



 **Star Bulk** *CARRIERS CORP.*

1<sup>st</sup> Quarter 2011 Financial Results

NASDAQ: SBLK

May 2011

# 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.*

# Selected Financial Data

★ Total Contracted Revenue	\$245m <sup>(1)</sup>
★ Market Capitalization	\$146m <sup>(1)</sup>
★ Senior Debt	\$225m <sup>(2),(3)</sup>
★ Current Cash Position	\$ 41m <sup>(2)</sup>
★ Interest Rate Swap Exposure	-0-

★ Principal repayment<sup>(3)</sup> :

\$68m in 2010
\$34m in 2011
\$32m in 2012
\$31m in 2013

**Solid Financial Position**

(1) As of May 12, 2011, includes approx. \$12m from COA  
(2) As of May 12, 2011  
(3) Does not include loans for the 2 new acquisitions  
All figures approximate

# 1st Quarter 2011 Financial Highlights

	<u>1<sup>st</sup> Quarter 2010</u>	<u>1<sup>st</sup> Quarter 2011</u>
▪ Gross revenue	\$29.3	\$29.5m
▪ Net (loss)/income	\$(33.0)	\$1.7m
▪ Net Income Adjusted	\$1.5	\$1.3m
▪ EBITDA Adjusted	\$14.6	\$14.2m
▪ Average daily OPEX per vessel	\$5,679	\$5,170
▪ TCE Adjusted	\$25,919	\$23,252
▪ EPS Adjusted	\$0.02	\$0.02
▪ 1Q 2011 EPS Consensus <sup>(1)</sup>		\$(0.03)

"Adjusted" figures exclude non-cash items

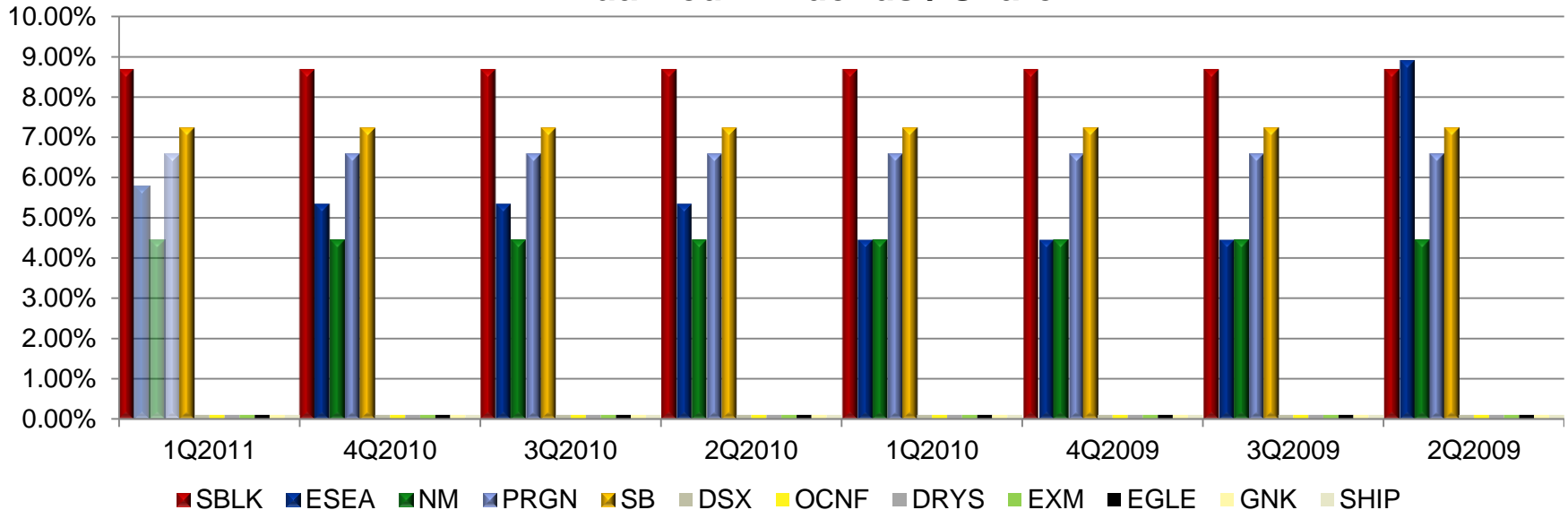
(1) Bloomberg

# SBLK: Consistent Dividend Payer

## 8 CONSECUTIVE QUARTERS OF DIVIDENDS\*

Quarter	2Q 2009	3Q2009	4Q2009	1Q2010	2Q2010	3Q2010	4Q2010	1Q2011
Dividend	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05

### Annualized Dividends / Share\*\*



## 5 OF 11 DRY BULK COMPANIES PAY DIVIDENDS

\* Includes 1Q 2011 dividend

\*\* Share prices as of May 12, 2011

# Star Bulk Fleet

★ 2011: 3,494 contracted days – 78% coverage

Vessel	Type	DWT	Built	Earliest end of Timecharter	Gross Daily Rate	Charterer
Star Aurora	Capesize	171,199	2000	Jul '13	\$27,500	Rio Tinto
Star Sigma	Capesize	184,403	1991	Oct '13	\$38,000 <sup>(1)</sup>	Pacific Bulk
Star Ypsilon	Capesize	150,940	1991	Oct '11	\$13,000	STX Panocean
New Cape1 <sup>(2)</sup>	Capesize	168,000	1996	Nov '15	\$25,000	Mining Company
New Cape2 <sup>(2)</sup>	Capesize	170,000	1994	Aug '14	\$24,500	Mining Company
Hull#063 <sup>(3)</sup>	Capesize	180,000	2011	Sep '21	\$24,750	STX Panocean
Hull#064 <sup>(4)</sup>	Capesize	180,000	2011	N/A	N/A	N/A
Star Cosmo	Supramax	52,247	2005	Mar '12	\$16,100	SK Shipping
Star Delta	Supramax	52,434	2000	Nov '11	\$14,000	GMI
Star Epsilon	Supramax	52,402	2001	Nov '11	\$16,100	Norden
Star Gamma	Supramax	53,098	2002	Jul '11	\$17,000	STX Panocean
Star Kappa	Supramax	52,055	2001	Sep '11	\$14,500	Cargill
Star Omicron	Supramax	53,489	2005	Jun '11	TCT	Oldendorff
Star Theta	Supramax	52,425	2003	Oct '11	\$19,000	Cargill
Star Zeta	Supramax	52,994	2003	May '11	\$42,500	Norden

**Total Fleet**            **13 Vessels**    **1,287,686**

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

(1) Charter includes profit sharing arrangement

(2) Expected delivery ex within Jul 2011

(3) Expected delivery ex Hanjin shipyard Oct 2011

(4) Expected delivery ex Hanjin shipyard Nov 2011

# First Class Charterers

RioTinto



*Cargill*<sup>®</sup>

oldendorff 

NORDEN 



Pacific Bulk Carriers

stx PanOcean



# Vessel Acquisitions

- ★ **Capesize vessel 1**

- ★ **168k dwt – built 1996 in S. Korea**

- ★ **TC to major mining company until Nov 2015 at \$25,000 per day**

- ★ **Capesize vessel 2**

- ★ **170k dwt – built 1994 in Japan**

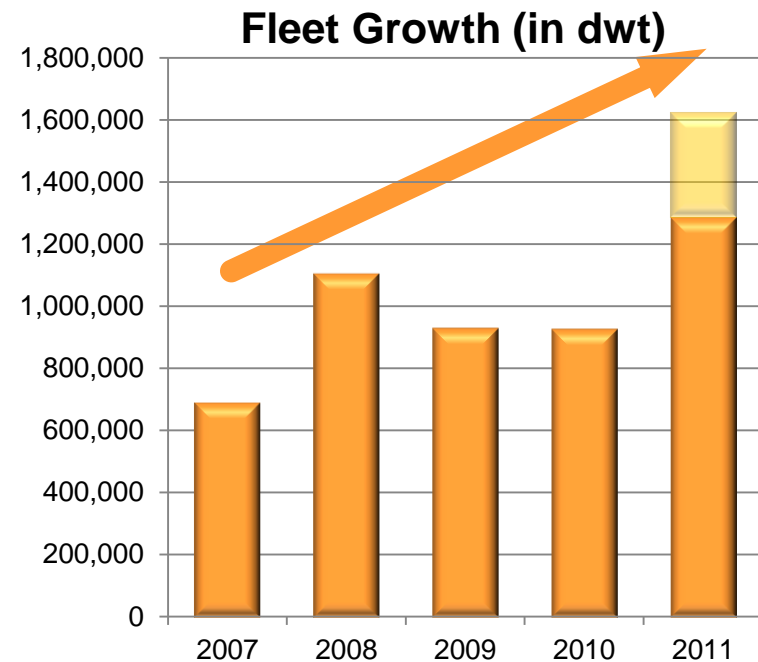
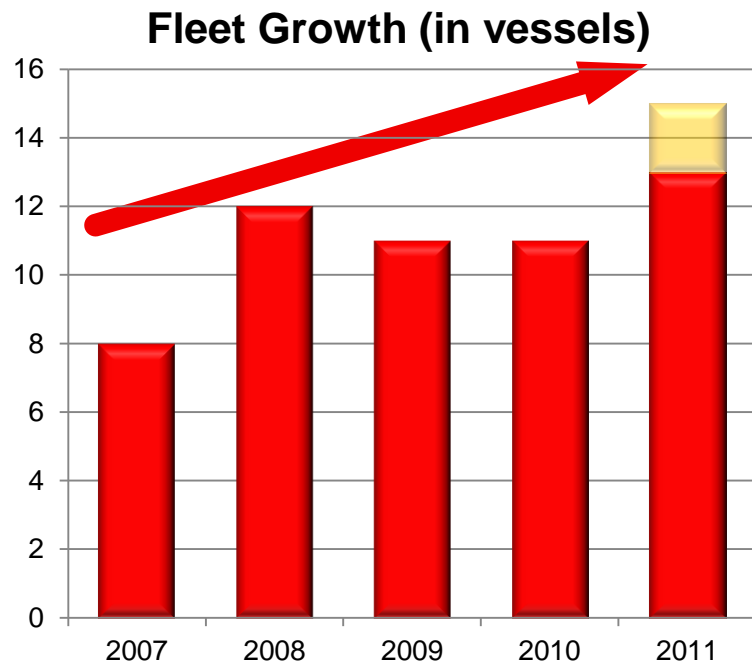
- ★ **TC to major mining company until Aug 2014 at \$24,500 per day**

- ★ **Total purchase price is \$51.5 million**

- ★ **Funding acquisitions through cash and bank loan (bank indication already received)**

# Star Bulk Growth

- ★ **135% growth in dwt carrying capacity since inception (4yrs)**
- ★ **88% growth in number of vessels in 4 years**
- ★ **75% dwt growth in 2011**



Note: Includes 2 secondhand and 2 newbuilding Capesize vessels with delivery 2011

# COMPANY FINANCIALS



# Balance Sheet

(in '000s)	Mar 31, 2011 (unaudited)	Dec 31, 2010 (audited)
<b>ASSETS</b>		
CURRENT ASSETS	27,598	23,918
FIXED ASSETS	664,413	654,290
NON CURRENT ASSETS	23,553	25,042
<b>TOTAL ASSETS</b>	<b>715,564</b>	<b>703,250</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES	51,695	43,235
NON-CURRENT LIABILITIES	176,999	171,763
STOCKHOLDERS' EQUITY	486,870	488,252
<b>TOTAL LIABILITIES</b>	<b>715,564</b>	<b>703,250</b>

# Income Statement 1<sup>st</sup> Quarter 2011

(in \$000's)	Jan 1 - Mar 31, 2011	Non-cash Adjustments	Adjusted Jan 1 - Mar 31, 2011	Adjusted Jan 1 - Mar 31, 2010
<b>REVENUES</b>	<b>29,507</b>	<b>-179</b>	<b>29,328</b>	<b>28,944</b>
<b>(EXPENSES):</b>				
Voyage expenses	-6,634		-6,634	-3,892
Vessel operating expenses	-5,118		-5,118	-5,622
Drydocking expenses	-841		-841	-1,072
Depreciation	-11,940		-11,940	-11,580
Management fees	-54		-54	-41
Loss on FFA's	0		0	-2,085
General and administrative expenses	-4,156	112	-4,044	-1,659
Other Operating Income	1,871	-273	1,598	0
<b>Total expenses</b>	<b>-26,872</b>	<b>-161</b>	<b>-27,033</b>	<b>-25,951</b>
<b>Operating income</b>	<b>2,635</b>	<b>-340</b>	<b>2,295</b>	<b>2,993</b>
<b>OTHER INCOME (EXPENSES):</b>				
Interest and finance costs	-1,119		-1,119	-1,662
Interest income	162		162	159
<b>Total other income (expenses), net</b>	<b>-957</b>	<b>0</b>	<b>-957</b>	<b>-1,503</b>
<b>Net income</b>	<b>1,678</b>	<b>-340</b>	<b>1,338</b>	<b>1,490</b>

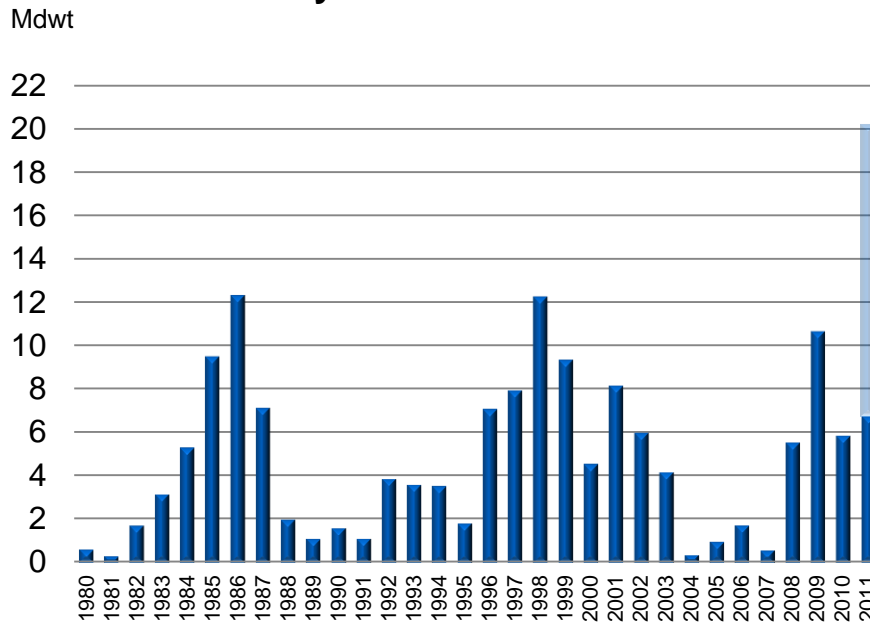
# Market Comments



# Supply Update

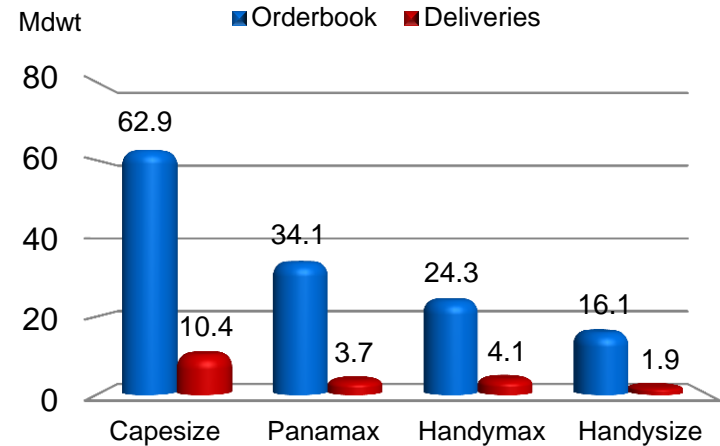
- ★ **1Q2011 deliveries ~15% of total – implies ~40% slippage**
- ★ **Deliveries should slow down after 2011**
- ★ **Fleet growth could slow down once scrapping picks up**

## Dry Bulk Demolition

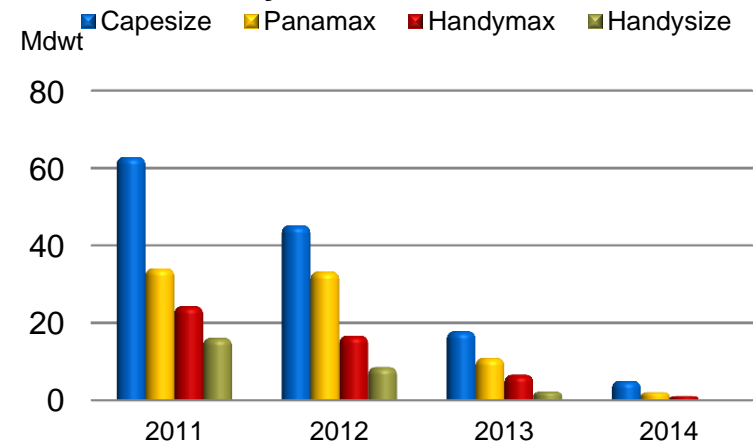


Source: Clarksons

## 1Q Deliveries vs 2011 Orderbook



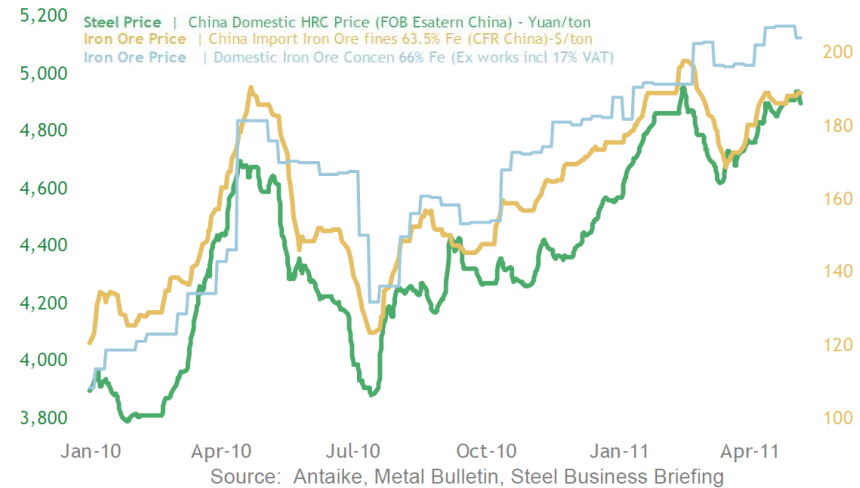
## Dry Bulk Orderbook



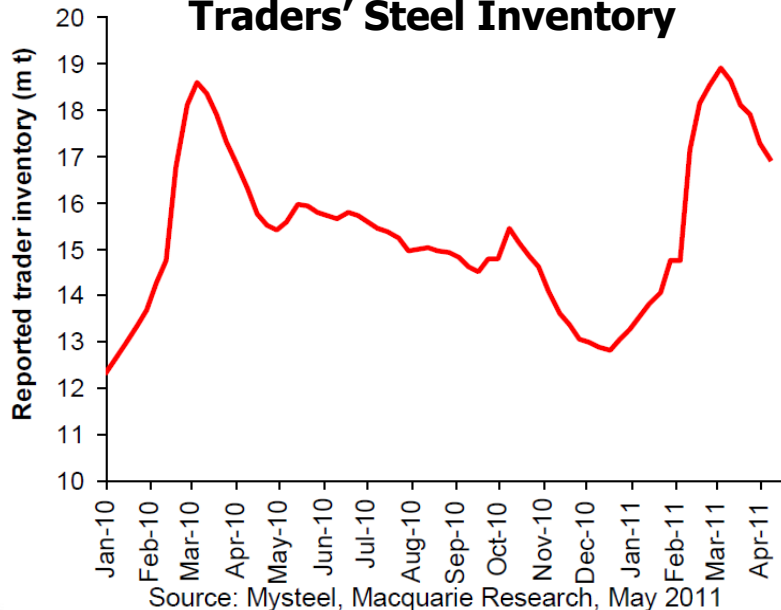
# Chinese Iron Ore and Steel Prices & Inventories

- ★ **Steel prices at high levels – Iron ore prices near recent record highs**
- ★ **Iron ore port stocks at 1.5 months of imports – approaching support levels**
- ★ **Steel inventory dropping**
- ★ **Strong demand pushes prices up and inventories down**

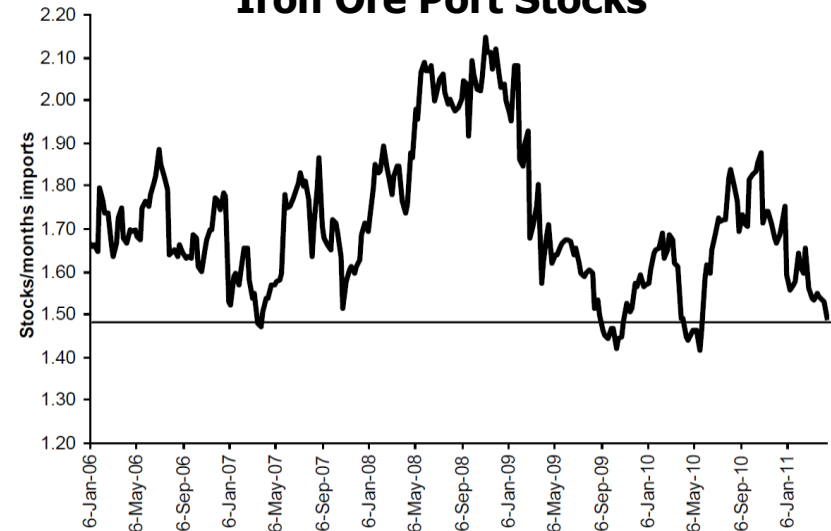
### Steel & Iron Ore Prices



### Traders' Steel Inventory

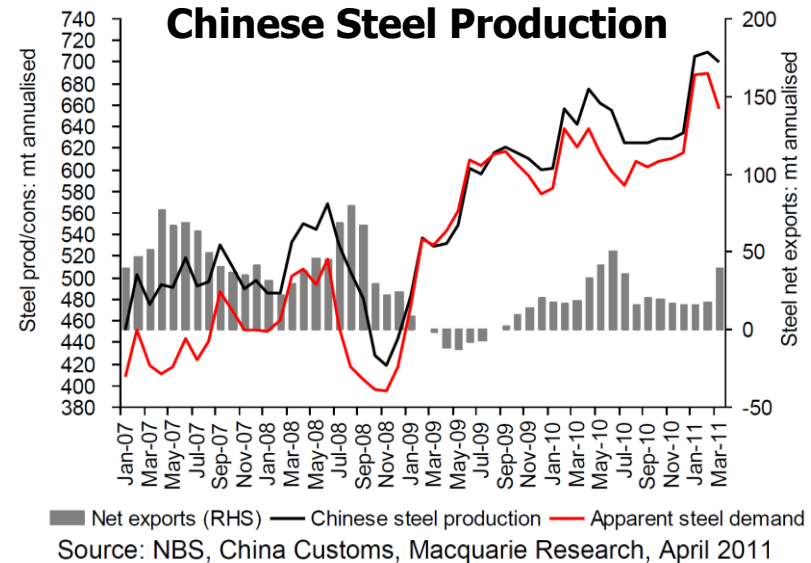
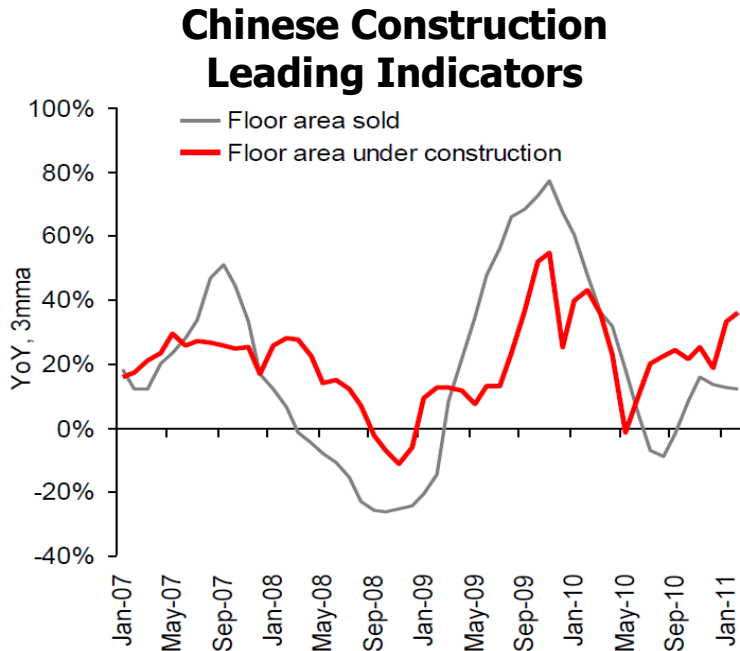
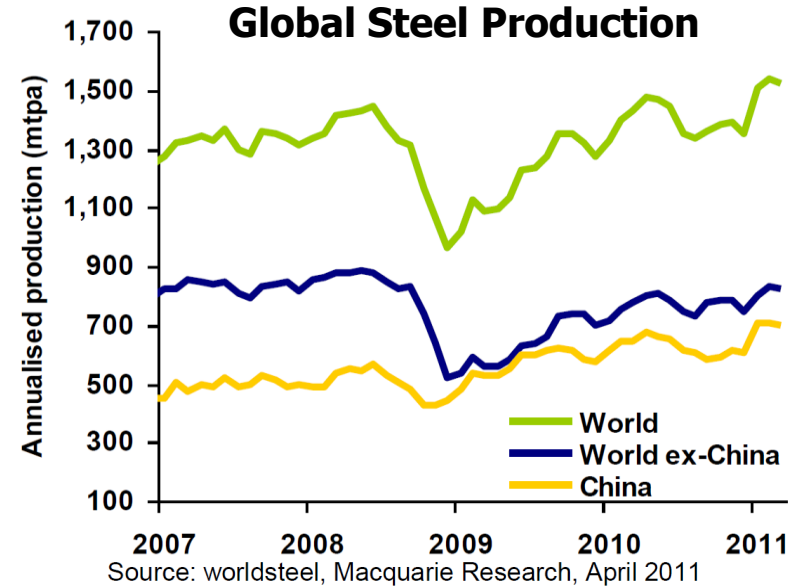


### Iron Ore Port Stocks



# Global Steel Production Surging

- ★ China pushes global steel production to record high levels once again
- ★ World ex-China close to record highs
- ★ Chinese steel exports picking up
- ★ Leading indicators of Chinese steel demand remain strong

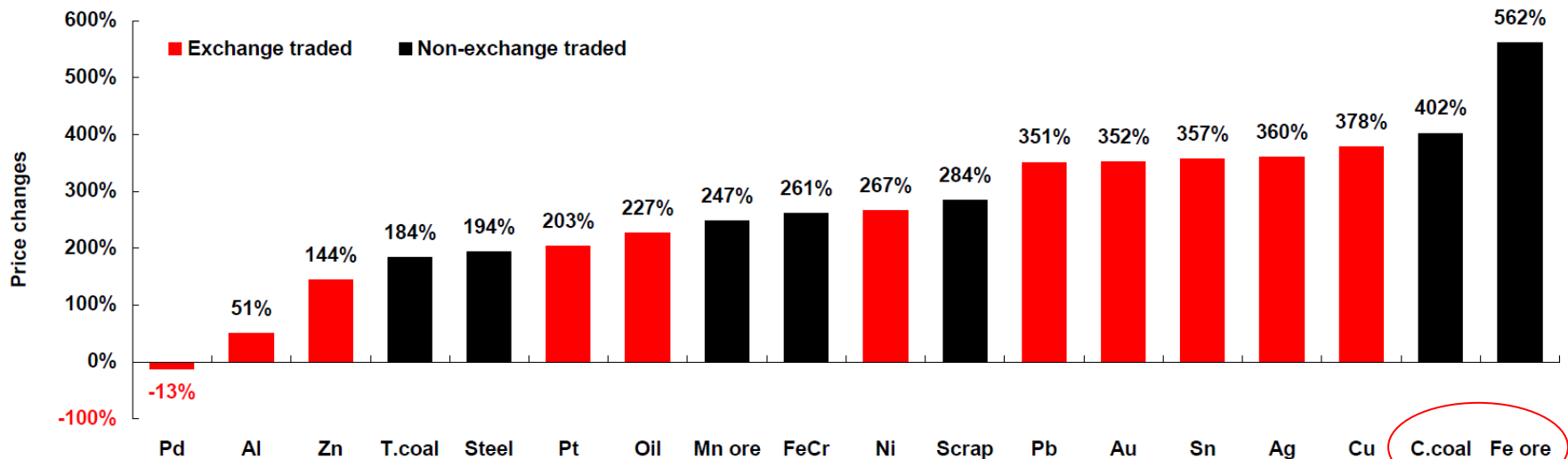


# Big 3 Investing Heavily

- ★ Rio Tinto has announced investments of \$8.3 billion in new iron ore projects in the last 12 months
- ★ BHP Billiton has announced investments of \$19.2 billion in iron ore and coal projects in the last 12 months
- ★ Vale has announced investments of \$24 billion in mining projects in 2011

Source: Company websites

**TOTAL MINING INVESTMENTS OF OVER 50 BILLION!!!**



Note: chart compares change in annual average prices in 2001 and 2010

Source: ICE, LBMA, LME, Platts, SBB, Macquarie Research, May 2011

**THANK YOU**



 **Star Bulk** *CARRIERS CORP.*