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Ocean Freight Inc.



Second Quarter 2008 Earnings Conference Call
August 12, 2008
08:30 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.

Second Quarter 2008 Highlights

<i>Figures in millions except TCE in \$/per day</i>	2q08
Net Income ⁽¹⁾	\$13.8
EPS ⁽¹⁾	\$0.95
EBITDA	\$38.2
Fleet Daily TCE	\$35,672
Average Number of Vessels	11
Fleet Utilization	100%

⁽¹⁾ Excluding a non cash gain of \$10.1 million associated with the valuation of the Company's interest rate swaps. Including the above non cash item net income for the second quarter of 2008 amounted to \$23.9 million or \$1.65 per common and subordinated share.

Recent Developments

❖ **Declared fifth consecutive quarterly dividend**

- *Q2 2008 dividend of \$0.77 per common and subordinated share*
- *Payable on or about August 14, 2008, to common and subordinated shareholders of record as of August 4, 2008*

❖ **Increased time charter coverage to 97% and 94% of fleet operating days for remaining 2008 and 2009**

- *Entered the 1996 built 69,053 dwt Panamax Bulk Carrier MV Augusta into a time charter for a period of about 3 years at a gross daily rate of approximately \$42,100*
- *The vessel will commence its new charter on/about January 2009*

❖ **Further expansion into the tanker sector**

- *Expanded fleet to a total of 12 vessels – over 1 million dwt*

New Acquisition: Further Tanker Sector Expansion

❖ Acquisition of Double Hull Aframax Tanker M/T Tamara

- 95k dwt built 1990**
- Delivery October 2008**
- Acquisition price US\$ 39 million**

❖ M/T Tamara Time Charter with Heidmar

- Entered the vessel into a time charter with Heidmar for a period of about 2 years at a gross daily rate of US\$ 27,000**
- Delivery into the Time Charter concurrently with vessel's delivery**

Consistent implementation of our business strategy regarding fleet expansion, fleet deployment and dividend policy

Rapid Fleet Expansion Since IPO

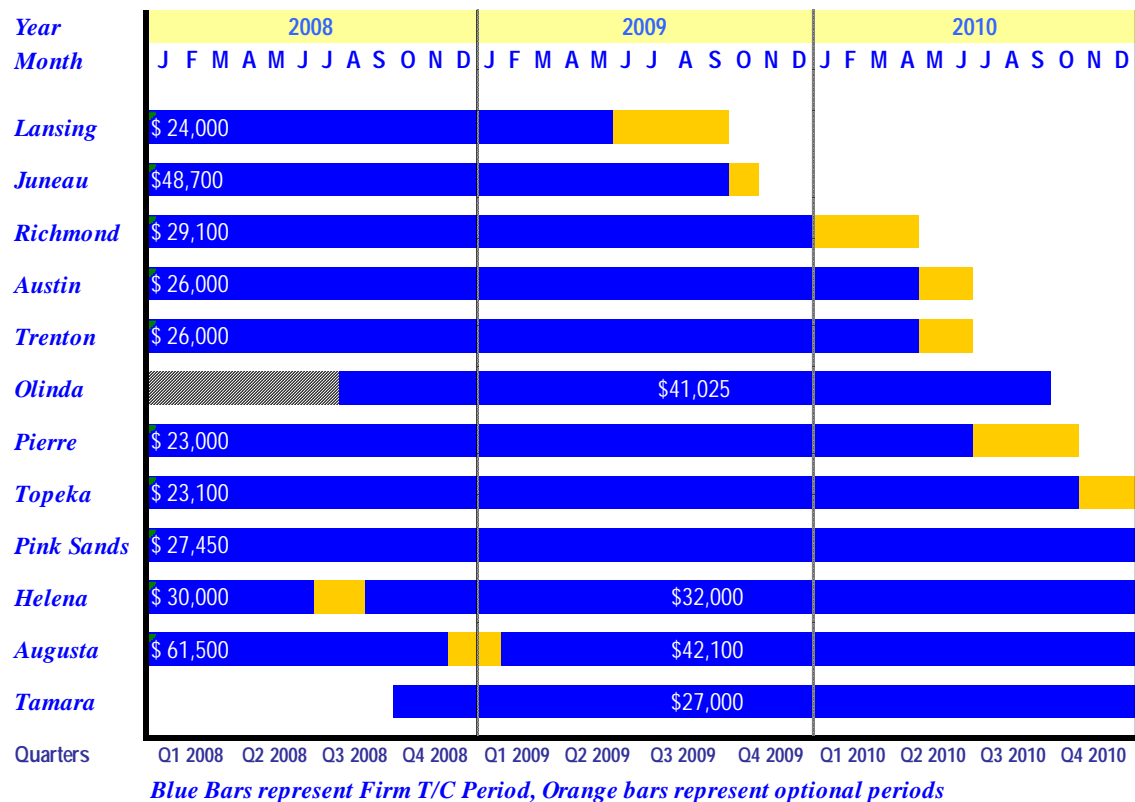
From 7 to 12 vessels in 16 months

	Name	Dwt	Built	Type	Estimated T/C Expiration	Gross T/C Rate	Delivery Date
	Dry Bulk Carriers						
Initial Seven Vessels	Trenton	75,264	1995	Panamax	April 2010 to June 2010	26,000	Jun-07
	Pierre	70,316	1996	Panamax	June 2010 to October 2010	23,000	Jun-07
	Austin	75,264	1995	Panamax	April 2010 to June 2010	26,000	Jun-07
	Juneau	149,495	1990	Capesize	September 2009 to October 2009	48,700	Jun-07
	Lansing	73,040	1996	Panamax	May 2009 to September 2009	24,000	Jul-07
	Helena	73,744	1999	Panamax	August 2008 to September 2008	30,000	Jul-07
					April 2012 to December 2012	32,000	
	Topeka	74,710	2000	Panamax	October 2010 to May 2011	23,100	Aug-07
Post IPO Vessels	Richmond	75,265	1995	Panamax	December 2009 to April 2010	29,100	Dec-07
	Augusta	69,053	1996	Panamax	November 2008 to January 2009	61,500	Dec-07
					November 2011 to February 2012	42,100	
	Crude Oil Tankers						
	Pink Sands	93,723	1993	Aframax	December 2010 to January 2011	27,540	Dec-07
	Olinda	149,085	1996	Suezmax	July 2010 - August 2010	41,025	Jan-08
	Tamara	95,793	1990	Aframax	October 2010 - February 2011	27,000	Oct-08

High Contract Coverage

97%, 94% and 60% of remaining available operating days secured under term contracts for 2008, 2009 and 2010 respectively

Time Charter Coverage



Staggered charter renewals with periods ranging from 1 to 5 years and average remaining duration of 2.3 years.

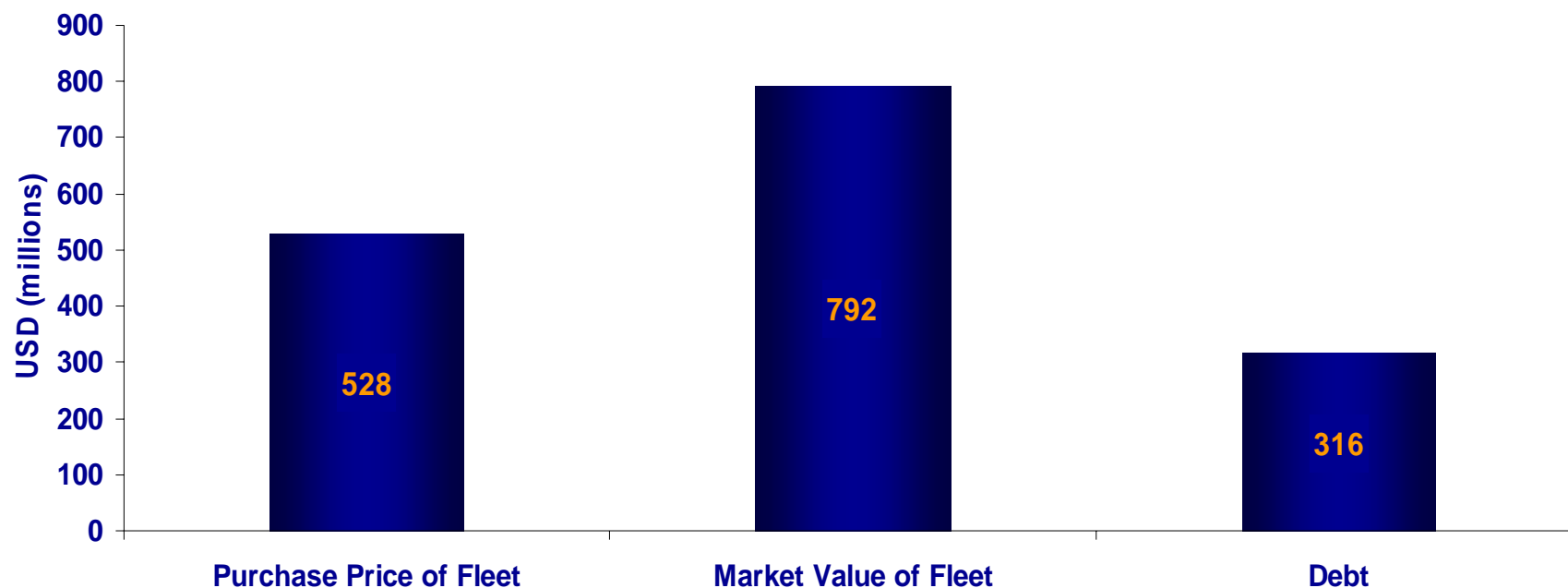
T/C Renewal Schedule

Staggered charter renewals provide significant upside potential

(Numbers in USD per day)	2008	2009	2010
Average Panamax TC Rate	28,956	27,007	26,919
Panamax FFA Curve ⁽¹⁾	62,200	56,750	40,875
Panamax Available Operating Days	0	117	1,101

⁽¹⁾ Based on FFA rates dated August 11th, 2008

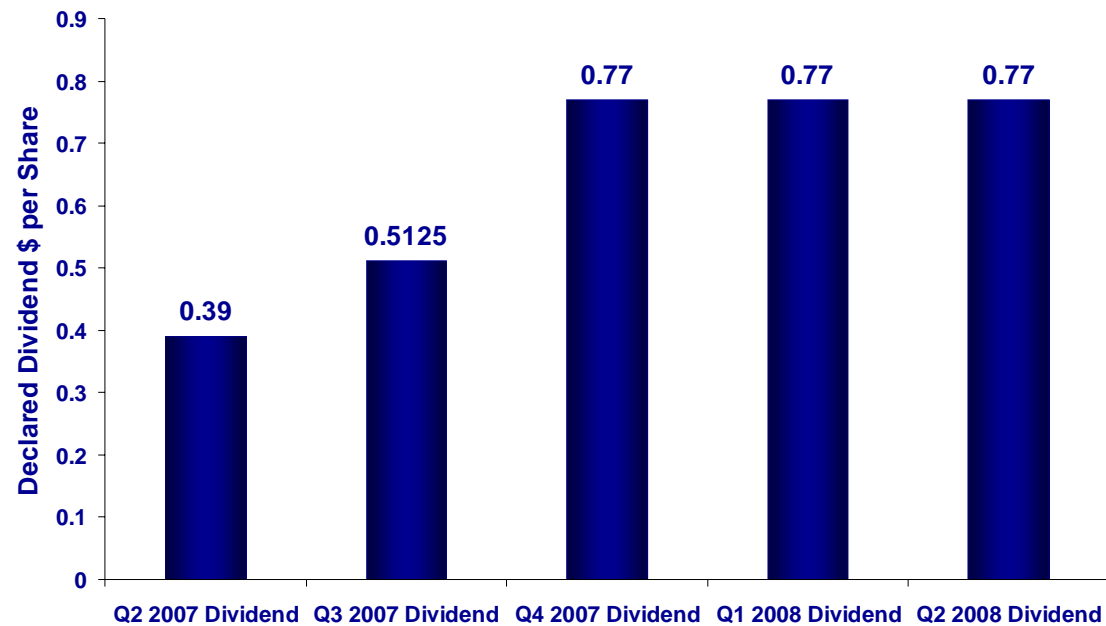
Modest Leverage & Interest Expense Certainty



- ❖ *All-in interest cost fixed at 4.85% for the next 5 years*
- ❖ *Net debt to market value of assets 36%*

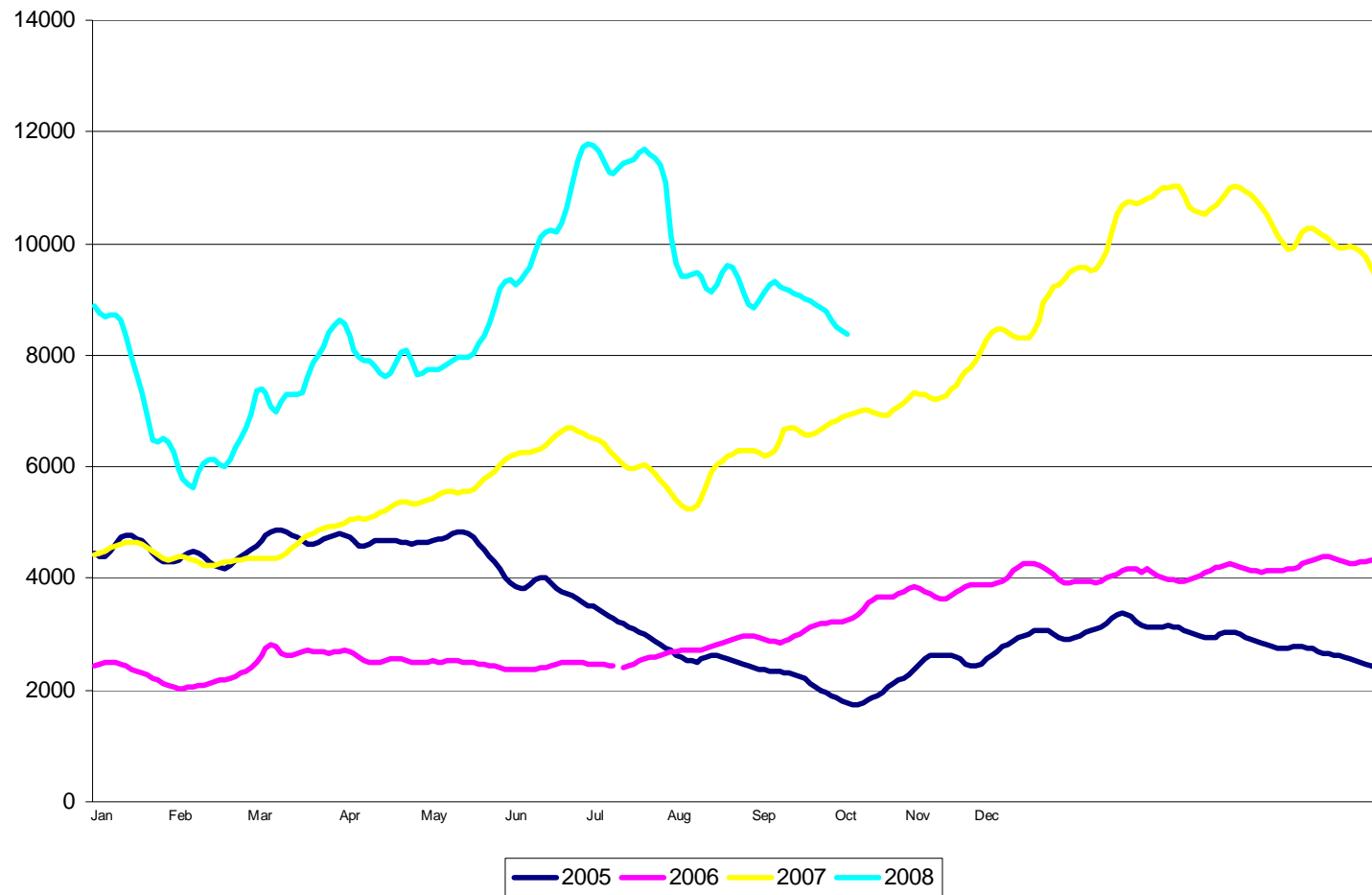
Consistent Dividend

Declared five consecutive dividends since going public in April 2007

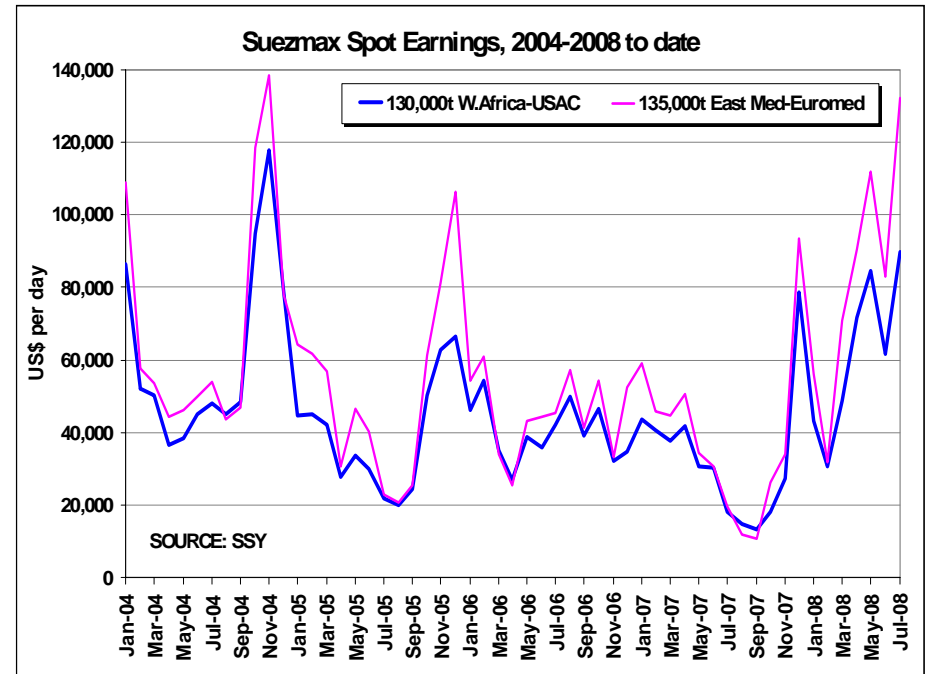
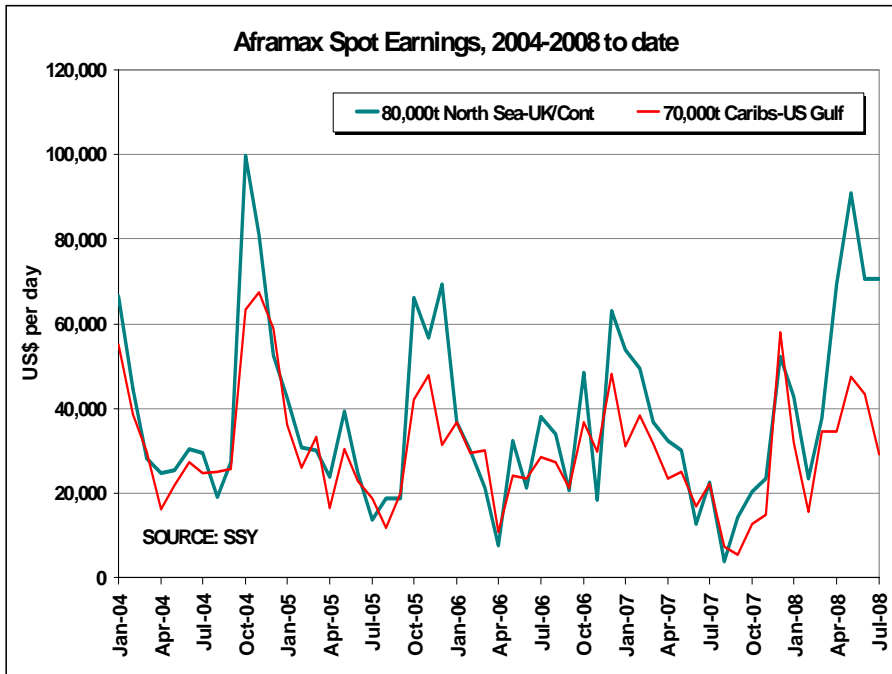


High charter coverage = Sustainable dividend

BDI



Tanker Market



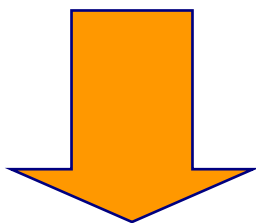
Why Invest in OceanFreight

- ❑ **Diversified fleet** → *Multiple shipping sectors*
- ❑ **Significant fleet growth** → *From 7 to 12 vessels in 16 months*
- ❑ **High dividend yield** → *18% basis stock price of \$17.3*
- ❑ **Visible & stable cash flows** → *Through mid 2010*
- ❑ **Fixed rate contracts** → *Average remaining term 2.3 years*
- ❑ **Staggered charter renewals** → *1 to 5 Years with renewal upside*

OceanFreight: Stability and Growth

Dividend Yield

2008 Dividend Yield based on price of \$17.3 as of 8th August, 2008:



18%

Appendix

Income Statement

(Dollars in thousands, except for share and per share data)	3 Months Ended	
	June 30, 2008	June 30, 2007
	<i>Unaudited</i>	<i>Unaudited</i>
INCOME STATEMENT DATA		
Voyage revenues	\$ 37,349	\$ 1,814
Imputed revenue	2,566	316
Gross Revenue	<u>39,915</u>	<u>2,130</u>
Voyage expenses	(4,207)	(89)
Vessels operating expenses	(5,930)	(543)
Depreciation	(10,370)	(690)
Management fees	(580)	(102)
General and administrative expenses	<u>(1,118)</u>	<u>(1,069)</u>
Operating Income	<u>17,710</u>	<u>(363)</u>
Interest and finance costs	(4,007)	(62)
Interest income	142	1,308
Gain on derivative instruments	<u>10,110</u>	<u>-</u>
Net Income	<u>\$ 23,955</u>	<u>\$ 883</u>
Basic and fully diluted earnings per common share	\$ 1.65	\$ 0.14
Weighted average number of shares outstanding	14,531,896	6,267,120



Balance Sheet

OCEANFREIGHT INC.
 Consolidated Balance Sheets
 June 30, 2008 and December 31, 2007
 (Expressed in thousands of U.S. Dollars – except for share and per share data)

	2008 (Unaudited)	2007 (Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 31,060	\$ 19,044
Accounts receivable	2,221	226
Inventories	2,413	678
Prepayments and other	1,904	763
Total current assets	<u>37,598</u>	<u>20,711</u>
FIXED ASSETS, NET:		
Vessels, net	530,491	485,280
Other, net	51	61
Total fixed assets, net	<u>530,542</u>	<u>485,341</u>
OTHER NON CURRENT ASSETS:		
Deferred financing fees, net	1,765	1,860
derivative asset	6,347	-
Other, net	195	13
Total other non current assets, net	<u>8,307</u>	<u>1,873</u>
Total assets	<u>\$ 576,447</u>	<u>\$ 507,925</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Long-term debt	\$ 26,444	\$ 16,000
Accounts payable	3,311	2,427
Due to related parties	330	742
Accrued liabilities	8,182	2,909
Unearned revenue	2,540	1,488
Derivative liability	1,533	-
Imputed deferred revenue , current portion	10,290	10,318
Total current liabilities	<u>52,630</u>	<u>33,884</u>
NON CURRENT LIABILITIES		
Imputed deferred revenue, net of current portion	10,928	16,031
Long term debt, net of current portion	290,056	244,600
Total non current liabilities	<u>300,984</u>	<u>260,631</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$ 0.01 par value; 5,000,000 shares authorized, none issued	-	-
Common stock, \$0.01 par value; 95,000,000 shares authorized; 12,459,343 and 12,394,079 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively	125	124
Subordinated Shares, par value \$0.01; 10,000,000 shares authorized, 2,085,150 and 2,063,158 shares issued and outstanding at June 30, 2008 and December 31, 2007 respectively.	21	21
Additional paid-in capital	219,618	218,263
Accumulated earnings/(deficit)	3,069	(4,998)
Total stockholders' equity	<u>222,833</u>	<u>213,410</u>
Total liabilities and stockholders' equity	<u>\$ 576,447</u>	<u>\$ 507,925</u>

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