</u>

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