



# First Quarter 2010 Financial Results

May 2010

# Safe Harbor Statement

*Except for the historical information contained herein, this presentation contains among other things, certain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such statements may include, without limitation, statements with respect to the Company's plans, objectives, expectations and intentions and other statements identified by words such as "may", "could", "would", "should", "believes", "expects", "anticipates", "estimates", "intends", "plans" or similar expressions. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties, including those detailed in the Company's filings with the Securities and Exchange Commission. Actual results, including, without limitation, operating or financial results, if any, may differ from those set forth in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control).*

*Forward-looking statements include statements regarding:*

- The delivery and operation of assets of Star Bulk, the surviving corporation in the Redomiciliation Merger;*
- Star Bulk's future operating or financial results;*
- Future, pending or recent acquisitions, business strategy. Areas of possible expansion, and expected capital spending or operating expenses; and*
- Drybulk market trends, including charter rates and factors affecting vessel supply and demand.*

*The financial information and data contained in this presentation is unaudited and does not conform to the Securities and Exchange Commission's Regulation S-X. Accordingly, such information and data may not be included in, or may be presented differently in, the Company's proxy statement to solicit shareholder approval for the Redomiciliation Merger. This presentation includes certain estimated financial information and forecasts (EBIT, EBITDA, and Time Charter Equivalent Revenue) that are not derived in accordance with generally accepted accounting principles ("GAAP"). The Company believes that the presentation of these non-GAAP measures provides information that is useful to the Company's shareholders as they indicate the ability of Star Bulk, if the Redomiciliation Merger is effected, to meet capital expenditures, working capital requirements and other obligations, and make distributions to its stockholders.*

*The Company undertakes no obligation to publicly update or revise any forward-looking statements or other information or data contained in this joint proxy statement/prospectus, or the documents to which we refer you in this joint proxy statement/prospectus, whether to reflect any change in our expectations with respect to such statement or any change in events, conditions or circumstances on which any statement is based, or otherwise.*

# Recent Activity

- ★ **Paid dividend of \$0.05 per share for 1Q10 (~7.1% yield<sup>(1)</sup> if annualized)**
- ★ **Time charter for Star Theta with Cargill for 18 months at \$19,000 daily**
- ★ **“Package” deal : Augustea will perform the next 4 VALE COA cargoes and timecharter the Star Ypsilon at \$22,350 daily, over one year**
- ★ **Two Capesize newbuilding contracts at Hanjin for \$53.5m and \$53.25m with delivery in Sep-11 and Nov-11, respectively**
- ★ **Time charter one newbuilding Capesize for 10 years at \$24,750 daily**
- ★ **Agreed acquisition of Capesize Star Aurora, built 2000 for \$42.5m**
- ★ **Time charter for Star Aurora with Rio Tinto for 3 years at \$27,500 daily**
- ★ **Obtained ISO 14000 Environmental Management certification**
- ★ **Participant in European Union energy efficiency research program TARGETS<sup>(2)</sup>**

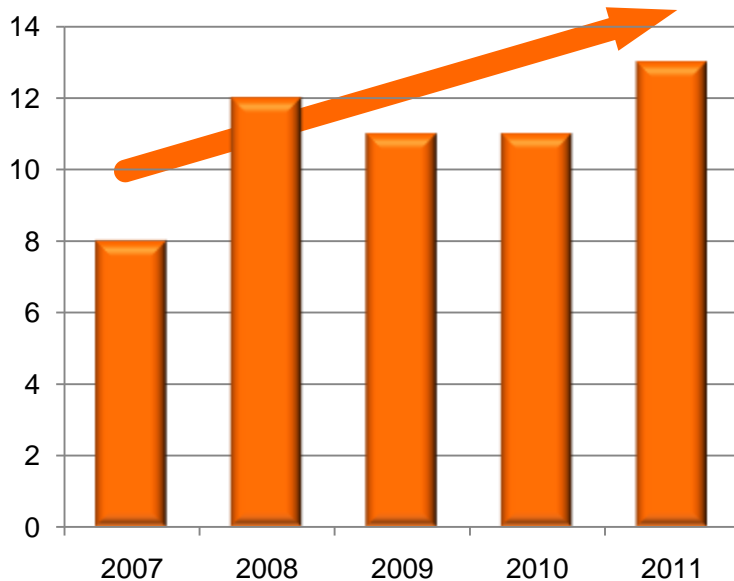
(1) As of May 18,2010

(2) Targeted Advanced Research for Global Efficiency of Transportation Shipping

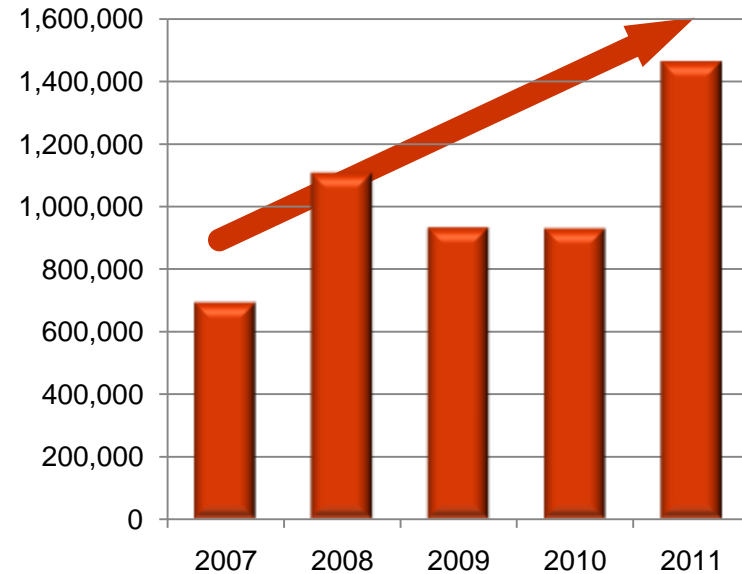
# Star Bulk Continues to Grow

- ★ Secured growth 57% in DWT or 27% in number of vessels YTD
- ★ 111% growth in carrying capacity since inception
- ★ 63% growth in number of vessels since inception
- ★ Fleet renewal integral part of growth strategy

## Vessels



## DWT



# Reduced Operating Expenses – Enhanced Quality

## COST REDUCTION

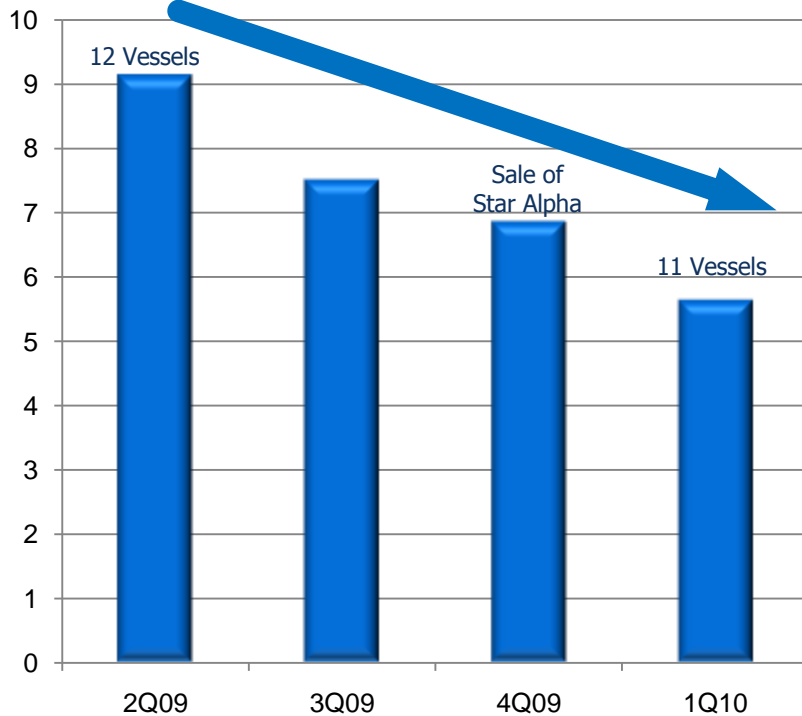
## ... CONCURRENT WITH ...

## ENHANCED QUALITY

- ★ In-house shipmanagement steadily decreases Operating Expenses
- ★ Higher vessel quality

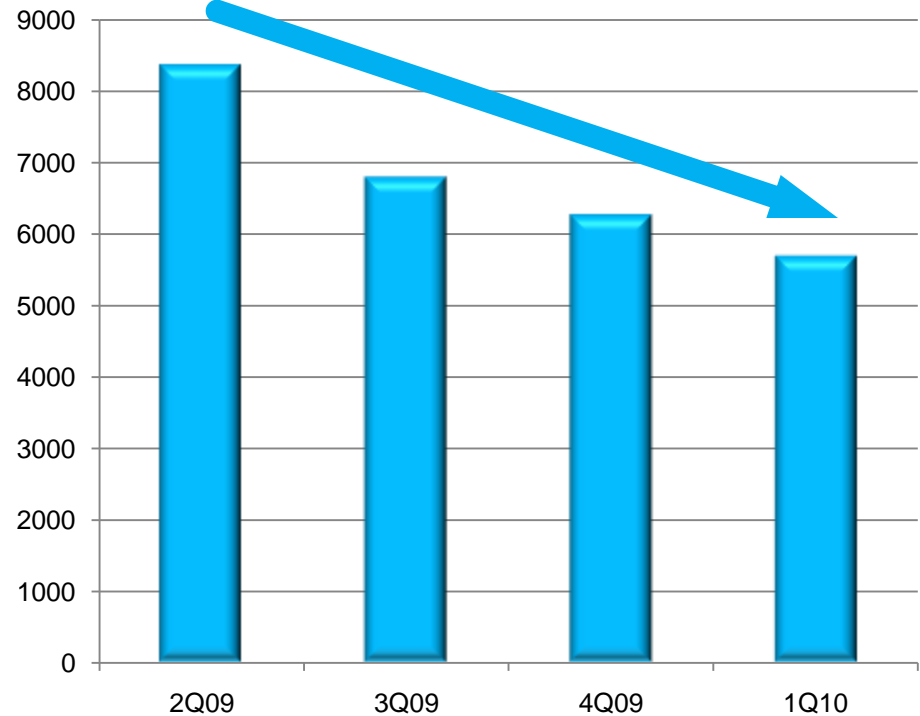
- ★ ISO 14000 Environmental Management
- ★ Exceptional Port state control record
- ★ EU environmental research partner<sup>(1)</sup>

### OPEX (\$m)



Note: Star Alpha was sold Dec 21, 2009

### Average Daily OPEX



(1) Through TARGETS

# 1<sup>st</sup> Quarter 2010 Financial Highlights

	<u>1<sup>st</sup> Quarter 2010</u>
▪ Gross revenue	\$ 29.3 m
▪ Net (loss)/income	\$(33.0)m <sup>(1)</sup>
▪ Net (loss)/Income Adjusted	\$ 1.5 m
▪ EBITDA Adjusted	\$14.6 m
▪ Average daily OPEX per vessel	\$5,679
▪ Average daily TCE	\$25,919
▪ EPS Adjusted	\$ 0.02

▪ **EPS Adjusted Consensus<sup>(2)</sup>** **\$(0.00)**

"Adjusted" figures exclude non-cash items

(1) Incl impairment loss of approx \$34m due to the sale of Star Beta

(2) Bloomberg

# Selected Financial Data

★ <b>Market Capitalization</b>	<b>\$166m</b> <sup>(1)</sup>
★ <b>Price/NAV</b>	<b>1.10</b> <sup>(1)</sup>
★ <b>Senior Debt</b>	<b>\$224m</b> <sup>(2)</sup>
★ <b>Fleet value (charter-free)</b>	<b>\$340m</b> <sup>(3)</sup>
★ <b>Current Cash Position</b>	<b>\$ 45m</b> <sup>(2)</sup>
★ <b>Total Contracted Revenue</b>	<b>\$280m</b> <sup>(4)</sup>
★ <b>Net Debt / Total Assets</b>	<b>24%</b>
★ <b>Principal repayment<sup>(5)</sup>:</b>	<b>\$36m</b> in 2010 (remaining) <b>\$32m</b> in 2011 <b>~\$25m</b> per year thereafter

**Greek crisis has not impacted Star Bulk**

**Solid Financial Position**

(1) May 19, 2010 closing price

(2) As of May 18, 2010

(3) Company's estimate. Includes Star Aurora

(4) As of May 1, 2010

(5) Does not include loan facilities related to Star Aurora and the 2 cape N/Bs

All figures approximate

# Star Bulk Fleet

Vessel	Type	DWT	Built	Earliest end of Timecharter	Gross Daily Rate	Charterer
Star Aurora <sup>(1)</sup>	Capesize	171,199	2000	Nov '12	\$27,500	Rio Tinto
Star Beta <sup>(2)</sup>	Capesize	174,691	1993	Jun'10	\$32,500	Dieulemar
Star Sigma	Capesize	184,403	1991	Oct '13	\$38,000 <sup>(3)</sup>	Pacific Bulk
Star Ypsilon	Capesize	150,940	1991	Feb '11	\$22,350	Augustea
Hull#063 <sup>(4)</sup>	Capesize	180,000	2011	Sept '21	\$24,750	STX Panocean
Hull#064 <sup>(5)</sup>	Capesize	180,000	2011	N/A	N/A	N/A
Star Gamma	Supramax	53,098	2002	Dec '11	\$38,000	Korea Line
Star Delta	Supramax	52,434	2000	Jan '12	\$14,000	GMI
Star Epsilon	Supramax	52,402	2001	Nov '10	\$16,000	Cargill
Star Zeta	Supramax	52,994	2003	Apr '11	\$42,500	Norden
Star Theta	Supramax	52,425	2003	Jun '10 Nov '11	\$11,500 \$19,000	Cargill
Star Kappa	Supramax	52,055	2001	Nov '11	\$14,500	Cargill
Star Omicron	Supramax	53,489	2005	Mar '11	\$43,000	GMI
Star Cosmo	Supramax	52,247	2005	Jan '11	\$35,600	Korea Line

**Total Fleet                    13 Vessels            1,462,377**

**COA with VALE from Apr-11 to Dec-11 to be served by Company's or Chartered-In Capesize vessels**

*(1) To be delivered Q4 2010*

*(2) Star Bulk has agreed to sell Star Beta. The vessel is expected to be delivered to its new owners in June 2010*

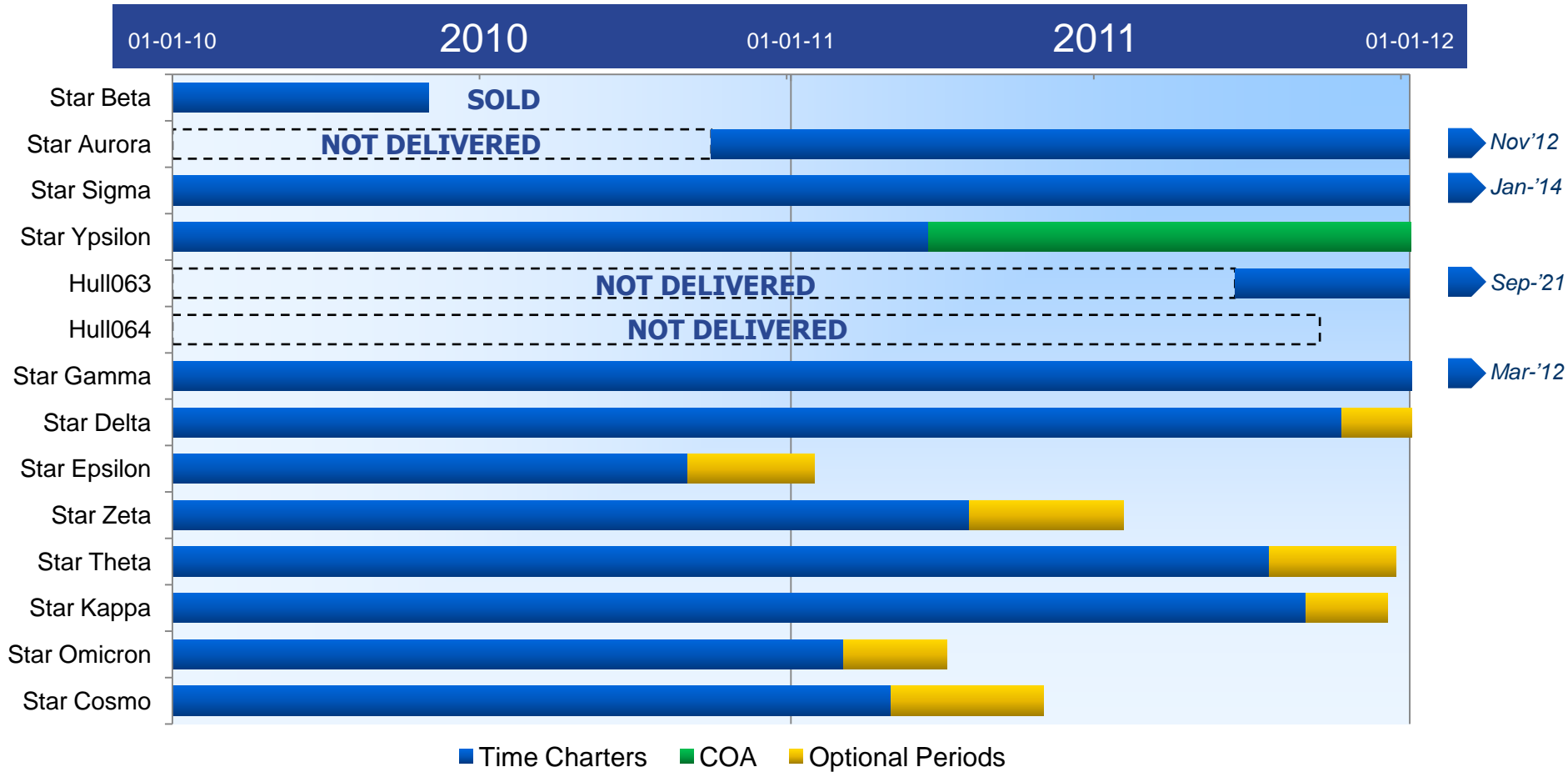
*(3) Charter includes profit sharing arrangement*

*(4) Expected delivery ex Hanjin shipyard Sep 2011*

*(5) Expected delivery ex Hanjin shipyard Nov 2011*



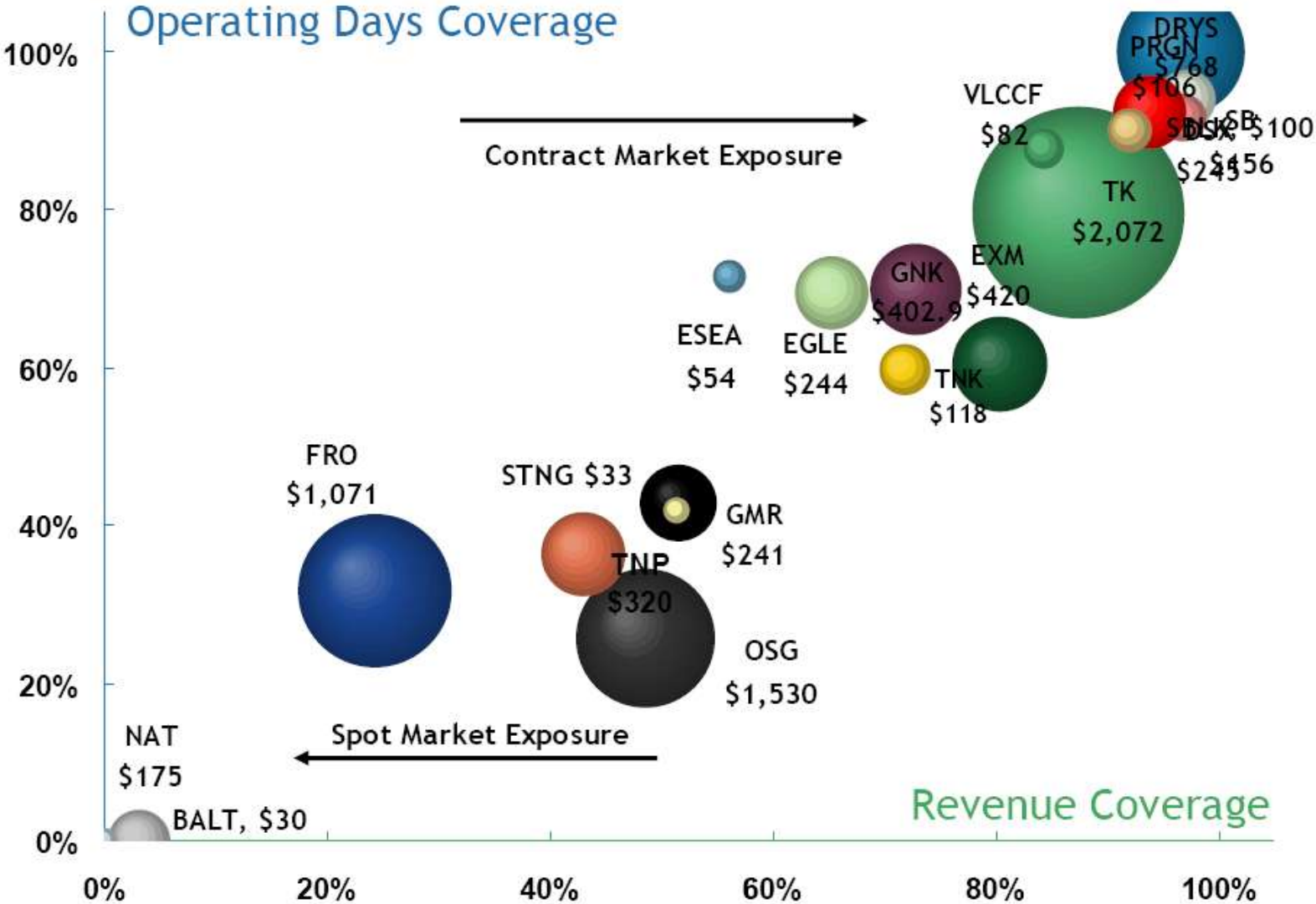
# Contracted Operating Days - Revenue Visibility



★ 2010: 3,787 contracted days – 98% coverage

★ 2011: 2,669 contracted days – 64% coverage

# Significant Contract Coverage for 2010



Source: FactSet; Company data; Morgan Stanley Research \*Only T/C coverage, does not include coverage through FFA hedging

# COMPANY FINANCIALS



# Balance Sheet

(in '000s)	31-Mar-10 (unaudited)	31-Dec-09 (audited)
<b>ASSETS</b>		
CURRENT ASSETS	68,890	60,828
FIXED ASSETS	610,651	668,698
NON CURRENT ASSETS	27,294	31,115
<b>TOTAL ASSETS</b>	<b>706,835</b>	<b>760,641</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES	61,330	71,092
NON-CURRENT LIABILITIES	181,538	190,292
STOCKHOLDERS' EQUITY	463,967	499,257
<b>TOTAL LIABILITIES</b>	<b>706,835</b>	<b>760,641</b>

# Income Statement 1<sup>st</sup> Quarter 2010

(in \$000's)	Jan 1 - Mar 31, 2010	Non-cash Adjustments	Adjusted Jan 1 - Mar 31, 2010
<b>REVENUES</b>	<b>29,279</b>	<b>(335)</b>	<b>28,944</b>
<b>(EXPENSES):</b>			
Vessel Operating expenses	(5,622)		(5,622)
Voyage Expenses/Charter-in cost	(3,892)		(3,892)
Drydocking expenses	(1,072)		(1,072)
Depreciation	(11,580)		(11,580)
Gain/Loss on derivative instruments	(2,415)	330	(2,085)
Vessel Impairment Loss	(33,732)	33,732	
Management fees	(41)		(41)
Time charters agreement termination fees	0	0	0
General and administrative expenses	(2,439)	782	(1,657)
<b>Operating (loss) / income</b>	<b>(31,514)</b>		<b>2,995</b>
<b>OTHER INCOME (EXPENSES):</b>			
Interest and finance costs	(1,662)		(1,662)
Interest income and other	159		159
<b>Total other expenses, net</b>	<b>(1,503)</b>		<b>(1,503)</b>
<b>Net (loss) / income</b>	<b>(33,017)</b>	<b>34,509</b>	<b>1,492</b>

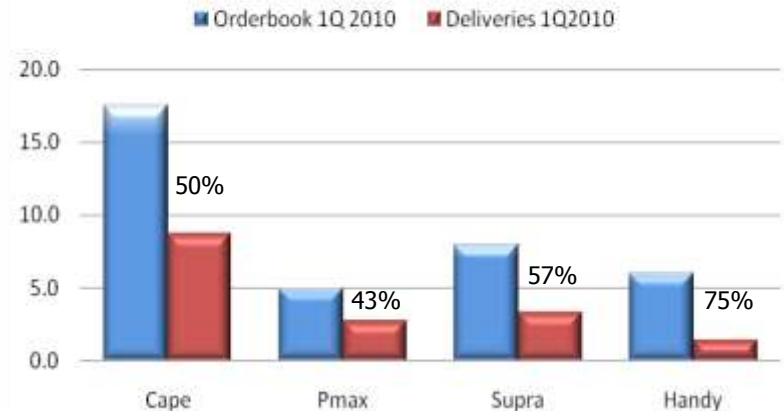
# Market Comments



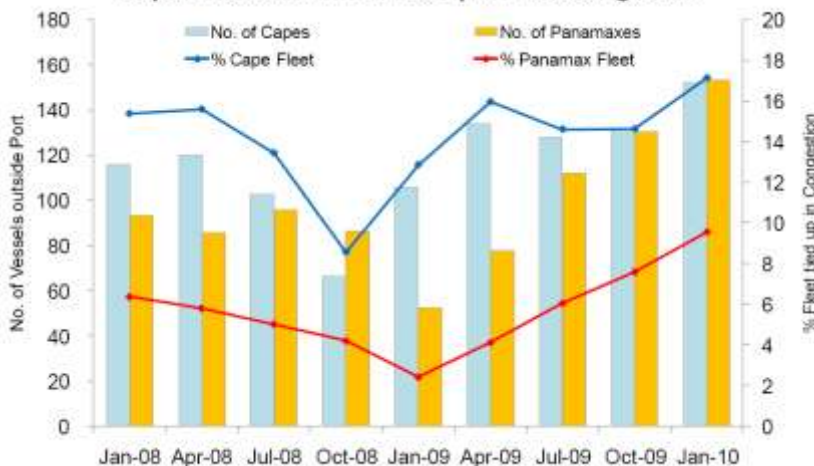
# Supply Update – 1Q 2010 Newbuilding Deliveries

- ★ 2009 newbuilding deliveries ~40% lower than originally planned
- ★ 1Q 2010 newbuilding deliveries ~55% lower than originally planned
- ★ Port congestion near historical highs ties up a significant part of the fleet
- ★ Vessel values rising underlining market's confidence

### 1Q Orders vs Deliveries

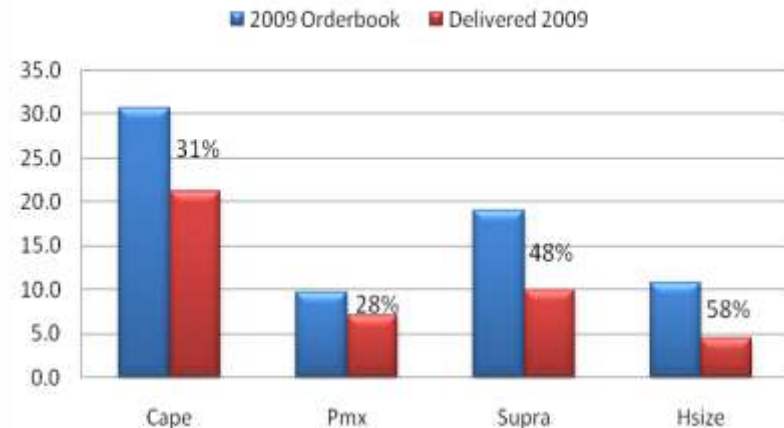


### Cape & Panamax Fleet tied up in Port Congestion



Source: Global Ports Congestion Index

### 2009 Orders vs Deliveries

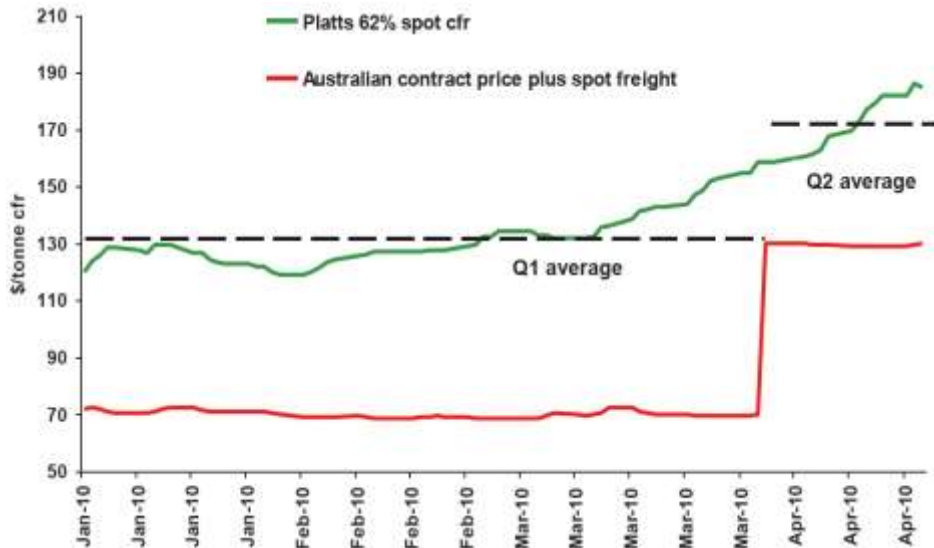


Source: Clarksons

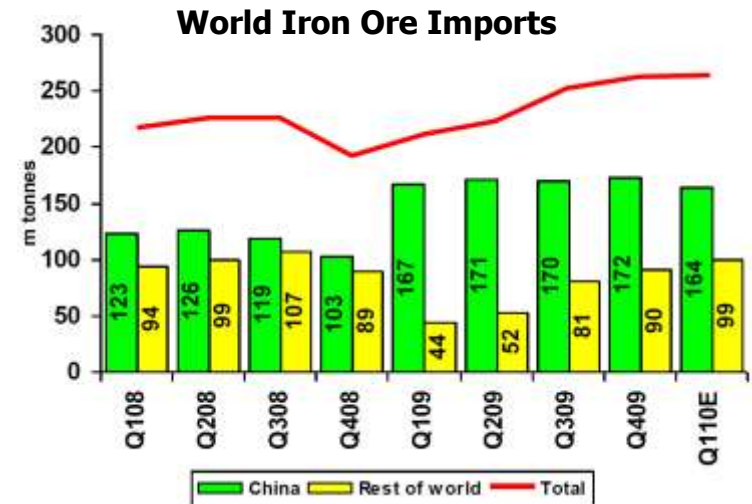
Percentages indicate non-deliveries

# World Iron Ore Demand Remains at Record Levels

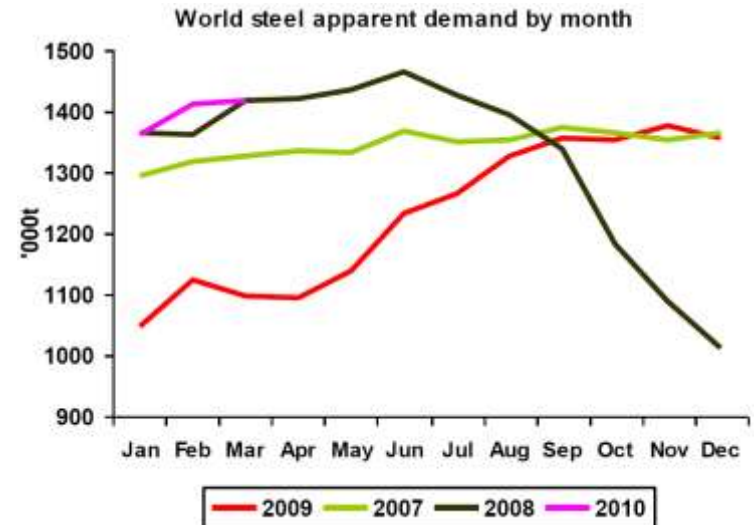
- ★ **1Q 2010 world iron ore imports 263 million tons yet another historical high**
- ★ **Expected to exceed 1 billion tons**
- ★ **1Q 2010 world steel demand higher than 1Q2008 → back to pre-crisis levels**
- ★ **Iron ore price near \$200/t - Contract pricing system in doubt**
- ★ **Iron ore trade still constrained by mining and port capacity**



Source: Platts, Macquarie Research, April 2010



Source: Trade and port statistics, Macquarie Research, May 2010

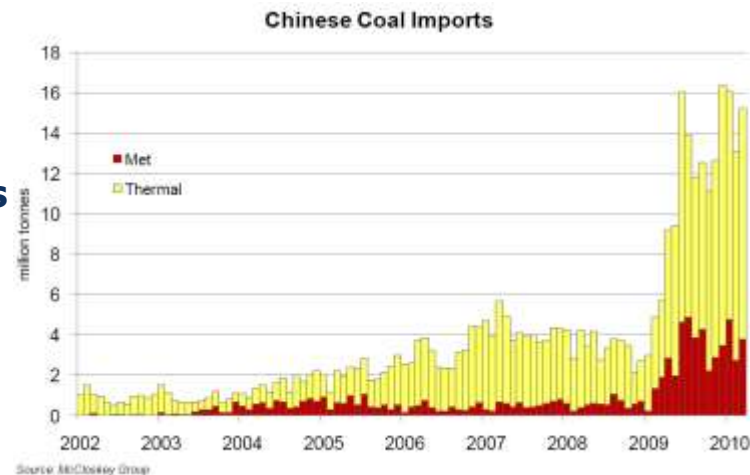


Source: worldsteel, Macquarie Research, April 2010

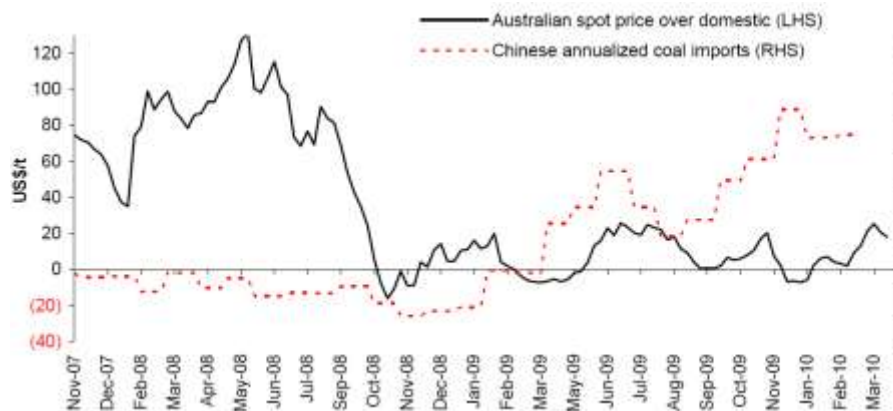


# Chinese Coal Demand

- ★ **China's coal imports grew more than 200% in 2009 and show no signs of stopping**
- ★ **Recent droughts in China have affected hydro-power capacity increasing coal imports**
- ★ **Imported coal more pricy than domestic – perhaps not price sensitive**
- ★ **China consumes about 3 Billion tons of coal annually – potential for huge coal imports**

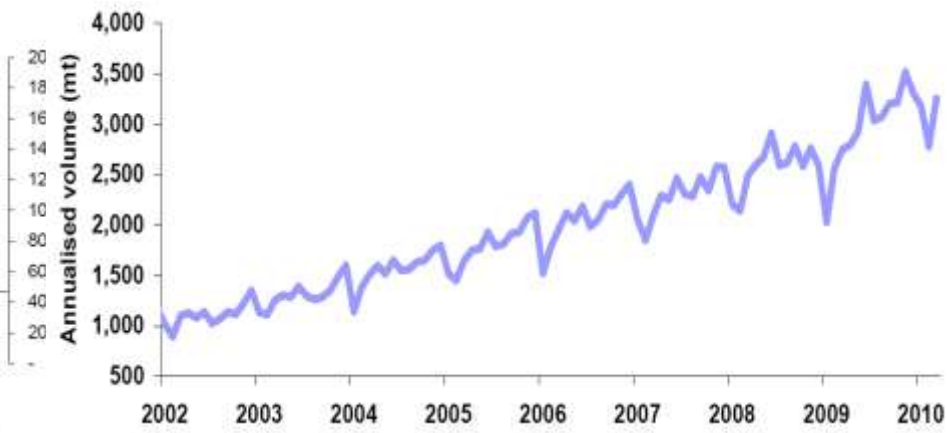


**Thermal coal pricing spread**



Source: Bloomberg, CEIC, Macquarie Research, April 2010

**Chinese Raw Coal Production**

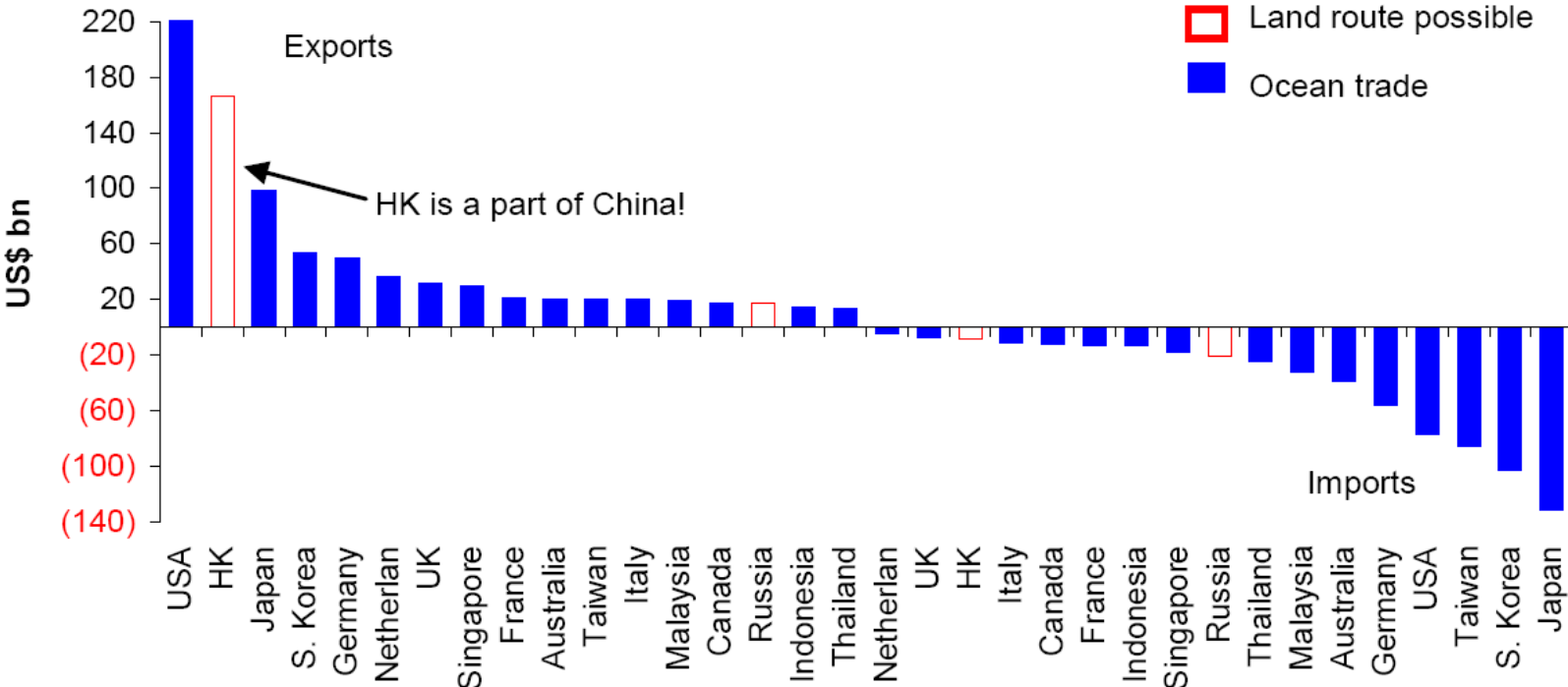


Source: NBS, Macquarie Research, April 2010

# Shipping is Part of China's Growth Story

- ★ China is surrounded by mountains and underdeveloped and resource-poor areas
- ★ Due to its geographical position China has to import and export goods by sea
- ★ That's why the coast-line has developed so rapidly

2009 Chinese trade: 95% has to go via an ocean route



Source: Government statistics, Macquarie Research, April 2010

**THANK YOU**



 **Star Bulk** *CARRIERS CORP.*