



## Fourth Quarter & Fiscal Year 2008 Financial Results

NASDAQ: SBLK

March 17, 2009

# 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.*



# 4Q & Fiscal Year 2008 Results

★ 5<sup>th</sup> Consecutive Profitable Quarter

	<u>4<sup>th</sup> Quarter 2008</u>	<u>Fiscal Year 2008</u>
▪ Gross revenue	\$72.8 m	\$238.9 m
▪ Net Income	\$50.2 m	\$133.7 m
▪ EBITDA	\$70.3 m	\$193.8 m
▪ EBITDA Adjusted	\$42.9 m	\$120.9 m
▪ Average daily TCE	\$41,521	\$42,824
▪ EPS	\$0.89	\$2.46
▪ <i>EPS Adjusted</i>	<i>\$0.41</i>	<i>\$1.12</i>

**Analysts Consensus EPS**      **\$0.35**



# Selected Financial Data

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- ★ **Market Capitalization** ~\$100m <sup>(1)</sup>
  - ★ **Contracted Revenue** ~\$400m <sup>(2)</sup>
  - ★ **Fleet charter-free value** ~\$295m <sup>(3)</sup>
  - ★ **Fleet charter-adjusted value** ~\$525m <sup>(3)</sup>
  - ★ **Senior Debt** ~\$284m
  - ★ **Principal Repayment Remaining in 2009** ~\$ 38m
  - ★ **Current Cash Position** ~\$ 60m
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- ★ **Net cash generation ~\$140,000 daily => another \$40m by end 2009**
  - ★ **Cash to accumulate to ~\$100m by end 2009** (post debt repayment)
  - ★ **At end 2009, Cash expected to be ~40% of total Debt (\$246m)**
  - ★ **Net Cash at end 2009, equal to current Market Cap**

***Solid Financial Position***

(1) Mar 11, 2009 closing price

(2) As of Jan 1, 09

(3) Company's estimate



# Milestones & Recent Activity

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## MILESTONES

- ★ 2008 was Star Bulk's first full year of operations (former SPAC)
- ★ 1<sup>st</sup> year growth: 50% in number of vessels, 62% tonnage increase
- ★ Dec. 15, 2008 insiders' lock-up expired (insiders have not sold shares)
- ★ Shelf Registration for \$250 million, a tool for growth (effective Feb 17, 2009)
- ★ Obtained covenant waivers until Feb 2010 from all our lenders
- ★ Dividend, share re-purchases suspended for 2009

## RECENT CHARTERING ACTIVITY

- ★ Star Beta timechartered for 13 to 15 months at \$32,500 per day
- ★ Star Delta timechartered for 11 to 13 months at \$11,250 per day
- ★ Converted staggered rate of Star Gamma and Star Cosmo to average rate
- ★ Contract of Affreightment (COA) with Brazil's VALE (700,000 tons iron ore from Brazil to China within 2009)
- ★ Star Alpha committed to the VALE COA
- ★ 6 of 12 vessels commenced employment in 1Q 2009



# Star Bulk Fleet

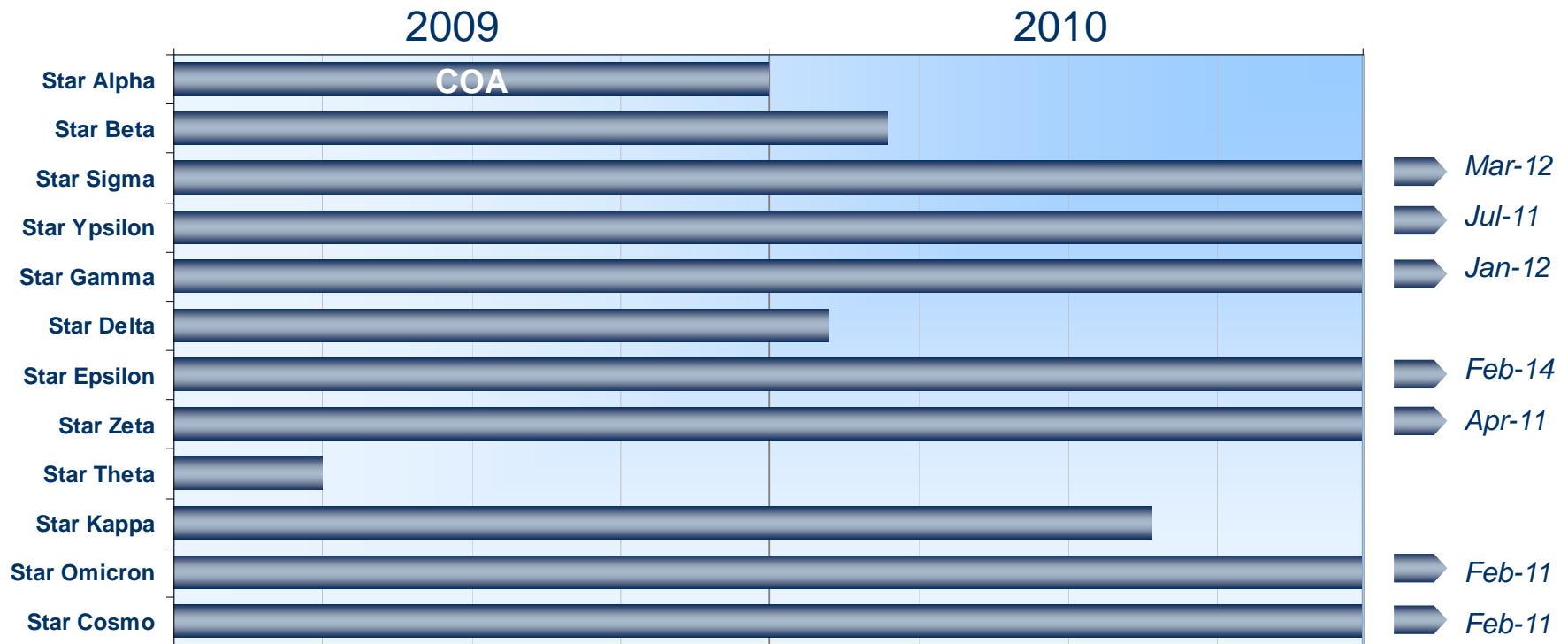
Vessel Name	Type	Deadweight	Year Built	Gross TC Rate	Earliest end of Timecharter
Star Alpha	Capesize	175,075	1992	COA	Dec – 09
Star Beta	Capesize	174,693	1993	\$32,500	Mar – 10
Star Sigma	Capesize	184,400	1991	\$63,000 <sup>(1)</sup>	Mar – 12
Star Ypsilon	Capesize	150,940	1991	\$93,300 <sup>(1)</sup>	Jul – 11
Star Gamma	Supramax	53,098	2002	\$38,000 <sup>(2)</sup>	Jan – 12
Star Delta	Supramax	52,434	2000	\$11,250	Feb – 10
Star Epsilon	Supramax	52,402	2001	\$32,400	Feb – 14
Star Zeta	Supramax	52,994	2003	\$42,500	Apr – 11
Star Theta	Supramax	52,425	2003	\$32,500	Apr – 09
Star Kappa	Supramax	52,055	2001	\$47,800	Aug – 10
Star Omicron	Supramax	53,489	2005	\$43,000	Feb – 11
Star Cosmo	Supramax	52,247	2005	\$35,600 <sup>(2)</sup>	Feb – 11

(1) Average TC rate

(2) Adjusted staggered rate schedule to average rate



# Contracted Operating Days - revenue visibility



★ 2009: 4,089 contracted days – 93% coverage  
 ★ 2010: 2,578 contracted days – 66% coverage

**Over \$400m of contracted revenue**

(\*) Basis earliest redelivery date

# Confidence Enhancers

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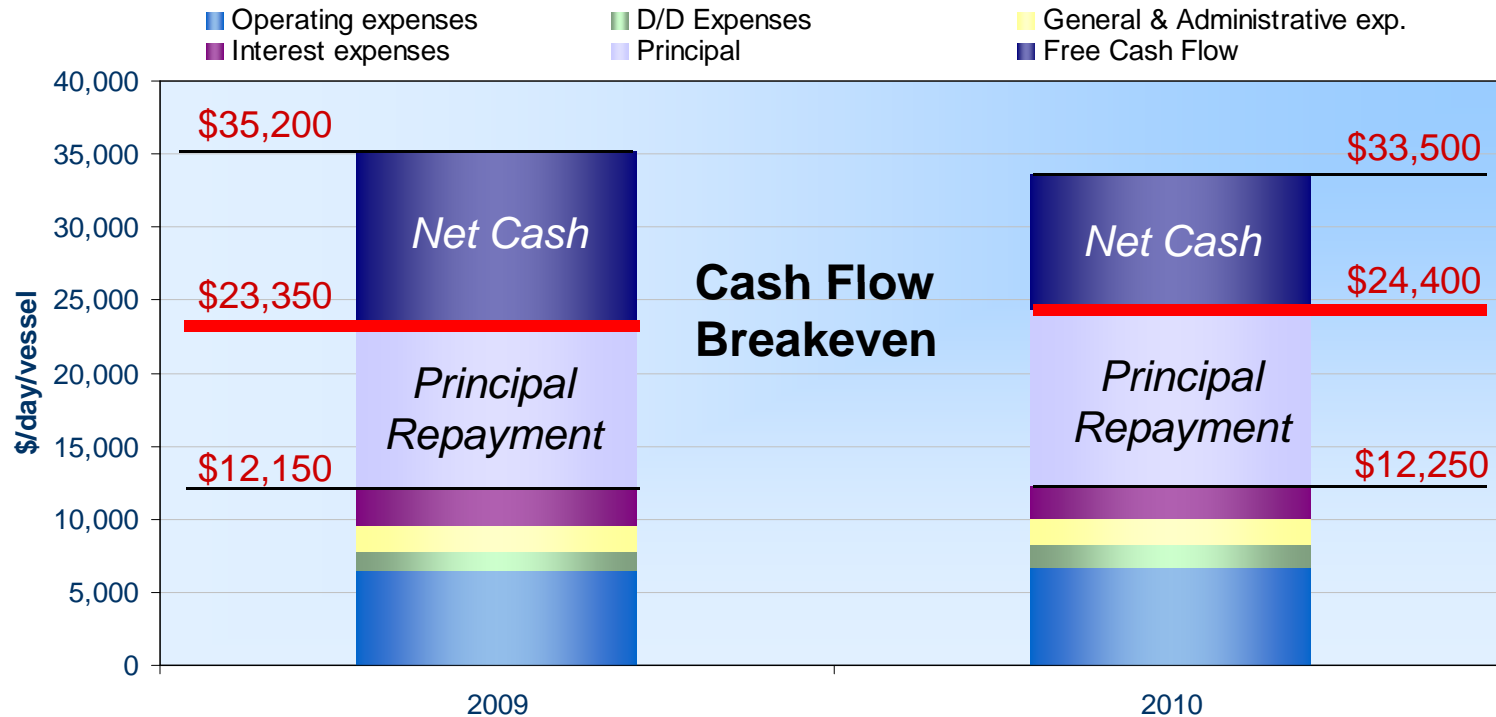
- ★ Track record of decision-making based on fundamentals
- ★ No exposure to newbuildings – planned
- ★ Low initial leverage – planned
- ★ Max 2 vessels per charterer
- ★ Staggered charter renewals
- ★ **6 of 12 vessels commenced employment in 1Q 2009**  
(Star Alpha, Star Beta, Star Delta, Star Gamma, Star Epsilon, Star Sigma)





# Significant Margins

## Fleet TCE Breakdown



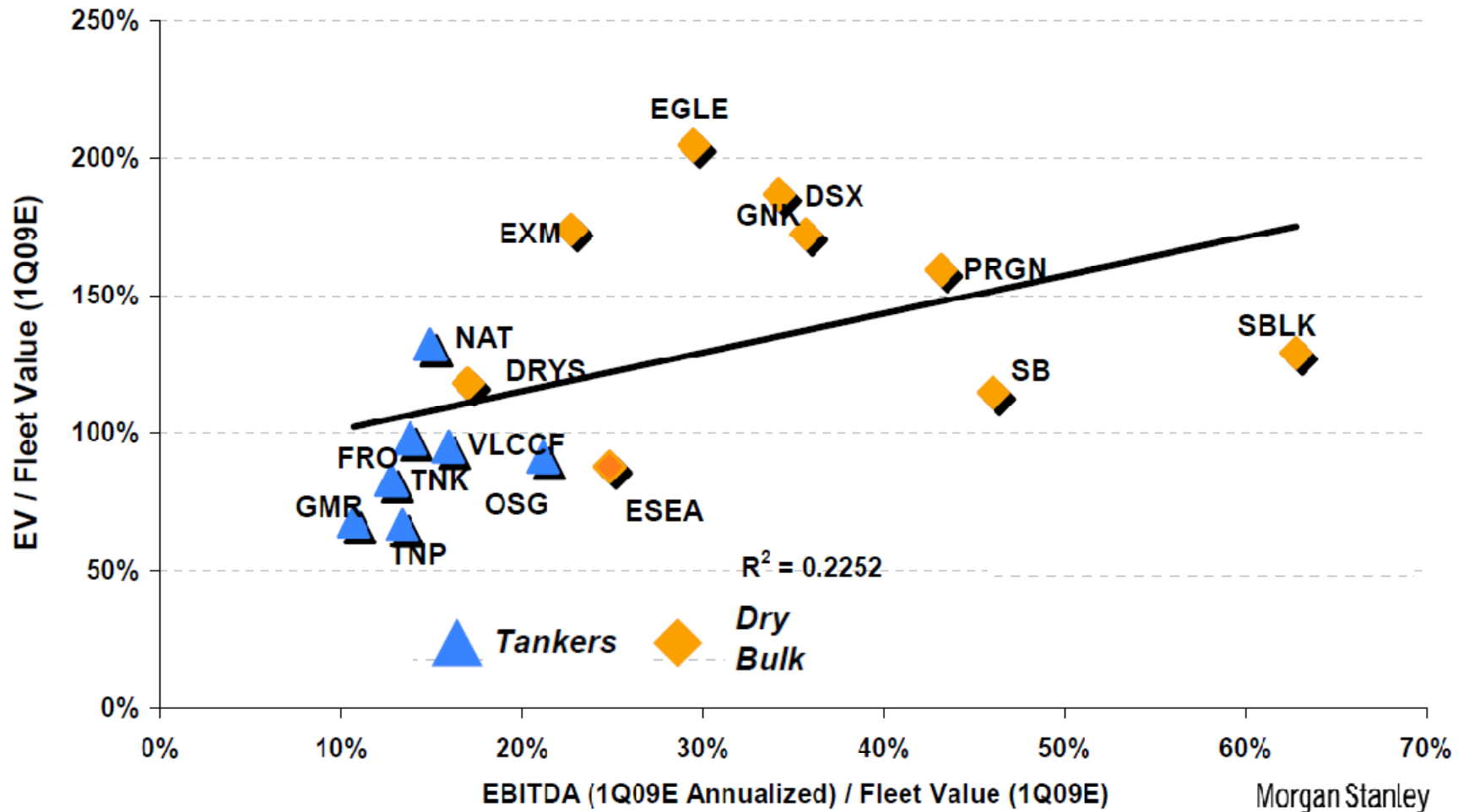
**Net Cash: ~\$11,850 X 12 vessels ~ \$140,000 per day**

\* Unfixed revenue days are estimated using FFA rates



# SBLK Assets Work Hardest

More EBITDA per \$ Invested



Source: Morgan Stanley Commodity Shipping, March 9, 2009





# Company Financials



# Balance Sheet

(in\$000's)	31-Dec-08 (unaudited)	31-Dec-07 (audited)
<b>ASSETS</b>		
Current Assets	42,273	19,882
Fixed Assets	821,284	381,188
Other Non-current Assets	27,819	2,672
<b>TOTAL ASSETS</b>	<b>891,376</b>	<b>403,742</b>
<b>LIABILITIES &amp; STOCKHOLDERS EQUITY</b>		
Current Liabilities	57,287	3,057
Non-current Liabilities	273,949	25,307
Stockholders' Equity	560,140	375,378
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>891,376</b>	<b>403,742</b>



# Income Statement 4Q 2008

(in \$000's)	Oct-01 Dec 31, 2008	Non-cash Adjustments	Adj. Oct 1 - Dec 31, 2008
<b>REVENUES</b>	<b>72,783</b>	<b>(28,722)</b>	<b>44,061</b>
<b>(EXPENSES):</b>			
Vessel expenses	(7,513)		(7,513)
Drydocking expenses	(652)		(652)
Depreciation	(16,011)		(16,011)
Gain on derivative instrument	251		251
Vessel impairment loss	(21)	21	0
General and administrative expenses	(4,298)	1,328	(2,970)
Operational gain	9,711		9,711
<b>Operating profit</b>	<b>54,250</b>		<b>26,877</b>
<b>OTHER INCOME (EXPENSES):</b>			
Interest and finance costs	(4,379)		(4,379)
Interest income	293		293
Other	37		37
<b>Total other income, net</b>	<b>(4,049)</b>		<b>(4,049)</b>
<b>Net income</b>	<b>50,201</b>	<b>(27,373)</b>	<b>22,828</b>



# Income Statement Full Year 2008

(in \$000's)	Jan 1 - Dec 31, 2008	Non-cash Adjustments	Adj. Jan 1 - Dec 31, 2008
<b>REVENUES:</b>	<b>238,883</b>	<b>(80,533)</b>	<b>158,350</b>
<b>(EXPENSES):</b>			
Vessel expenses	(31,069)		(31,069)
Drydocking expenses	(7,881)		(7,881)
Depreciation	(51,050)		(51,050)
Gain on derivative instrument	251		251
Vessel impairment loss	(3,646)	3,646	0
General and administrative expenses	(12,424)	3,986	(8,438)
Operational gain	9,711		9,711
<b>Operating profit</b>	<b>142,775</b>		<b>69,874</b>
<b>OTHER INCOME (EXPENSES):</b>			
Interest and finance costs	(10,238)		(10,238)
Interest income	1,186		1,186
Other	15		15
<b>Total other income, net</b>	<b>(9,037)</b>		<b>(9,037)</b>
<b>Net income</b>	<b>133,738</b>	<b>(72,901)</b>	<b>60,837</b>





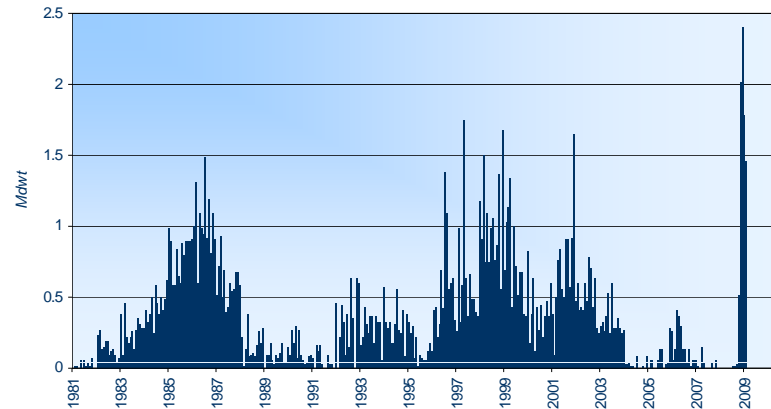
# Market Comments



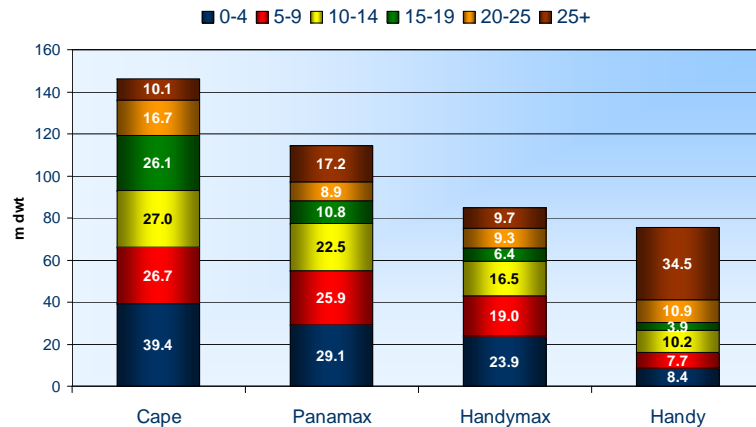
# Record Scrapping Activity

- ★ 4-month scrapping hits historical record (exceeds cumulative scrapping of last 6 years)
- ★ ~7.7 Mdwat scrapped in last 4 months<sup>(1)</sup>  
~2% of current drybulk trading fleet  
~11% of 2009 drybulk orderbook
- ★ ~30% of drybulk fleet over 20 years old

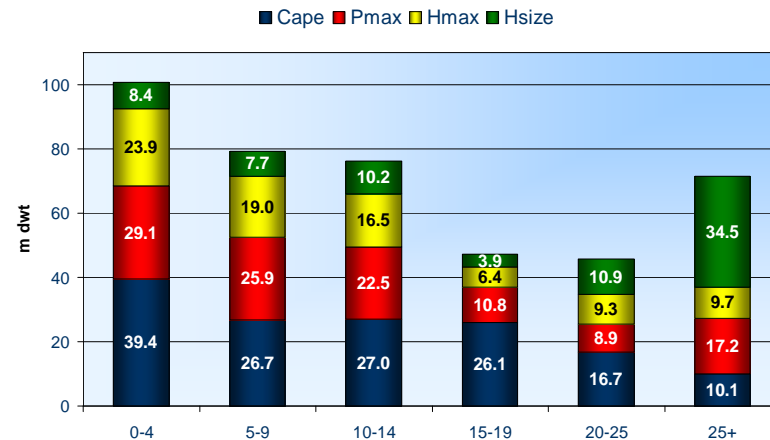
Monthly Scrapping Activity



Dry Bulk Fleet Age Profile



Dry Bulk Fleet Age Profile



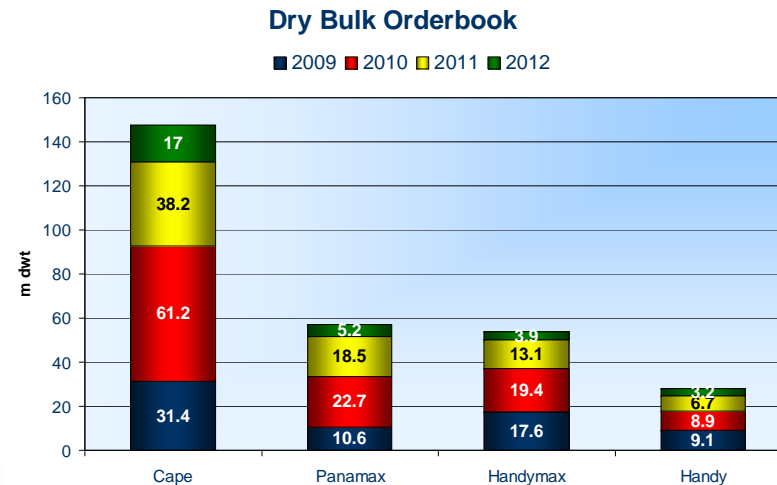
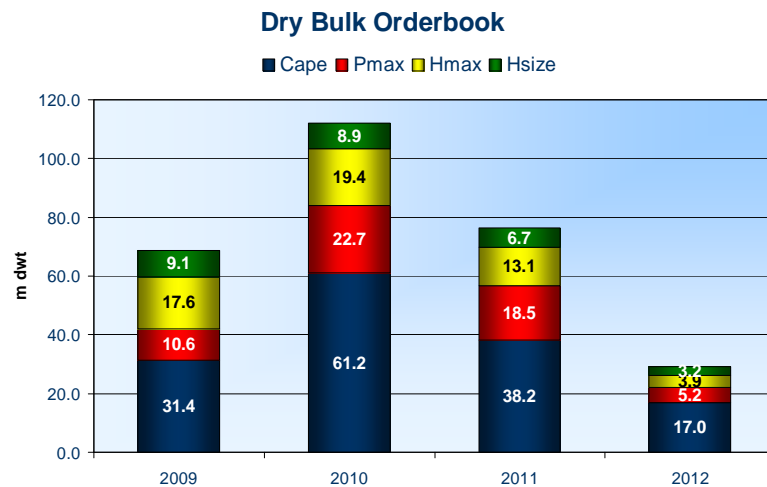
Source: Clarksons, Data up to end-Feb 2009





# Orderbook Shrinks

- ★ Financing difficult for: greenfield yards, yard expansions, refund guarantees and newbuildings without time charter
- ★ Engine makers Wartsila and MAN B&W warned of up to \$2 bn newbuilding engines cancellations or postponements (main engine average cost \$3.5m-\$4m)
- ★ 44% of 2009 and 42% of 2010 dry bulk orderbook placed in greenfield and newly established yards
- ★ Cancellations difficult to predict – estimates range from 30% to 50% of orderbook

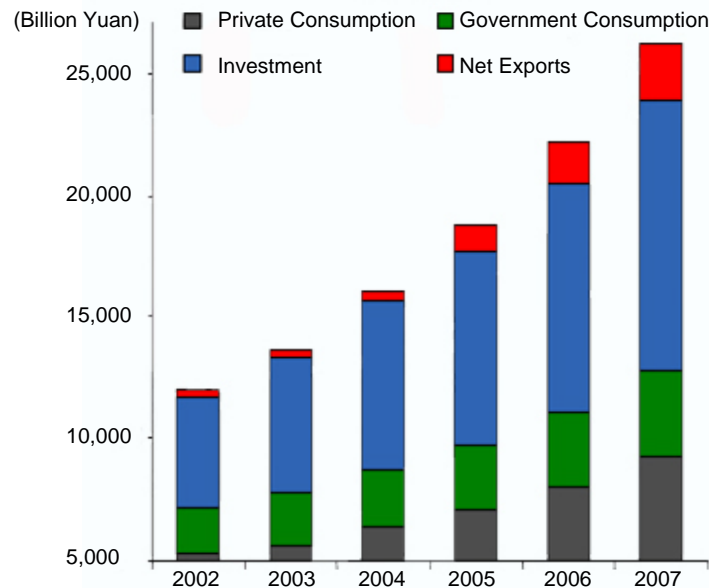


Source: Clarksons, Financial Press



# Chinese Driven Demand to Continue

Chinese GDP



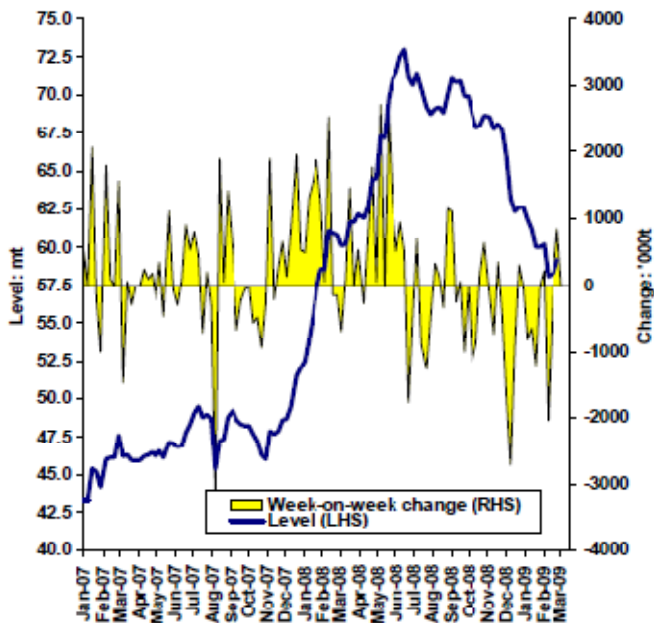
- ★ Chinese \$586b stimulus package starting to take effect
- ★ Chinese banks loaned a monthly historical record of over \$230 billion in January
- ★ Chinese premier announced 8% GDP growth in 2009 will be supported by whatever measures necessary
- ★ China to almost double investment in railroads to \$88bn in 2009
- ★ China's PMI rose to 49 in February, from 45.3 in January and 41.2 in December.
- ★ Exports a small portion of Chinese GDP

Sources: Financial Press, China NBS



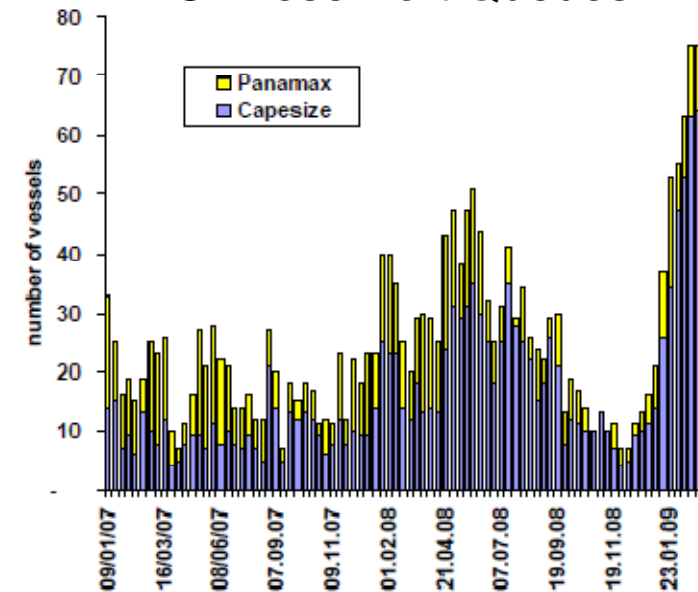
# Iron Ore Stockpiles & Congestion in China

## Chinese Port Stockpiles



Source: Chinica, March 2009

## Chinese Port Queues



Source: Shipping industry sources, March 2009

★ Iron ore stockpiles drop from ~73Mt in November to ~62.9Mt currently

★ Congestion increase in China: about 75 capesize and panamax vessels currently, up from 8 in early December

Source Macquarie Research, Mysteel



# Conclusion - Star Bulk well positioned

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- ★ Uncertainties over Demand/supply balance to persist throughout 2009, despite current positive trends

## Star Bulk is shielded and well positioned :

- ★ Resolved uncertainties with banks and charterers
- ★ Well positioned in current circumstances
  - ★ Healthy cash balance of ~\$60m
  - ★ Significant net cash generation
  - ★ ~\$400m of contracted revenue
  - ★ Revenues of ~\$150m for 2009
  - ★ Significant margin : EBITDA ~ 73% of Revenue
- ★ Limited exposure to shipping market volatility via high contract coverage (93% for 2009, 66% for 2010)
- ★ Strong balance sheet - Low leverage vs peer group
- ★ Shelf Registration of up to \$250m, useful tool should suitable use of proceeds be identified

*Well positioned for opportunities*





Thank you

