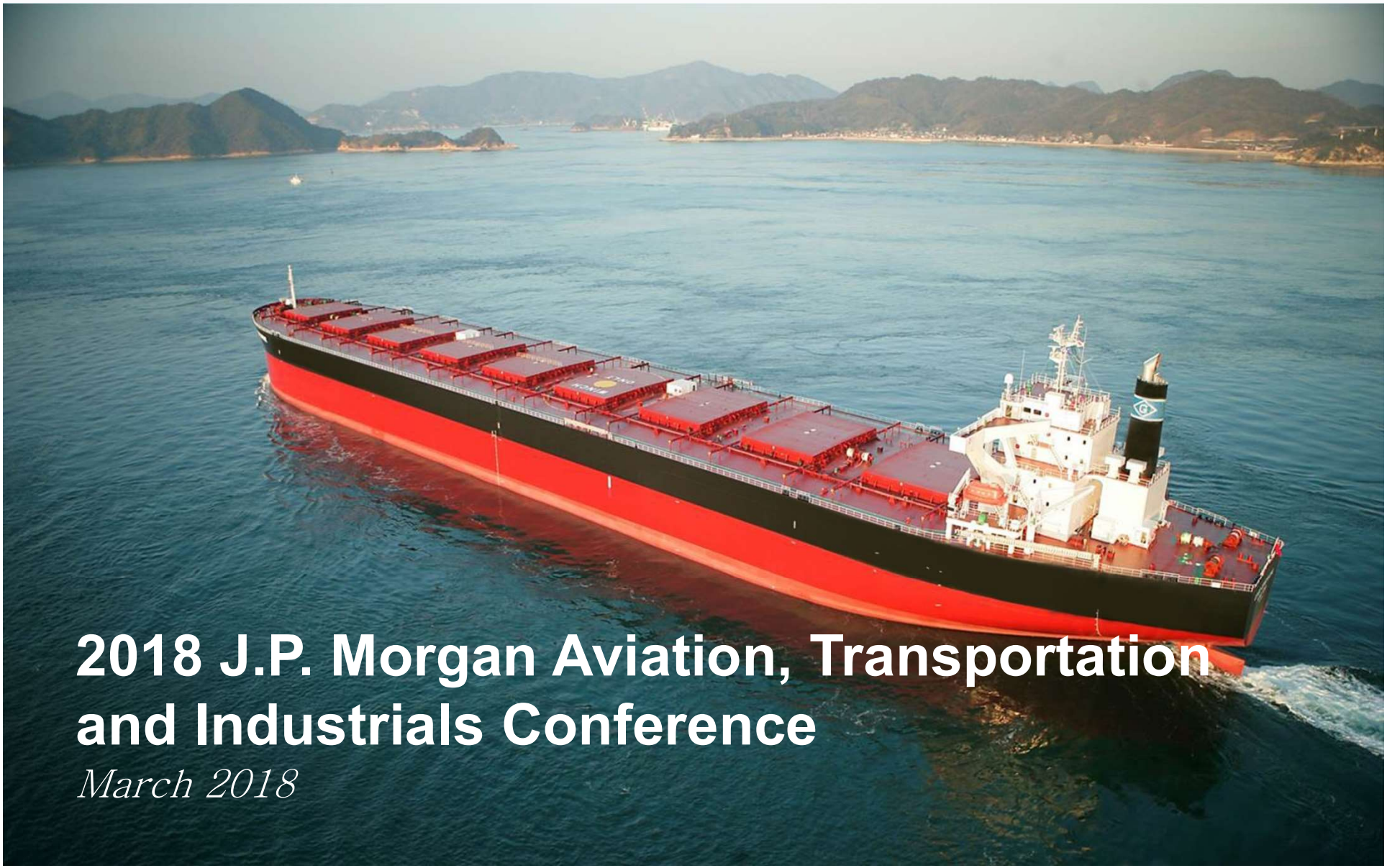
Genco Shipping & Trading Limited



2018 J.P. Morgan Aviation, Transportation and Industrials Conference

March 2018

Forward Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements use words such as “anticipate,” “budget,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. These forward looking statements are based on management’s current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward looking statements contained in this report are the following: (i) declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness or declines in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube, oil, bunkers, repairs, maintenance and general, administrative, and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the Company’s vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) the Company’s acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete repairs on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers’ compliance with the terms of their charters in the current market environment; (xv) the extent to which our operating results continue to be affected by weakness in market conditions and charter rates; (xvi) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; and other factors listed from time to time in our public filings with the Securities and Exchange Commission including, without limitation, the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 and its subsequent reports on Form 10-Q and Form 8-K. Our ability to pay dividends in any period will depend upon various factors, including the limitations under any credit agreements to which we may be a party, applicable provisions of Marshall Islands law and the final determination by the Board of Directors each quarter after its review of our financial performance. The timing and amount of dividends, if any, could also be affected by factors affecting cash flows, results of operations, required capital expenditures, or reserves. As a result, the amount of dividends actually paid may vary. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Executive Summary

Executive Overview

We believe that drybulk shipping is in the early stages of a market recovery offering attractive upside potential

Favorable market fundamentals

- Commodity demand growth is forecast to outpace vessel supply growth
- Strengthening global economic landscape
- Increased demand from emerging market economies
- Net fleet growth at historical lows



Genco is well positioned for the market recovery

- Spot exposure to improving freight rate environment
- Well capitalized balance sheet with attractive debt facilities

Largest US based drybulk ship owner

- Drybulk company focused on major and minor bulk commodities
- Headquartered in the US

Founded in December 2004 (NYSE:GNK)

- Full service operating platform with a diverse fleet of 60 vessels

Shifted business model from tonnage provided to active owner/operator to improve margins

- Providing logistics solution to major cargo owners

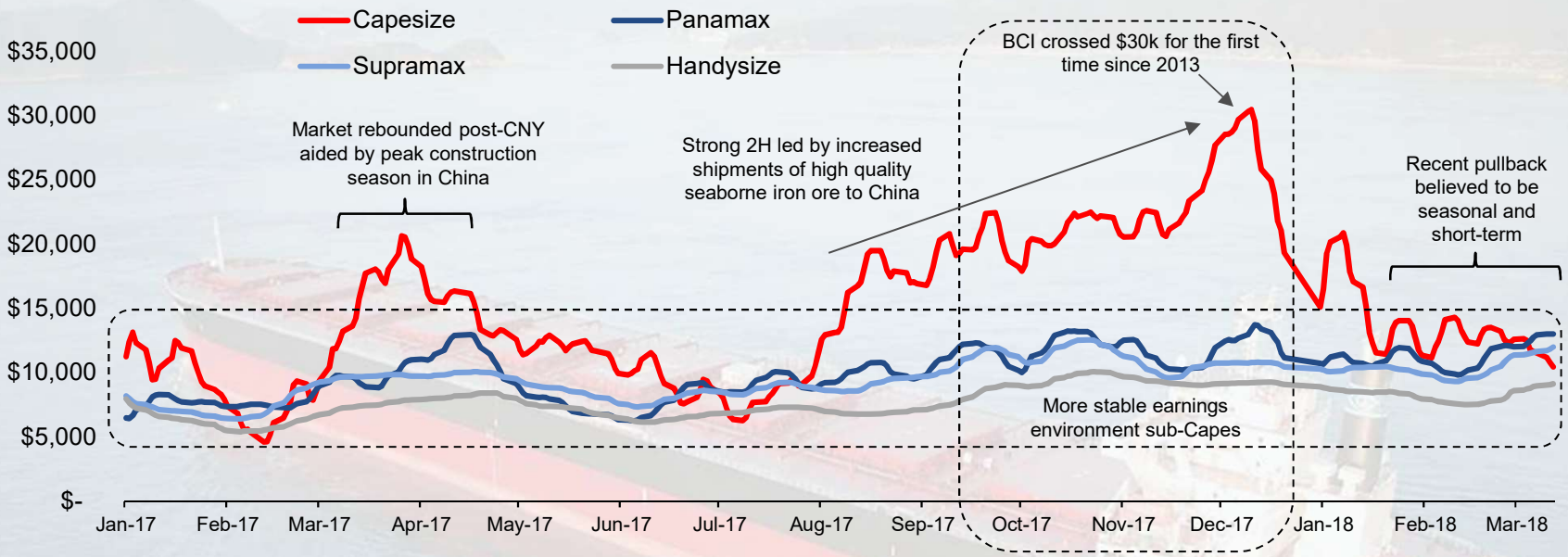
Strong corporate governance

- Transparent, US filer, independent board

Drybulk Freight Rate Development Since Jan 2017

Capesize exposure provides upside earnings potential while minor bulk fleet provides a steadier income stream

Baltic Dry Index Performance – 2017 to date



- Drybulk market experienced a significantly stronger freight rate environment in 2017 as compared to 2016 due to:
  - Firm steel production in China driven by higher steel mill margins
  - Emphasis on high quality raw materials in steelmaking process boosted iron ore imports
  - Low net fleet growth

Spot Freight Rate Averages			
Vessel Type	2016	2017	% Variance
Capesize	$ 7,388	$ 15,128	105%
Panamax	5,562	9,766	76%
Supramax	6,163	9,345	52%
Handysize	5,214	7,636	46%

2018 Drybulk Outlook

Demand growth is expected to outpace supply growth for the second consecutive year leading to further improvement in the drybulk market

2018 Drybulk Market Catalysts

1 Iron Ore Trade Growth

- Iron ore capacity expansion plans from Vale to drive ton mile demand
- Focus remains on high quality seaborne iron ore from Brazil and Australia

2 Steel Production

- Strong steel mill margins in China to boost output
- Low steel inventory levels to support production

3 Strengthening Global Economy

- IMF forecasts global GDP to increase by 3.9% in both 2018 and 2019
- Developing economies are expected to support trade growth particularly on the minor bulks

4 Low Fleet Growth

- Estimate 1% to 2% net fleet growth which would be the lowest since 1999
- Orderbook remains near 15 year lows

2018 Supply & Ton Mile Demand Est.

	Vessel*	Clarksons	Marsoft
Iron Ore 	Capesize	+4.3%	+6.1%
Coal 	Capesize Panamax	+1.0%	+2.7%
Grain 	Panamax Supramax	+3.8%	+4.2%
Minor Bulk 	Supramax Handysize	+4.5%	+4.2%
Total Demand		+3.7%	+4.5%
Fleet Growth		+1.8%	+1.8%

*Indicates the primary vessel type that carries the respective commodities.

Sources: IMF, Marsoft, Clarksons

Genco Fleet List

Vessel Name	Year Built	Dwt
Capesize		
Genco Augustus	2007	180,151
Genco Tiberius	2007	175,874
Genco London	2007	177,833
Genco Titus	2007	177,729
Genco Constantine	2008	180,183
Genco Hadrian	2008	169,025
Genco Commodus	2009	169,098
Genco Maximus	2009	169,025
Genco Claudius	2010	169,001
Genco Tiger	2011	179,185
Baltic Lion	2012	179,185
Baltic Bear	2010	177,717
Baltic Wolf	2010	177,752
Panamax		
Genco Beauty	1999	73,941
Genco Knight	1999	73,941
Genco Vigour	1999	73,941
Genco Surprise	1998	72,495
Genco Thunder	2007	76,588
Genco Raptor	2007	76,499
Ultramax		
Baltic Hornet	2014	63,574
Baltic Wasp	2015	63,389
Baltic Scorpion	2015	63,462
Baltic Mantis	2015	63,470

Vessel Name	Year Built	Dwt
Supramax		
Genco Warrior	2005	55,435
Genco Hunter	2007	58,729
Genco Predator	2005	55,407
Genco Cavalier	2007	53,617
Genco Aquitaine	2009	57,981
Genco Ardennes	2009	58,018
Genco Auvergne	2009	58,020
Genco Bourgogne	2010	58,018
Genco Brittany	2010	58,018
Genco Languedoc	2010	58,018
Genco Loire	2009	53,430
Genco Lorraine	2009	53,417
Genco Normandy	2007	53,596
Genco Picardy	2005	55,257
Genco Provence	2004	55,317
Genco Pyrenees	2010	58,018
Genco Rhone	2011	58,018
Baltic Leopard	2009	53,446
Baltic Panther	2009	53,350
Baltic Jaguar	2009	53,473
Baltic Cougar	2009	53,432
Handymax		
Genco Muse	2001	48,913

Vessel Name	Year Built	Dwt
Handysize		
Genco Explorer	1999	29,952
Genco Progress	1999	29,952
Genco Charger	2005	28,398
Genco Champion	2006	28,445
Genco Challenger	2003	28,428
Genco Bay	2010	34,296
Genco Ocean	2010	34,409
Genco Avra	2011	34,391
Genco Mare	2011	34,428
Genco Spirit	2011	34,432
Baltic Wind	2009	34,408
Baltic Cove	2010	34,403
Baltic Breeze	2010	34,386
Baltic Fox	2010	31,883
Baltic Hare	2009	31,887

Modern, diversified fleet

13 Capesize
6 Panamax
4 Ultramax
21 Supramax
1 Handymax
15 Handysize

Total capacity of ~4,688,000 dwt

Capesize



13

Panamax



6

Ultramax/Supramax/Handymax



26

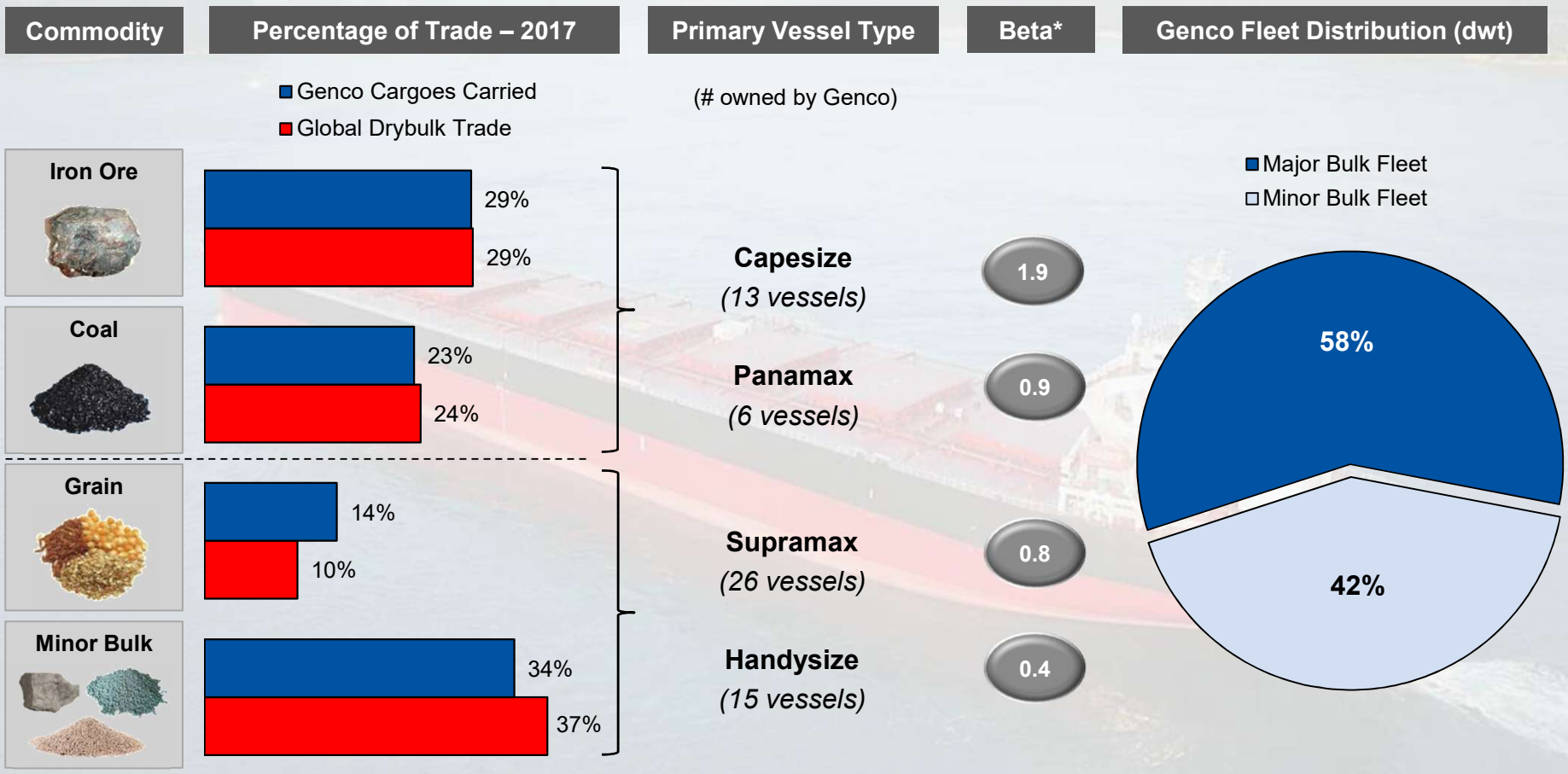
Handysize



15

Genco's Fleet Strongly Aligns with Global Trade Dynamics

Genco's fleet of major and minor bulk vessels largely mirrors global trade flows, enabling the Company to capitalize on key trade routes



*Shipping market "beta" per Marsoft Incorporated
Source: Clarksons Research Services Limited 2018

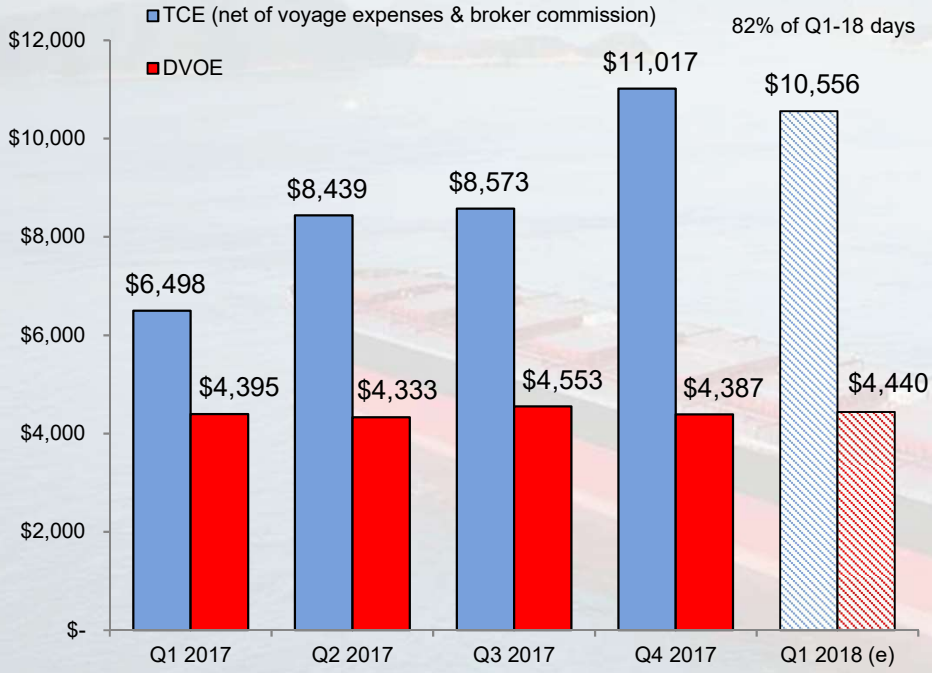


Operational & Capital Structure

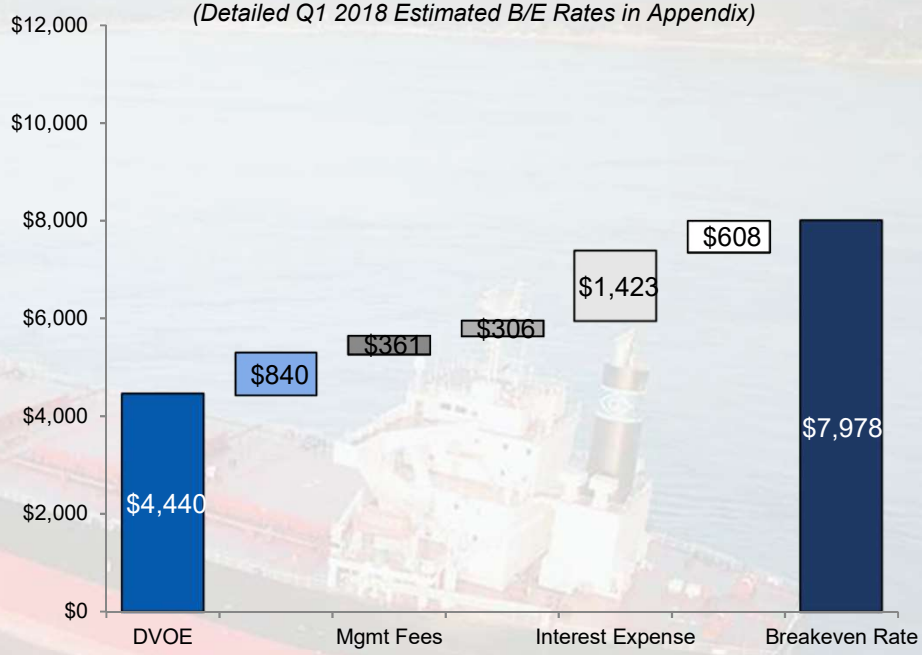
Genco's Leading Market Position

Significant improvement in margins driven by successful implementation of our commercial platform together with continued cost optimization and improving market conditions

Genco TCE vs. DVOE



Fleet Breakeven Rates
Estimated Q1 2018(1)
(Detailed Q1 2018 Estimated B/E Rates in Appendix)



- Q1 2018 estimated TCE is based on current fixtures as of February 27, 2018 and represents 82% of days contracted for the quarter
- TCE is presented net of voyage expenses and third-party broker commission
- Actual results will vary
- DVOE is based on the Q1 2018 budget and is subject to change

Note: Free cash flow breakeven rates consist of direct vessel operating expenses, general and administrative expenses, technical management fees, drydocking, interest expenses and fixed debt repayments. We define TCE rates as our voyage revenues less voyage expenses divided by the number of our available days during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.
For a complete reconciliation of non-GAAP financial measures and detailed estimated breakeven rates for Q1 2018, please refer to the appendix.
(1) Breakeven rate is based on the 2018 budget which is subject to change. Based on a fleet of 60 vessels; presented for illustrative purposes only. Actual breakeven rates will vary.

Operations and Technical Management

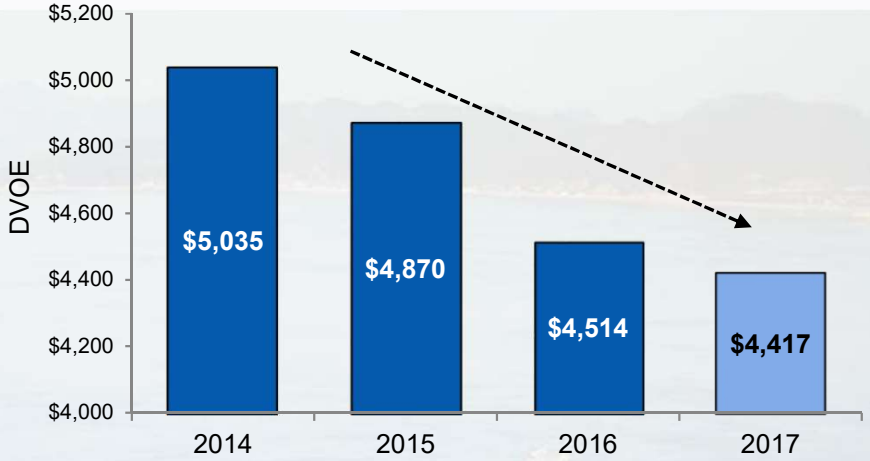
In-House Operations and Logistics Group

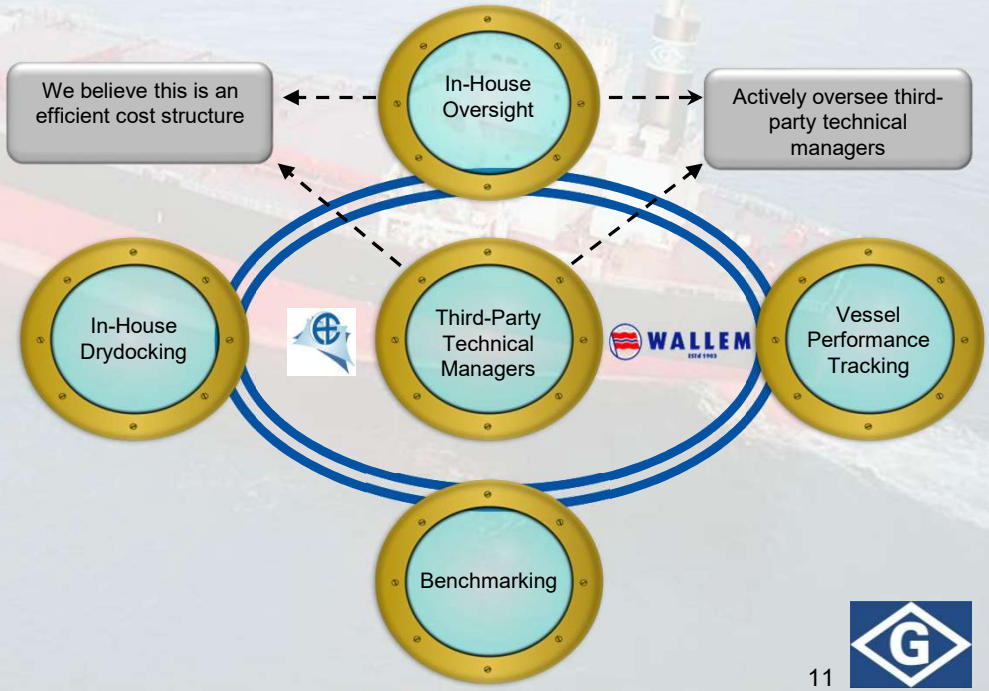
- Post-fixture logistics management of vessels
- Enables charterers to efficiently carry cargoes
- Monitors vessel performance to maximize revenue
- Promotes safety and regulatory compliance
- Strong safety record with low incidents

Technical Management Approach

- We utilize two leading third-party technical managers for the day-to-day management of our fleet
  - Perform routine maintenance
  - Arrange for purchasing and supplies
  - Provide access to large crew pools
- Benchmark across managers through KPIs and industry best practices
- Benefits from third-party managers' economies and scalability
- In-house technical team directly handles all drydockings

Genco's Daily Vessel Operating Expenses





Consolidated Capital Structure

Genco Shipping & Trading Limited

$400 Million Credit Facility	$98 Million Hayfin Facility	$33 Million ABN/Sinosure Facilities
7 Capesize, 3 Panamax, 2 Ultramax, 19 Supramax, 1 Handymax, 13 Handysize Vessels	6 Capesize, 3 Panamax, 2 Supramax, 2 Handysize Vessels	2 Ultramax Vessels
Debt Outstanding: $404.9m	Debt Outstanding: $93.9m	Debt Outstanding: $25.5m
Fixed Quarterly Debt Repayments: $7.2m - commencing in Q1 2019[(1)]	Fixed Quarterly Debt Repayments: $2.5m	Fixed Quarterly Debt Repayments: $0.7m

December 31, 2017 Balances	
Cash (including restricted cash)	**$ 204.9**
$400m Credit Facility	404.9
$98m Hayfin Facility	93.9
$33m ABN/Sinosure Facilities	25.5
Total Debt Outstanding	**$ 524.4**
Net Debt	**$ 319.5**

(1) Token fixed debt repayments of $0.1 million per quarter during 2018. Fixed debt repayments step up to $17.4 million per quarter commencing in Q1 2021.



Genco's Fleet Commercial Strategy – Major & Minor Bulks

Enhanced Commercial Platform Aimed at Driving Revenue Growth

Revamped Commercial Strategy

- Fleet concentrated on major and minor bulks
  - Capesize: upside potential linked to iron ore trade
  - Ultra/Supra/Hsize: steadier income stream, versatile cargo carrying capabilities
- Fleet deployment mix with a short-term bias providing optionality in a rising market

Active Approach to Revenue Growth

- Focus on increasing margins
- Full in-house commercial platform
- Full logistics solution to major cargo owners

Voyage Charters & Direct Cargo Liftings

- Repositioned a portion of the fleet to capture Atlantic premium
- Identified key trading lanes by vessel
- Vessel speed and consumption optimization

Established a Singapore Presence

- Implement real-time management of the Capesize fleet
- Create the potential for a 24-hour operation
- Integrated into cargo supply chain to end users

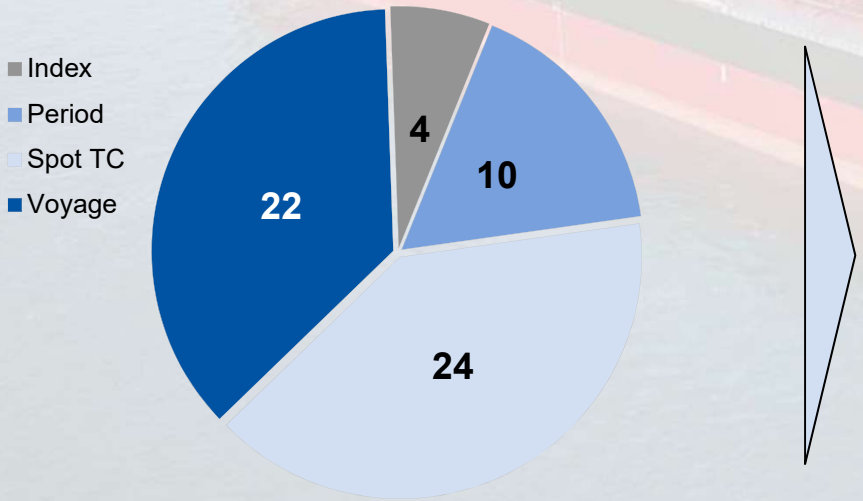
Commercial Strategy

- Provide full service logistics solutions to top tier cargo owners
- Fully withdrawn from all pools in Q4 2017
- Identified key trading lanes by vessel
- Establishing a European presence in Copenhagen to fully round out our commercial platform
- Established a Singapore presence to focus on Capesize vessels as well as backhaul trades on the minor bulk fleet
- Direct exposure to projected ton-mile demand growth highly driven by iron ore and coal
  - Positioned the fleet for a stronger 2018

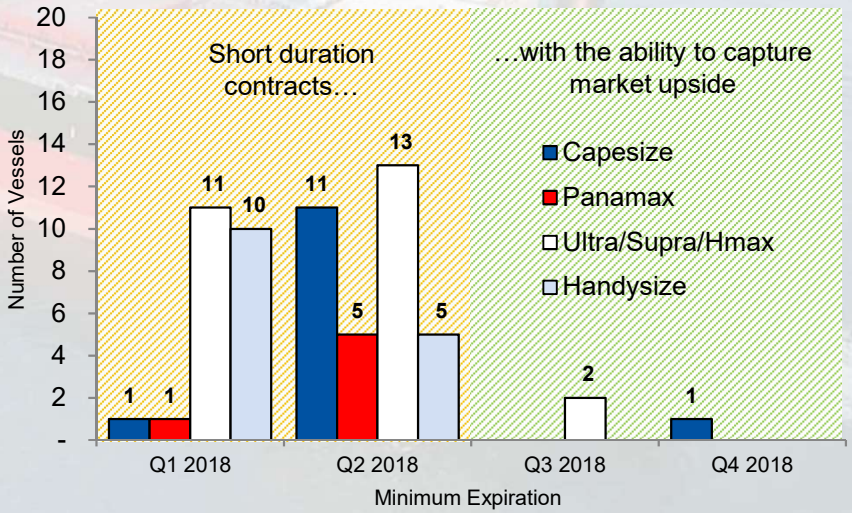
Incorporating Voyage Charters and Direct Cargo Liftings

Short-Term Bias to Capture Rising Market

Current Fleet Employment Structure



Minimum Expiration of Fixtures

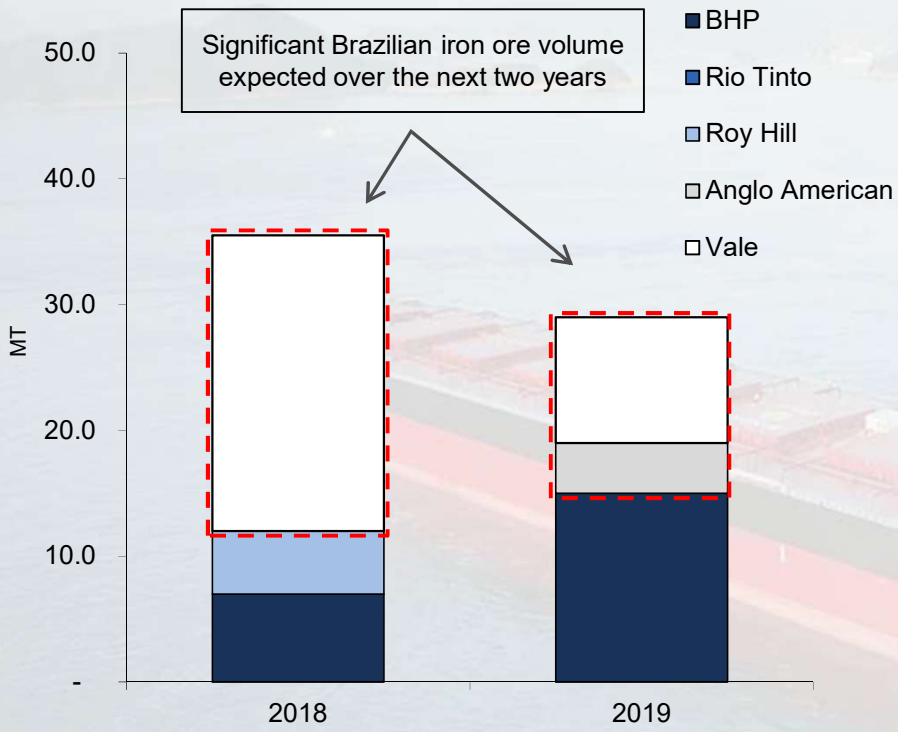




Market Update & Industry Overview

Recent Market Developments

Key Iron Ore Expansion Plans[2]



Recent Developments

- Freight rates in Q4 2017 strengthened primarily due to:
  - Strong steel production in China leading to heightened demand for high quality seaborne iron ore
  - Increased coal shipments to China
  - Steady growth in grain cargo flows
  - Slowing fleet growth
- Currently, seasonal factors impacting the drybulk market include:
  - Timing of newbuilding deliveries towards the beginning of the year
  - Weather related disruptions
  - Lunar New Year
- Chinese iron ore imports rose by 5% in 2017 YOY and have continued that trend so far in 2018[1]
  - January 2018 imports exceeded the 100MT threshold for only the second time on record

1) Source: Clarkson Research Services Limited 2018
2) Source: Public statements by subject companies

Major Bulks

Global Steel Production (million tons)[1]			
	2017	2016	% Variance
China	831.7	786.9	5.7%
European Union	168.7	162.0	4.1%
Japan	104.7	104.8	-0.1%
India	101.4	95.5	6.2%
South Korea	71.1	68.6	3.6%
Global Production	1,674.7	1,587.3	5.5%
Ex-China	843.0	800.4	5.3%

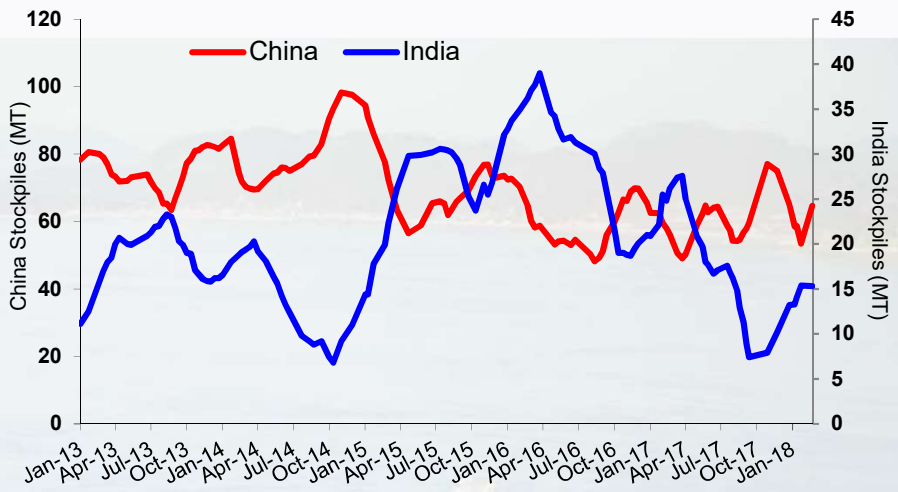
Steel Production

- Chinese steel production increased by 5.7% in 2017 YOY[1]
  - Improved margins for steel mills in China have incentivized greater production
  - Ex-China steel production rose by 5.3% during the same period led by a 6.2% YOY increase in output from India
  - India's steel production exceeded 100MT for the first time on record
- Steel inventories in China have increased to date in Q1 2018 in line with historical seasonality[2]

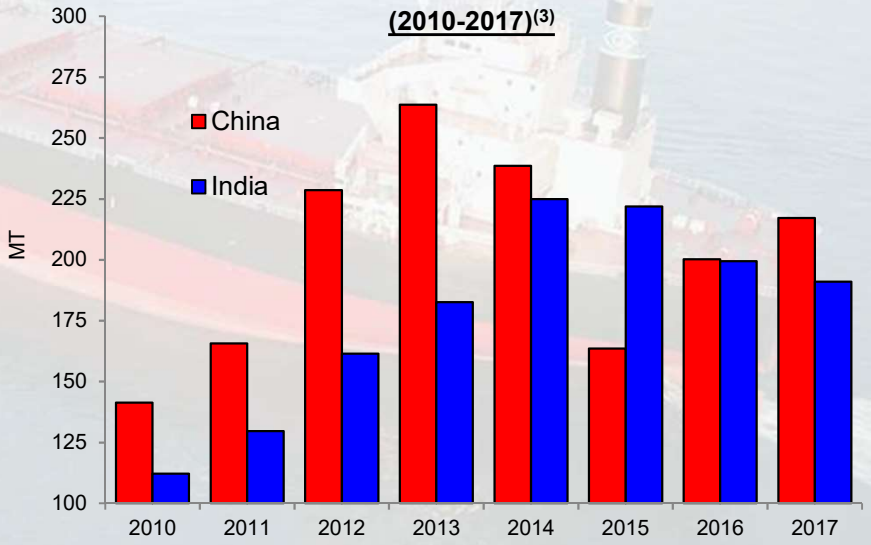
Coal

- China's coal imports increased by 6% in 2017 YOY
  - Coal imports through February 2018 have risen by 14% YOY
  - Mining accidents at Chinese domestic coal mines continue to occur which could lead to additional mine inspections and closures[2]
- India's coal power plant stockpiles remain near three year lows[2]

Coal Power Plant Stockpiles[2]

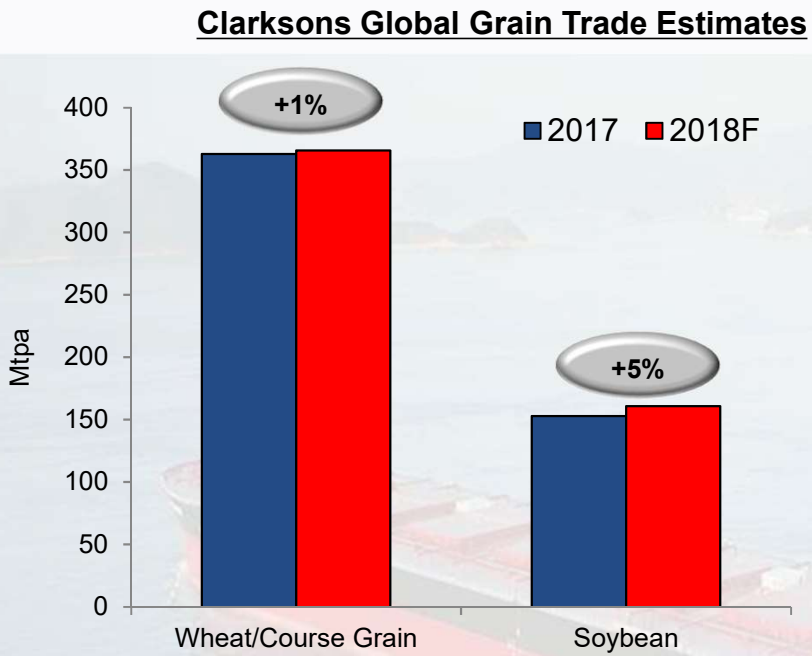


China and India Coal Imports (2010-2017)[3]



1) Source: World Steel Association
2) Source: Commodore Research
3) Source: Clarkson Research Services Limited 2018

Minor Bulks



Seaborne Wheat / Course Grain Trade (MT)			
Exporter	**2017**	**2018 (f)**	**% Variance**
Argentina	42	42	0%
Australia	34	26	-24%
Canada	26	25	-4%
EU	34	35	2%
US	86	84	-2%
Others	141	154	10%
Total	**363**	**366**	**1%**

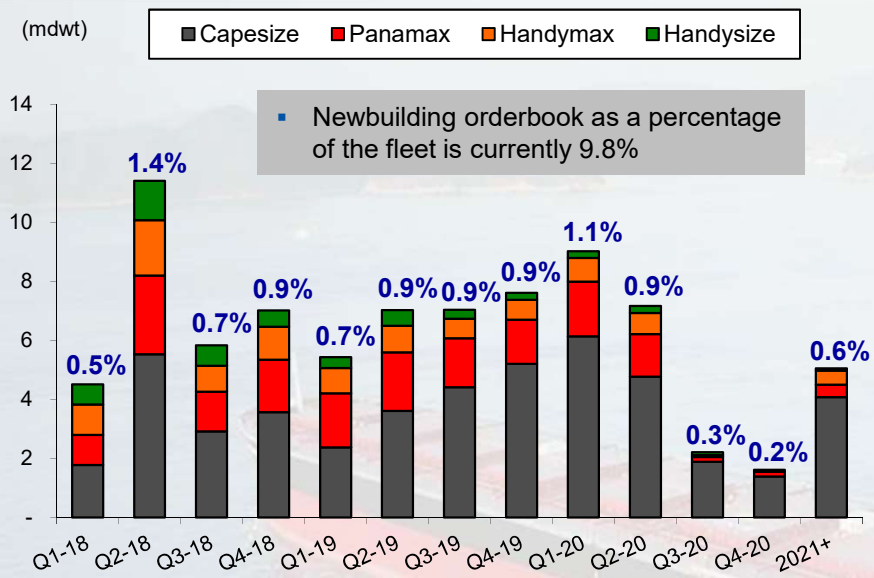
Seaborne Soybean Trade (MT)			
Exporter	**2017**	**2018 (f)**	**% Variance**
United States	57	59	3%
Brazil	68	71	4%
Argentina	7	9	20%
Paraguay	6	6	-2%
Canada	5	5	20%
Uruguay	2	2	34%
Others	8	8	8%
Total	**153**	**161**	**5%**

- Approaching peak South American grain season at the end of Q1 2018
- Increased bauxite shipments from Guinea are expected to add ton mile demand going forward
- Strengthening global economy is expected to increase demand for minor bulk commodities
- Chinese steel exports have declined due to:
  - Increased domestic demand
  - Measures taken by certain countries against inexpensive Chinese steel shipments

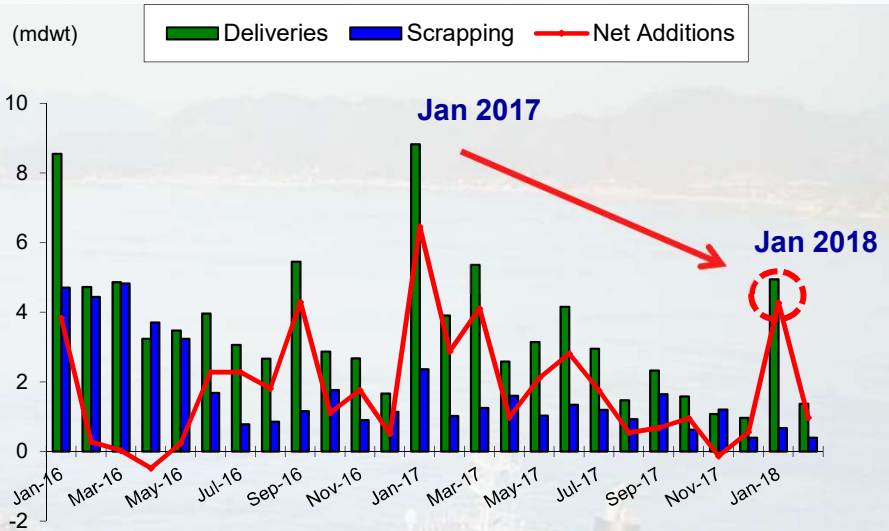
Source: Clarksons Research Services Limited 2018

Supply Side Fundamentals

Current Drybulk Vessel Orderbook by Type

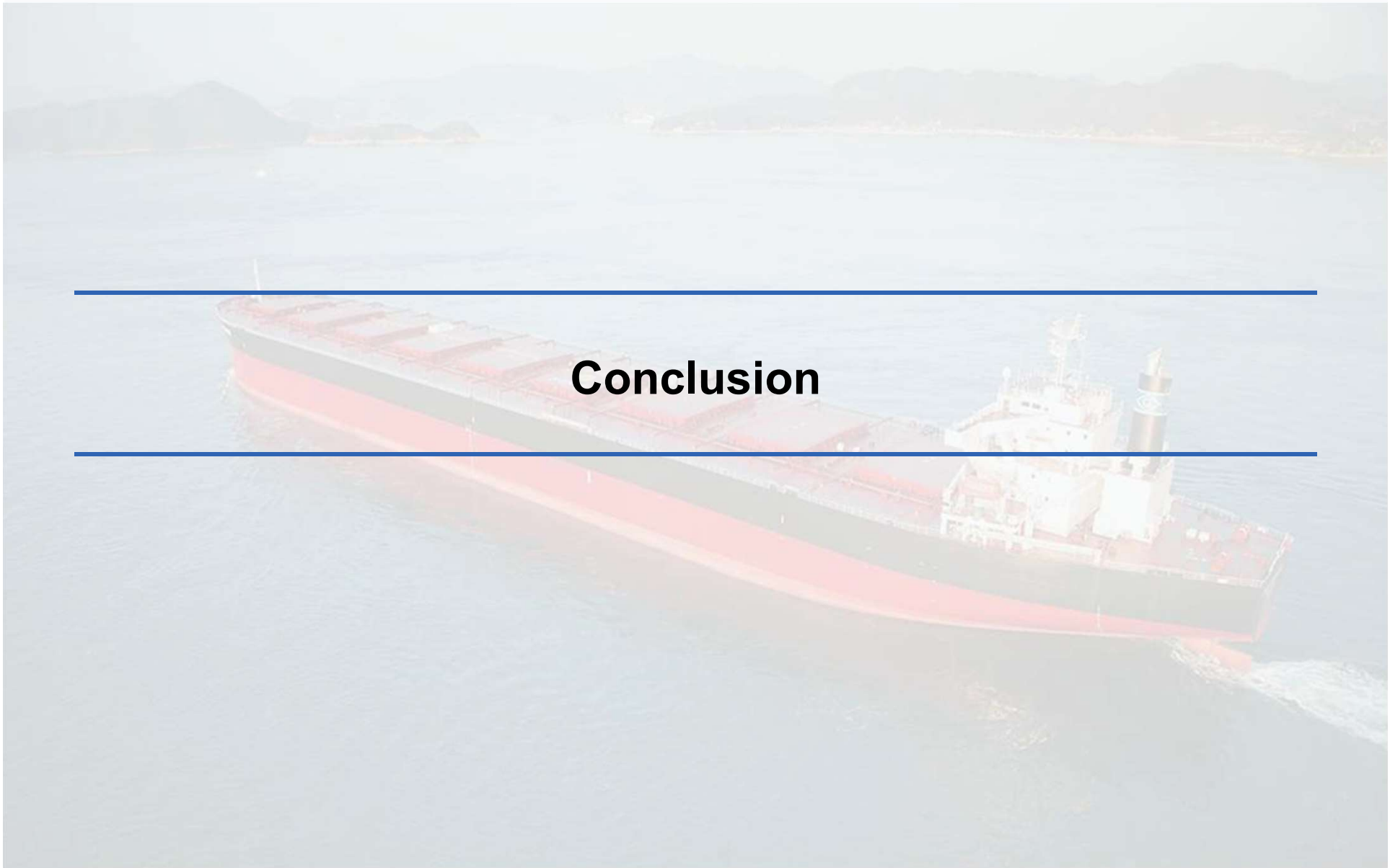


Drybulk Vessel Deliveries vs. Scrapping



- Net fleet growth in 2017 totaled 3.0% compared to 2.2% during 2016
  - Slippage rate to date remains high at over 30%
  - Scrapping levels eased due improved sentiment and freight rate environment
- In January 2018, there was a seasonal rise in newbuilding vessel deliveries
  - Pace of newbuilding deliveries has since slowed
  - Deliveries are down 50% through February 2018 on a YOY basis
- Newbuilding orders in 2017 totaled 316 compared to 62 during all of 2016
- Orderbook as a percentage of the fleet is currently at similar levels to this time last year
- Approximately 10% of the fleet is greater than or equal to 20 years old on a number of vessels basis

Source: Clarkson Research Services Limited 2018



Conclusion

Genco is Attractively Positioned To Capture Potential Market Upside

Demand growth is expected to outpace supply growth

1 Iron Ore Trade Growth

- Iron ore capacity expansion plans from Vale to drive ton mile demand
- Focus remains on high quality seaborne iron ore from Brazil and Australia

2 Steel Production

- Strong steel mill margins in China to boost output
- Low steel inventory levels to support production

3 Strengthening Global Economy

- IMF forecasts global GDP to increase by 3.9% in both 2018 and 2019
- Developing economies are expected to support trade growth

4 Low Fleet Growth

- Estimate 1% to 2% net fleet growth which would be the lowest since 1999
- Orderbook remains near 15 year lows

Genco is well positioned for stronger market

Commercial strategy driving revenue

- Active owner/operator
- Increasing margins
- Providing direct logistics solution to major cargo owners

Genco's fleet mirrors global trade dynamics

- Direct exposure to strong trade growth fundamentals in major and minor bulks

Growth Potential

- Strong capital position enables Genco to explore further growth potential and the ability to act as a consolidator of the drybulk market

Sources: IMF, Marsoft Incorporated, Clarksons Research Services Limited 2018



Appendix

Fourth Quarter Earnings

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
	(Dollars in thousands, except share and per share data) (unaudited)		(Dollars in thousands, except share and per share data) (unaudited)	
INCOME STATEMENT DATA:				
Revenues:				
Voyage revenues	$ 74,918	$ 43,785	$ 209,698	$ 133,246
Service revenues	-	100	-	2,340
Total revenues	74,918	43,885	209,698	135,586
Operating expenses:				
Voyage expenses	15,579	3,995	25,321	13,227
Vessel operating expenses	24,219	27,510	98,086	113,636
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.5 million, $6.2 million, $4.1 million and $20.7 million respectively)	5,640	15,074	22,190	45,174
Technical management fees	1,925	2,171	7,659	8,932
Depreciation and amortization	17,582	18,178	71,776	76,330
Other operating income	-	(777)	-	(960)
Impairment of vessel assets	-	-	21,993	69,278
Gain on sale of vessels	-	(3,632)	(7,712)	(3,555)
Total operating expenses	64,945	62,519	239,313	322,062
Operating loss	9,973	(18,634)	(29,615)	(186,476)
Other (expense) income:				
Impairment of investment	-	-	-	(2,696)
Other (expense) income	(12)	694	(164)	645
Interest income	546	61	1,551	204
Interest expense	(7,938)	(7,254)	(30,497)	(28,453)
Other expense	(7,404)	(6,499)	(29,110)	(30,300)
Income (loss) before reorganization items, net	2,569	(25,133)	(58,725)	(216,776)
Reorganization items, net	-	(29)	-	(272)
Income (loss) before income taxes	2,569	(25,162)	(58,725)	(217,048)
Income tax benefit (expense)	-	58	-	(709)
Net income (loss)	$ 2,569	$ (25,104)	$ (58,725)	$ (217,757)
Net earnings (loss) per share - basic	$ 0.07	$ (3.43)	$ (1.71)	$ (30.03)
Net earnings (loss) per share - diluted	$ 0.07	$ (3.43)	$ (1.71)	$ (30.03)
Weighted average common shares outstanding - basic	34,559,830	7,318,452	34,242,631	7,251,231
Weighted average common shares outstanding - diluted	34,682,302	7,318,452	34,242,631	7,251,231

December 31, 2017 Balance Sheet

	December 31, 2017	December 31, 2016
	(Dollars in thousands) (unaudited)	
BALANCE SHEET DATA:		
Cash (including restricted cash)	$ 204,946	$ 169,068
Current assets	217,239	172,605
Total assets	1,520,959	1,568,960
Current liabilities (excluding current portion of long-term debt)	27,952	24,373
Current portion of long-term debt	24,497	4,576
Long-term debt (net of $9.0 million and $11.4 million of unamortized debt issuance costs at December 31, 2017 and December 31, 2016, respectively)	490,895	508,444
Shareholders' equity	975,027	1,029,699

	Three Months Ended		Twelve Months Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
OTHER FINANCIAL DATA:				
Net cash provided by (used in) operating activities	N/A		$ 26,515	$ (49,982)
Net cash provided by investing activities			14,961	22,726
Net cash (used in) provided by financing activities			(5,598)	55,435
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net income (loss)	$ 2,569	$ (25,104)	$ (58,725)	$ (217,757)
+ Net interest expense	7,392	7,193	28,946	28,249
+ Income tax expense	-	(58)	-	709
+ Depreciation and amortization	17,582	18,178	71,776	76,330
EBITDA[1]	$ 27,543	$ 209	$ 41,997	$ (112,469)

1) EBITDA represents net income (loss) plus net interest expense, taxes and depreciation and amortization. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the shipping industry as a common performance measure to compare results across peers. Our management uses EBITDA as a performance measure in our consolidated internal financial statements, and it is presented for review at our board meetings. We believe that EBITDA is useful to investors as the shipping industry is capital intensive which often results in significant depreciation and cost of financing. EBITDA presents investors with a measure in addition to net income to evaluate our performance prior to these costs. EBITDA is not an item recognized by U.S. GAAP (i.e. non-GAAP measure) and should not be considered as an alternative to net income, operating income or any other indicator of a company's operating performance required by U.S. GAAP. EBITDA is not a measure of liquidity or cash flows as shown in our consolidated statements of cash flows. The definition of EBITDA used here may not be comparable to that used by other companies.

Fourth Quarter Highlights

	Three Months Ended (unaudited)		Twelve Months Ended (unaudited)	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
FLEET DATA:				
Total number of vessels at end of period	60	65	60	65
Average number of vessels (1)	60.0	66.7	60.8	68.8
Total ownership days for fleet (2)	5,520	6,132	22,207	25,176
Total available days for fleet (3)	5,386	5,975	21,357	24,457
Total operating days for fleet (4)	5,334	5,869	20,941	24,164
Fleet utilization (5)	99.0%	98.2%	98.1%	98.8%
AVERAGE DAILY RESULTS:				
Time charter equivalent (6)	$ 11,017	$ 6,659	$ 8,633	$ 4,907
Daily vessel operating expenses per vessel (7)	4,387	4,486	4,417	4,514

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as a measured by the sum of the number of days each vessel was part of our fleet during the period divided by the number of calendar days in that period.

(2) We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(3) We define available days as the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels between time charters. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(4) We define operating days as the number of our available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(5) We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the number of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning.

(6) We define TCE rates as our voyage revenues less voyage expenses divided by the number of our available days during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts. Please see the appendix for further detail.

(7) We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Q1 2018 Genco Estimated Breakeven Rates (1)

Daily Expenses by Category	Free Cash Flow(2)	Net Income
Direct Vessel Operating(3)	$4,440	$4,440
General and Administrative Expenses(4)	840	952
Technical Management Fees(5)	361	361
Drydocking(6)	306	-
Interest Expense(7)	1,423	1,529
Fixed Debt Repayments(8)	608	-
Depreciation(9)	-	3,260
Daily Expense(10)	**$7,978**	**$10,542**
Number of Vessels(11)	60.00	60.00

The above figures are estimates and are subject to change

(1) Estimated pro-forma daily expenses are presented for illustrative purposes.

(2) Free Cash Flow is defined as net income plus depreciation less capital expenditures, primarily vessel drydockings, plus other non-cash items, namely nonvested stock amortization and deferred financing costs, less fixed debt repayments. However, this does not include any adjustment for accounts payable and accrued expenses incurred in the ordinary course of business. We consider Free Cash Flow to be an important indicator of our ability to service debt.

(3) Direct Vessel Operating Expenses are based on management's estimates and budgets submitted by our technical managers. We believe DVOE are best measured for comparative purposes over a 12-month period.

(4) General & Administrative Expenses are based on a budget set forth at the beginning of the year. Actual results may vary.

(5) Management Fees are based on the contracted monthly rate per vessel for the technical management of our fleet.

(6) Drydocking expenses represent estimated drydocking expenditures for Q1 2018.

(7) Interest expense is based on our debt level as of December 31, 2017 less scheduled fixed debt repayments in Q1 2018 under our current credit facilities and does not assume that we exercise our option to PIK 150 bps of the 375 bps margin under our $400 Million Credit Facility. Deferred financing costs and the expense associated with the PIK election under the $400 Million Credit Facility are included in calculating net income interest expense. Interest expense is calculated based on an assumed LIBOR rate under our credit facilities plus the facilities' respective margins.

(8) Genco's fixed debt repayments for Q1 2018 aggregate to $3.3 million under all outstanding credit facilities. Fixed debt repayments excludes $11.3 million paid down under the $400 Million Credit Facility in February 2018 from cash flow from operations in Q4 2017.

(9) Depreciation is based on cost less estimated residual value and amortization of drydocking costs. Depreciation expense utilizes a residual scrap rate of $310 per LWT.

(10) The amounts shown will vary based on actual results.

(11) Based on a fleet of 60 vessels.

Time Charter Equivalent Reconciliation(1)

	Three Months Ended		Twelve Months Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(unaudited)		(unaudited)	
Total Fleet				
Voyage revenues (in thousands)	$ 74,918	$ 43,785	$ 209,698	$ 133,246
Voyage expenses (in thousands)	15,579	3,995	25,321	13,227
	59,339	39,790	184,377	120,019
Total available days	5,386	5,975	21,357	24,457
Total TCE rate	$ 11,017	$ 6,659	$ 8,633	$ 4,907

	Three Months Ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
	(unaudited)			
Total Fleet				
Voyage revenues (in thousands)	$ 38,249	$ 45,370	$ 51,161	$ 74,918
Voyage expenses (in thousands)	3,241	951	5,550	15,579
	35,008	44,419	45,611	59,339
Total available days	5,387	5,264	5,320	5,386
Total TCE rate	$ 6,498	$ 8,439	$ 8,573	$ 11,017

(1) We define TCE rates as our voyage revenues less voyage expenses divided by the number of our available days during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts. Please see the appendix for further detail.