



NEWS RELEASE for August 10, 2008

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TOP SHIPS REPORTS SECOND QUARTER AND FIRST HALF 2009 FINANCIAL RESULTS

ATHENS, GREECE (July 31, 2009) ... TOP Ships Inc. (NasdaqGS:TOPS) today announced its operating results for the second quarter and first half of 2009.

For the three months ended June 30, 2009, the Company reported a net loss of \$15,949,000, or \$0.58 per share, compared with a net loss of \$5,589,000, or \$0.22 per share, for the second quarter of 2008. The results for the second quarter of 2009 include net expenses of \$11,786,000 relating to the termination of leases. Excluding these expenses, the net loss becomes \$4,163,000, or \$0.15 per share. Second quarter operating loss was \$11,502,000 for 2009, compared with operating income of \$7,078,000 for the corresponding period in 2008. Excluding net expenses of \$11,786,000 relating to the termination of leases, operating loss turns into an operating income of \$284,000. Revenues for the second quarter of 2009 were \$28,636,000, compared to \$76,687,000 recorded in the second quarter of 2008.

For the six months ended June 30, 2009, the Company reported a net loss of \$14,579,000, or \$0.53 per share, compared with a net loss of \$24,430,000, or \$1.07 per share, for the first half of 2008. Excluding the net expenses of \$11,786,000, relating to the termination of leases, the net loss becomes \$2,793,000, or \$0.10 per share. For the six months ended June 30, 2009, operating loss was \$9,145,000 compared with operating income of \$4,644,000 for the first half of 2008. Excluding net expenses of \$11,786,000 relating to the termination of leases, operating loss turns into an operating income of \$2,641,000. Revenues for the six-month period ended June 30, 2009 were \$58,429,000, compared to \$149,324,000 recorded in the first half of 2008.

Evangelos J. Pistiolis, President and Chief Executive Officer of TOP Ships Inc., commented: "Despite our negative results, we are happy to report that we have concluded two very important milestones in the history of our company: the termination of our last leases involving five old vessels and the completion of our newbuilding program in a very tough financial environment."

In the current shipping and general economic environment, we believe that we are better positioned than many other companies in the industry, and we want to convey to the market the current positive characteristics of Top Ships, which in nutshell are the following:

- No capital commitments.
- Cash flow from operations is expected to be positive for the full second half of 2009 and for the full year of 2010.
- Very young fleet. Our owned fleet is made up of 13 vessels; eight product tankers with an average age of less than two years and five dry bulk vessels with an average age of 8.4 years

- 80% of our total ship days until the end of 2011 are under fixed employment, and the gross revenue of these charters totals approximately \$200 million. Looking further ahead, 73% of our total ship days until the end of 2012 are under fixed employment, and the gross revenue of these charters totals approximately \$250 million.

I would like to stress that our banks have been very supportive to our plans and actions since the beginning of the year, which can be proven from the fact that we have received waivers from all five banks in relation to certain covenant breaches that occurred on December 31, 2008.”

The following indicators serve to highlight the operational performance of the Company’s current fleet during the second quarter and six-month periods ended June 30, 2009 and 2008:

Current Fleet Data

	Three Months Ended – March 31,		Six Months Ended – March 31,	
	2008	2009	2008	2009
Total calendar days for fleet (1)	1,092	1,469	2,028	2,646
Total available days for fleet (2)	1,046	1,350	1,970	2,456
Total operating days for fleet (3)	1,036	1,327	1,925	2,388
Fleet utilization (4)	99.0%	98.3%	97.7%	97.2%

(1) We define calendar days as the total days the vessels were in our possession for the relevant period. Calendar days are an indicator of the size of our fleet over a period and affect both the amount of revenues and expenses that we record during a period.

(2) We define available days as the number of calendar days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or scheduled repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels. 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. In all prior filings and reports, available days has never been used. We have decided to add available days and adjust the calculation method of utilization in order to be more comparative with most shipping companies that calculate utilization using available days divided by operating days.

(3) 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 the vessels actually generate revenues.

(4) 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 or intermediate surveys and vessel positioning. In all prior filings and reports, utilization was calculated by dividing operating days to calendar days. We have decided to change the calculation method in order to be more comparative with most shipping companies, which calculate utilization using available days divided by operating days.

The following table presents the Company's owned fleet list and employment as of the date of this release:

	<u>Dwt</u>	<u>Year Built</u>	<u>Charter Type</u>	<u>Expiry</u>	<u>Daily Base Rate</u>	<u>Profit Sharing Above Base Rate (2009)</u>
Eight Tanker Vessels						
Dauntless	46,168	1999	Time Charter	Q1/2010	\$16,250	100% first \$1,000 + 50% thereafter
Ioannis P.	46,346	2003	Time Charter	Q4/2010	\$18,000	100% first \$1,000 + 50% thereafter
Miss Marilena	50,000	2009	Bareboat Charter	Q1-2/2019	\$14,400	None
Lichtenstein	50,000	2009	Bareboat Charter	Q1-2/2019	\$14,550	None
Ionian Wave	50,000	2009	Bareboat Charter	Q1-2/2016	\$14,300	None
Thyrrhenian Wave	50,000	2009	Bareboat Charter	Q1-2/2016	\$14,300	None
Britto	50,000	2009	Bareboat Charter	Q1-2/2019	\$14,550	None
Hongbo	50,000	2009	Bareboat Charter	Q1-2/2019	\$14,550	None
Total Tanker dwt	392,514					
Five Drybulk Vessels						
Cyclades	75,681	2000	Time Charter	Q2/2011	\$54,250	None
Amalfi	45,526	2000	Time Charter	Q3/2009	\$16,000	None
Papillon (ex Voc Gallant)*	51,200	2002	Bareboat Charter	Q2/2012	\$24,000	None
Pepito	75,928	2001	Time Charter	Q2/2013	\$41,000	None
Astrale	75,933	2000	Time Charter	Q2/2011	\$18,000	None
Total Drybulk dwt	324,268					
TOTAL DWT	716,782					

* During August 2009, the bareboat charterer of the M/V Papillon (ex VOC Gallant) notified the Company of its intention to pay a reduced charterhire rate of \$18,000 per day for the month of August, rather than \$24,000 per day on a bareboat basis as is set forth in the charterparty. As a result, the Company believes that such charterer is in breach of the charterparty agreement, and commenced arbitration proceedings against such charterer to recover amounts owed.

Liquidity and Capital Resources

As of June 30, 2009, Top Ships had total indebtedness under senior secured credit facilities of \$404.7 million with its lenders, the Royal Bank of Scotland (“RBS”), HSH Nordbank (“HSH”), DVB Bank (“DVB”), Alpha Bank (“ALPHA”) and Emporiki Bank (“EMPORIKI”), maturing from 2013 through 2019.

Loan Covenants and Discussions with Banks

As of the date of this release, we have received waivers and signed amendments to our loan agreements with all five of our lenders in relation to loan covenant breaches that took place as of December 31, 2008. The only outstanding amendments are in relation to: (i) the bulker financing with DVB, which agreement has been in effect since April 2009, although the legal documentation has been delayed and (ii) HSH financings, for which we have not yet managed to lower the adjusted net worth covenant below \$125 million.

As of June 30, 2009, we were in breach of other covenants not previously waived, which relate to minimum liquidity, adjusted net worth and asset values of product tankers with certain banks. As of the date of this release, we have received waivers and amended certain loan agreements with RBS and DVB, and we are currently in negotiations with other lenders in relation to remaining breaches.

We expect that our lenders will not demand payment of our loans before their maturity, provided that we pay loan installments and accumulated or accrued interest as they fall due under the existing credit facilities.

If the Company is not able to obtain covenant waivers or modifications for current covenant breaches or for covenant breaches that may occur in future reporting periods, its lenders may require the Company to post additional collateral, enhance its equity and liquidity, increase its interest payments or pay down its indebtedness to a level where it is in compliance with its loan covenants, sell vessels, or they may accelerate its indebtedness, which would impair the Company’s ability to continue to conduct its business. In order to further enhance its liquidity, the Company may find it necessary to sell vessels at a time when vessel prices are low, in which case it will recognize losses and a reduction in its earnings, which could affect its ability to raise additional capital necessary to comply with its loan covenants and/or the additional lender requirements described above.

On July 27, 2009, we entered into an unsecured bridge loan financing facility with an unrelated party in order to cover working capital requirements. The loan is of a principal amount of Euros 2.5 million (approximately \$3.5 million at a conversion rate of \$1.4 to 1 Euro) and has a term of three months.

On July 31, 2009, we received waivers and amended our term loan with RBS. On the same date, we amended our \$80 million product tanker facility with DVB in order to reduce the minimum liquidity required from \$20 million to \$5 million and to take account of a bridge loan of \$12.5 million, also from DVB, used in the financing of the delivery installment of the Hongbo. The bridge loan has a term of one year and carries a margin of 6.0%. In connection with this amendment and bridge loan, we issued 12,512,400 of our common shares to Hongbo Shipping Company Limited, who pledged these shares in favor of DVB. This pledge was granted as security and must remain in an amount equal to 180% of the outstanding bridge loan, which amount will be tested at the end of each fiscal quarter.

On August 5, 2009, we amended our loan with Emporiki and received waivers until March 31, 2010 for breaches of the asset maintenance clause and minimum leverage ratio, which is defined as Total Liabilities divided by Total Assets adjusted to the fair market value of vessels. These breaches occurred in December 31, 2008.

Conference Call and Webcast

Top Ships' management team will host a conference call to review the results and discuss other corporate news and its outlook on Tuesday, August 11, 2009, at 10:00 AM ET.

Those interested in listening to the live webcast may do so by going to the Company's website at <http://www.topships.org>, or by going to <http://www.investorcalendar.com>.

The telephonic replay of the conference call will be available by dialling 1-877 660-6853 (from the US and Canada) or +1 201 612 7415 (from outside the US and Canada) and by entering account number 286 and conference ID number 292357. An online archive will also be available immediately following the call at the sites noted above. Both are available for one week, through August XXX, 2009.

About TOP Ships Inc.

TOP Ships Inc., formerly known as TOP Tankers Inc., is an international provider of worldwide seaborne crude oil and petroleum products and drybulk transportation services. The Company operates a combined tanker and drybulk fleet as follows:

- A fleet of eight double-hull Handymax tankers, with a total carrying capacity of approximately 0.4 million dwt, of which 76% are sister ships. Two of the Company's Handymaxes are on time charter contracts with an average term of one year with both of the time charters including profit sharing agreements above their base rates. Six of the Company's Handymax tankers are fixed on a bareboat charter basis with an average term of 8.7 years.
- A fleet of five drybulk vessels with a total carrying capacity of approximately 0.3 million dwt, of which 47% are sister ships. All of the Company's drybulk vessels have fixed rate employment contracts for an average period of 26 months.

Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor 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.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "will," "may," "should," "expect" "pending" and similar expressions identify forward-looking statements. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from 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, other 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 rates and vessel values, failure of a seller to deliver one or more vessels or of a buyer to accept delivery of one or more vessels, inability to procure acquisition financing, default by one or more charterers of our ships, changes in the demand for crude oil and petroleum products, changes in demand for dry bulk shipping capacity, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations 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, vessels breakdowns and instances of off-hires and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

TABLES FOLLOW

TOP SHIPS INC.				
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)				
(Expressed in thousands of U.S. Dollars - except for share and per share data)				
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2009	2008	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUES:				
Revenues	\$ 76,687	\$ 28,636	\$ 149,324	\$ 58,429
EXPENSES:				
Voyage expenses	13,293	1,435	23,617	2,585
Charter hire expense	15,854	5,019	33,842	10,806
Amortization of deferred gain on sale and leaseback of vessels and write-off of seller's credit	(1,406)	(6,942)	(2,703)	(7,750)
Lease termination expense	-	15,385	-	15,385
Other vessel operating expenses	18,585	9,506	44,427	18,159
Dry-docking costs	4,983	2,939	9,032	4,202
Depreciation	10,442	7,969	20,952	14,309
Sub-manager fees	359	140	731	283
General and administrative expenses	7,098	4,669	14,431	9,586
Foreign currency (gains) / losses, net	19	18	551	9
(Gain) / loss on sale of vessels	382	-	(200)	-
Operating income (loss)	7,078	(11,502)	4,644	(9,145)
OTHER INCOME (EXPENSES):				
Interest and finance costs	(10,154)	(3,493)	(18,137)	(5,764)
Gain / (loss) on financial instruments	(2,785)	(941)	(11,607)	264
Interest income	233	19	663	208
Other, net	39	(32)	7	(142)
Total other expenses, net	(12,667)	(4,447)	(29,074)	(5,434)
Net Loss	\$ (5,589)	\$ (15,949)	\$ (24,430)	\$ (14,579)
Earnings (loss) per share, basic and diluted	\$ (0.22)	\$ (0.58)	\$ (1.07)	\$ (0.53)
Weighted average common shares outstanding, basic and diluted	25,182,389	27,476,436	22,738,815	27,509,700

TOP SHIPS INC.			
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)			
(Expressed in thousands of U.S. Dollars - except for share and per share data)			
		December 31,	June 30,
		2008	2009
		(Unaudited)	(Unaudited)
ASSETS			
CASH AND CASH EQUIVALENTS	\$	46,242	\$ 0
ADVANCES FOR VESSELS ACQUISITIONS / UNDER CONSTRUCTION		159,971	35,257
VESSELS, NET		414,515	647,160
RESTRICTED CASH		52,575	22,842
OTHER ASSETS		25,072	14,178
Total assets	\$	698,375	\$ 719,437
LIABILITIES AND STOCKHOLDERS' EQUITY			
FINANCIAL INSTRUMENTS		16,438	14,293
FAIR VALUE OF BELOW MARKET TIME CHARTER		3,911	-
BANK DEBT		342,479	404,675
DEFERRED GAIN ON SALE AND LEASEBACK OF VESSELS		15,479	49
OTHER LIABILITIES		28,017	22,707
Total liabilities		406,324	441,724
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY			
		292,051	277,713
Total liabilities and stockholders' equity	\$	698,375	\$ 719,437

TOP SHIPS INC.			
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)			
(Expressed in thousands of U.S. Dollars)			
	Six Months Ended		
	June 30,		
	2008		2009
	(Unaudited)		(Unaudited)
Cash Flows from (used in) Operating Activities:			
Net income (loss)	\$	(24,430)	\$ (14,579)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization		25,401	15,351
Stock-based compensation expense		948	1,035
Change in fair value of financial instruments		11,160	(2,145)
Financial instrument termination payments		(3,300)	-
Amortization of deferred gain on sale and leaseback of vessels and write-off of seller's credit		(2,703)	(7,750)
Amortization of fair value below market time charter		(10,953)	(3,911)
Loss on sale of other fixed assets		25	93
Gain on sale of vessels		(200)	-
Change in operating assets and liabilities		507	1,531
Net Cash from (used in) Operating Activities		(3,545)	(10,375)
Cash Flows from (used in) Investing Activities:			
Principal payments received under capital lease		5,500	-
Principal payments paid under capital lease		(68,828)	-
Advances for vessels acquisitions / under construction		(37,070)	(19,573)
Vessel acquisitions and improvements		(118,142)	(102,102)
Insurance claims recoveries		1,297	151
Increase in restricted cash		(3,500)	-
Decrease in restricted cash		-	29,733
Net proceeds from sale of vessels		140,259	-
Net proceeds from sale of other fixed assets		49	197
Acquisition of other fixed assets		(601)	(399)
Net Cash used in Investing Activities		(81,036)	(91,993)
Cash Flows from (used in) Financing Activities:			
Proceeds from long-term debt		158,078	92,660
Payments of long-term debt		(125,384)	(30,144)
Financial instrument upfront receipt		1,500	-
Financial instrument termination payments		-	(5,000)
Issuance of common stock, net of issuance costs		50,601	(62)
Cancellation of fractional shares		(2)	-
Repurchase and cancellation of common stock		-	(732)
Payment of financing costs		(1,417)	(596)
Net Cash from Financing Activities		83,376	56,126
Net increase (decrease) in cash and cash equivalents		(1,205)	(46,242)
Cash and cash equivalents at beginning of period		26,012	46,242
Cash and cash equivalents at end of period	\$	24,807	\$ 0
SUPPLEMENTAL CASH FLOW INFORMATION			
Interest paid	\$	12,834	\$ 7,646
NON-CASH TRANSACTIONS			
Fair value below market time charter	\$	12,647	\$ -
Amounts owed for capital expenditures	\$	364	\$ 343