



NASDAQ: SBLK

**Starbulk Carriers Corp.
Financial Results Q2 2016**



September 21, 2016

Forward-Looking Statements



Except for the historical information contained herein, this presentation contains among other things, certain forward-looking statements, 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).

In addition to these important factors, other important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include general dry bulk shipping market conditions, including fluctuations in charterhire rates and vessel values, the strength of world economies, the stability of Europe and the Euro, fluctuations in interest rates and foreign exchange rates, changes in demand in the dry bulk shipping industry, including the market for our vessels, changes in our operating expenses, including bunker prices, dry docking and insurance costs, 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, the availability of financing and refinancing, our ability to meet requirements for additional capital and financing to complete our newbuilding program and our ability to complete the restructuring of our loan agreements, vessel breakdowns and instances of off-hire, risks associated with vessel construction and potential exposure or loss from investment in derivative instruments. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The information set forth herein speaks only as of the date hereof, and the Company disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

Certain financial information and data contained in this presentation is unaudited and does not conform to generally accepted accounting principles ("GAAP") or to Securities and Exchange Commission Regulations. We may also from time to time make forward-looking statements in our periodic reports that we will furnish to or file with the Securities and Exchange Commission, in other information sent to our security holders, and in other written materials. We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. This presentation includes certain estimated financial information and forecasts that are not derived in accordance with 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, to meet capital expenditures, working capital requirements and other obligations, and make distributions to its stockholders.

We undertake no obligation to publicly update or revise any forward-looking statement contained in this presentation, whether as a result of new information, future events or otherwise, except as required by law. In light of the risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.

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The issuer has filed a registration statement with the SEC for the offering to which this presentation relates. Before you invest, you should read that registration statement and other documents the issuer has filed or will file with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer and the underwriting agent in the offering will arrange to send you the prospectus once filed if you request it by calling toll-free 1-855 864 2265.

Agreement with Banks

- **Push back debt repayments of \$223.9 million**
 - **100% amortization waiver** of principal repayments for 25 months from all Banks (for period starting June 1st, 2016 and ending June 30th, 2018)
 - Extension of HSH and Commerzbank facilities from September / October 2016 for two years

- **Waivers / Relaxation on Corporate Financial Covenants** until December 31st, 2019

- Subject to execution of definitive documentation and other customary conditions precedent

Q2 2016 Financial Highlights



	<u>Three months ended June 30, 2016</u>	<u>Three months ended June 30, 2015</u>	<u>Increase / (Decrease) %</u>
Net revenues ⁽¹⁾	\$35.0m	\$46.1m	(24.1%)
Adjusted EBITDA *	\$1.6m	\$6.3m	(74.0%)
Net Loss	\$(32.9)m	\$(65.0)m	-
Adjusted Net Loss *	\$(30.2)m	\$(22.3)m	-
TCE	\$6,463	\$8,616	(25.0%)
Average daily OPEX per vessel ⁽²⁾	\$3,796	\$4,311	(12.0%)
Average daily Net Cash G&A expenses per vessel ⁽³⁾	\$1,153	\$1,102	4.6%
Average No. of Vessels	71.0	69.7	1.82%
Adjusted EPS *	\$(0.69)	\$(0.59)	-
EPS GAAP	\$(0.75)	\$(1.72)	-
Weighted average number of shares outstanding, diluted ⁽⁴⁾	43,938,755	37,899,114	-

Notes: (1) Net revenues = Total gross revenues adjusted for non-cash items – Voyage expenses

(2) Excludes pre-delivery expenses

(3) Excludes one-off severance payments, share incentive plans and termination charges, includes management fees

(4) Numbers reflect reverse split announcement on June 2016

Low cash breakeven levels gives runway into 2019 even under existing market conditions

Strengthened Financial Position

- ❖ Agreement with banks enhances liquidity
- ❖ Continued low operating cost
- ❖ Fleetwide cash breakeven rates reduced from ~\$10,900 to ~\$7,800 per day
- ❖ Total cash of ~ \$200.0 million following the recent common share offering

An Opportunity to Invest in a Leading Drybulk Operator at a Low Point in the Cycle

Attractive Platform

- ❖ One of the largest US listed drybulk operator with 73 ships on a fully delivered basis
- ❖ Strong commercial and operating platforms that have consistently outperformed industry benchmarks
- ❖ Low cost operator with industry leading OPEX and SG&A
- ❖ In-house technical and commercial management for all owned vessels
- ❖ Proven support from banks and key shareholders

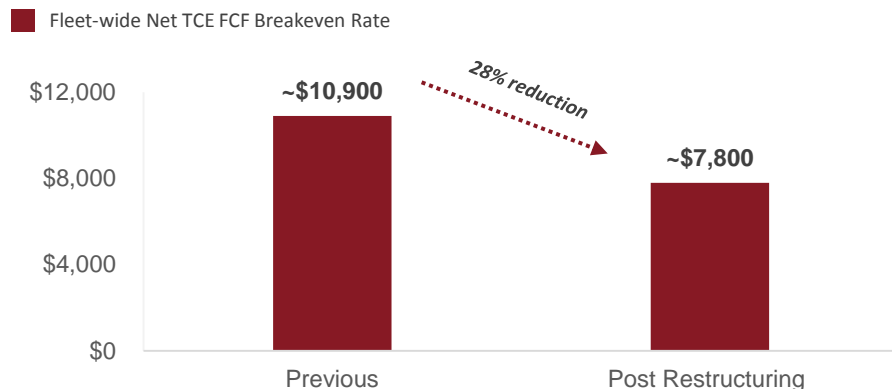
Industry Supply / Demand Update

- ❖ Asset values have stabilized close to multi-year lows
- ❖ Low fleet growth driven by high demolition activity and slippage
- ❖ Record low contracting of new capacity over the last 18 months
- ❖ Trade growth anticipated to gradually improve during 2H 2016 and 2017

Actively Improving Liquidity



Fleet-wide Net TCE FCF Breakeven Rate Reduction



Cash & Debt position⁽¹⁾

- ◆ **Total Cash (including minimum liquidity):** \$ 200.9 m
As of September 20th, 2016
- ◆ **Committed Sale Proceeds** \$ 6.0 m
- ◆ **Total Debt & Capital lease obligations:** \$ 969.7 m
As of September 20th, 2016

Limited Equity Capex



	2016	2017	2018	Total 2016-2018
	Remaining ⁽¹⁾	FY	FY	Remaining ⁽¹⁾
NB Capex ⁽¹⁾	\$5.8	\$113.3	\$74.3	\$193.4
Expected Debt Amount⁽²⁾	\$0.0	\$104.2	\$80.0	\$184.2

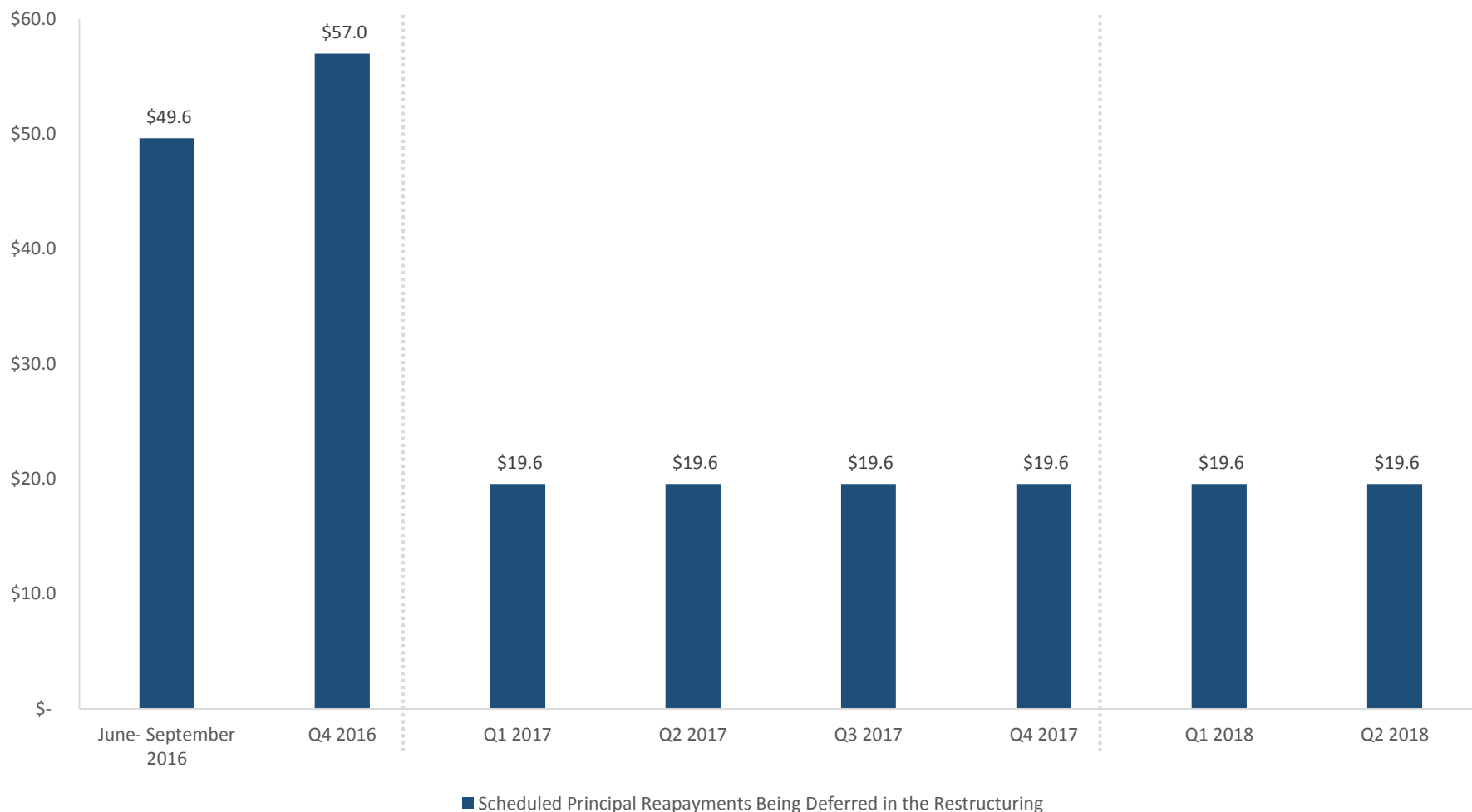
(1) As of September 20th, 2016

(2) In negotiations to obtain a commitment for up to \$40.0 million of secured financing for the fourth NB vessel and, based on current market valuations, we target to incur approximately \$24.3 million of secured debt for the fifth NB vessel

All Bank Principal Deferred Past Q2 2018

- Total principal amount deferred of \$223.9 million⁽¹⁾

Bank debt principal repayment deferral by quarter ⁽²⁾



(1) Excluding one-time restructuring fee of 25 bps on deferred amounts as well as additional interest of 25bps on deferred amounts only

(2) Previous bank debt repayments exclude vessels sold and NB vessel Star Gemini, expected to be delivered in Q3 2017

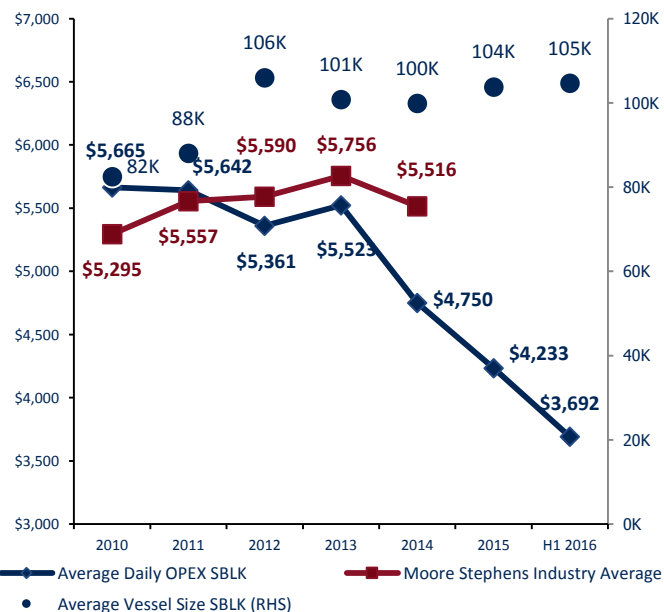
Continued Operational Excellence



- Vessel OPEX⁽¹⁾ were \$3,796 per day in Q2 2016, reduced by ~12% compared to the respective \$4,311 for Q2 2015
- Net cash G&A expenses per vessel per day were \$1,153 in Q2 2016
- Over 92% of managed vessels⁽³⁾ have a 5 star Rightship rating with all other vessels rated with 4 stars

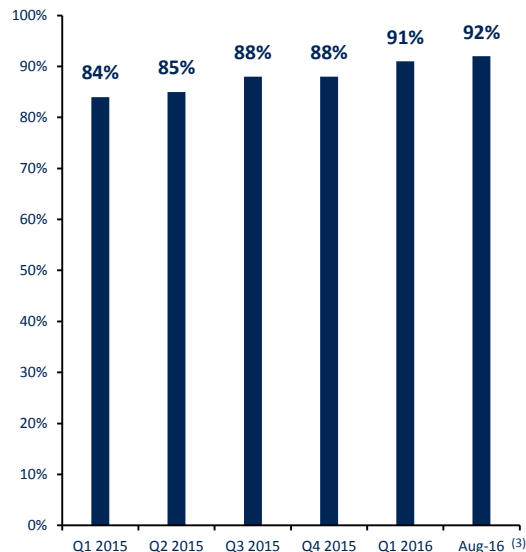
We operate a fleet with one of the lowest average daily OPEX...

Average Daily OPEX⁽¹⁾



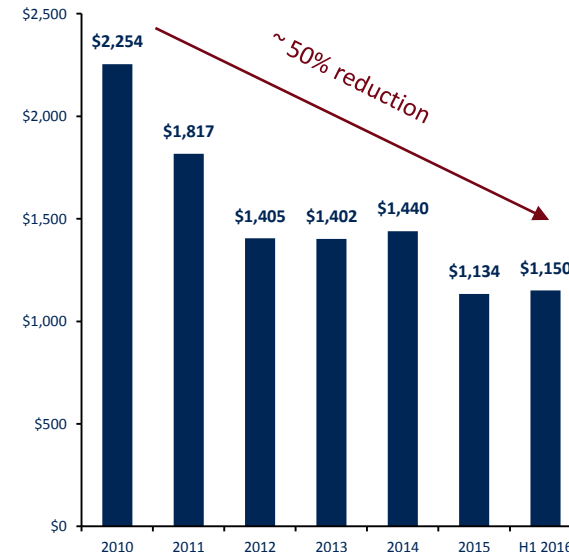
...without compromising quality...

5 star Rightship Rating



...and competitive Net Cash G&A⁽²⁾ Expenses due to economies of scale

Net Cash G&A Expenses /Daily /Vessel⁽²⁾

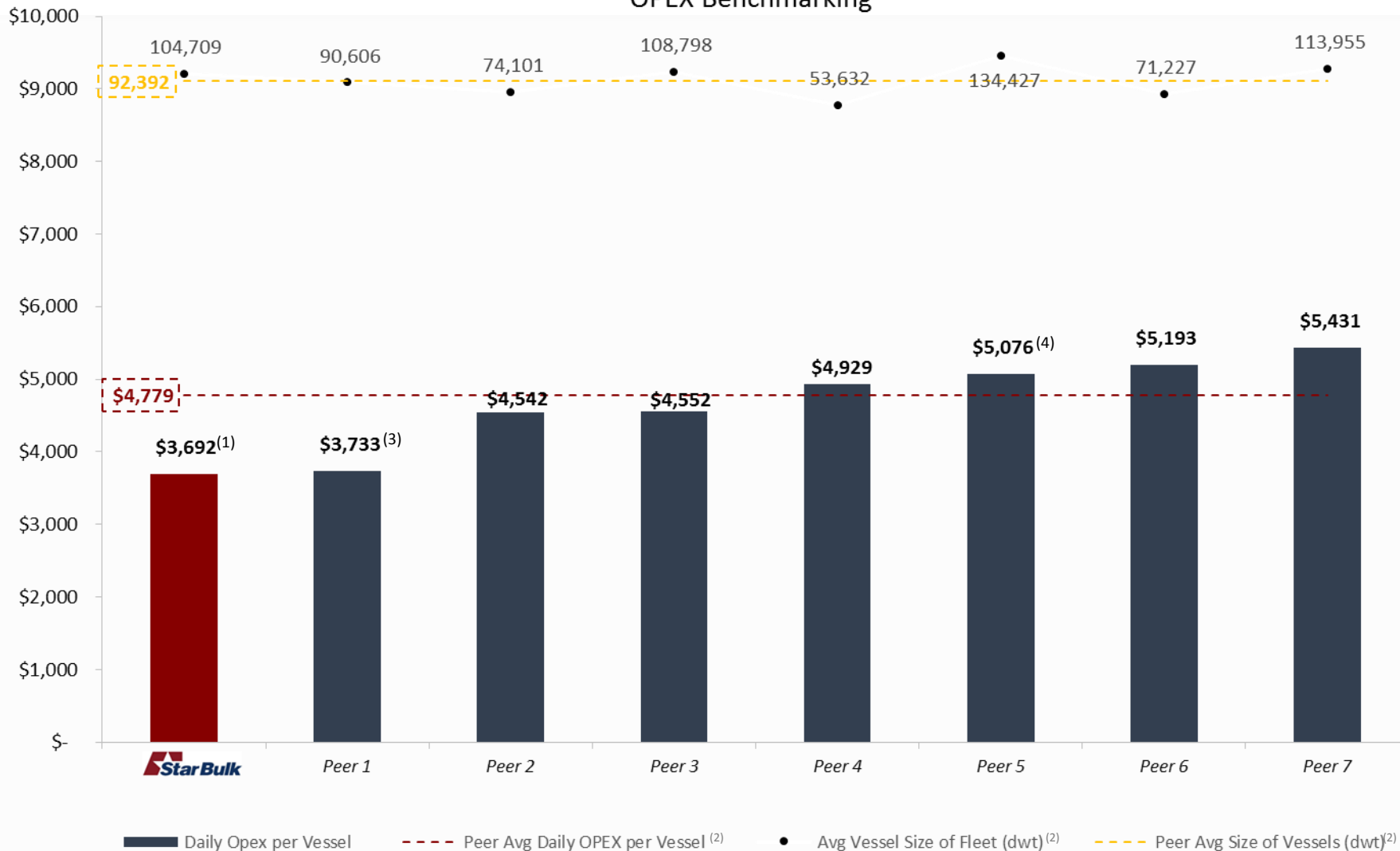


(1) Figures exclude pre-delivery expenses
 (2) Excludes one-off severance payments, share incentive plans and termination charges, includes management fees
 (3) Excludes one vessel that is in lay up

Industry Leading OPEX H1 2016



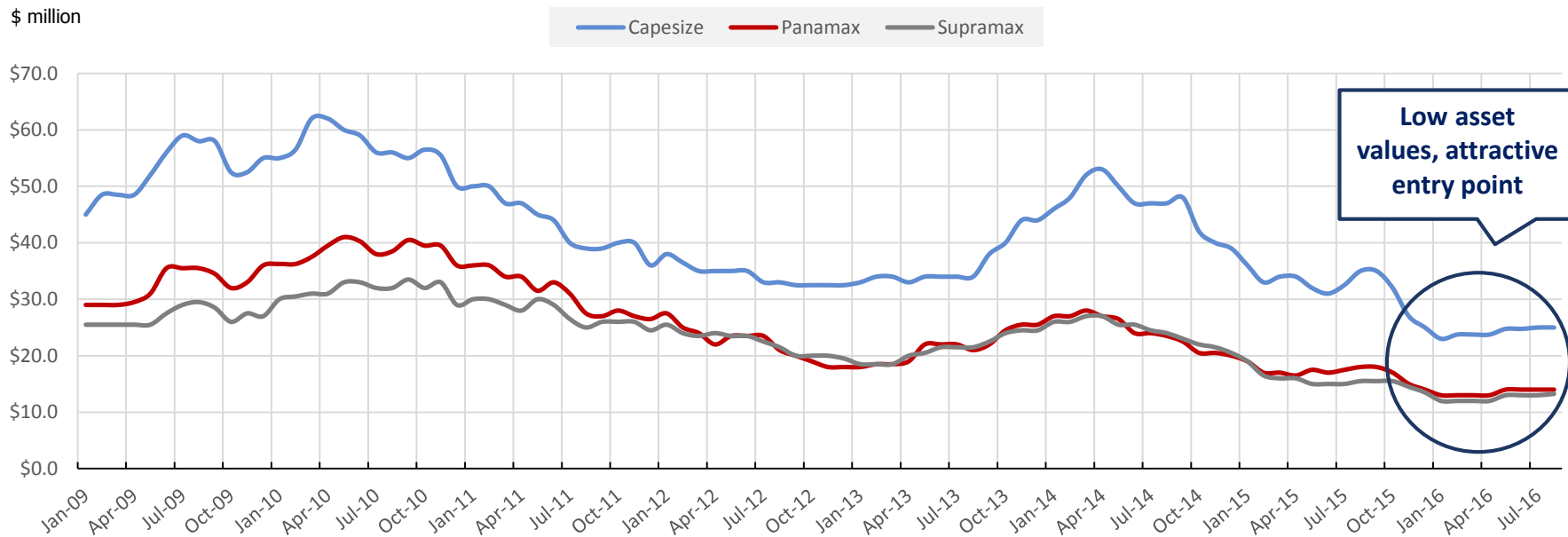
OPEX Benchmarking



1) Excludes pre-delivery expenses
 2) Peer Average figures exclude SBLK

3) Includes dry-docking costs
 4) Fleet-wide estimate based on corporate presentation

5 year Old Dry Bulk Asset values



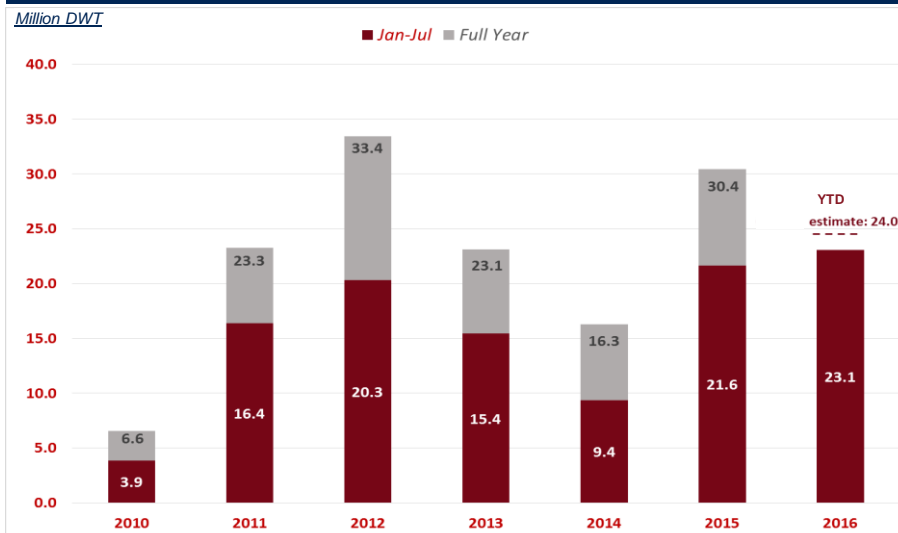
Capesize	Panamax	Supramax
<ul style="list-style-type: none"> 5 Year Old prices bottomed at \$23 million in January 2016 Prices have currently recovered +8.7% from their bottom Current price at \$25 million Period High: \$62 million in March 2010 7 years average: \$41.52 million 	<ul style="list-style-type: none"> 5 Year Old prices bottomed at \$13 million in January 2016 Prices have currently recovered +7.7% from their bottom Current price at \$14 million Period High: \$41 million in May 2010 7 years average: \$25.54 million 	<ul style="list-style-type: none"> 5 Year Old prices bottomed at \$12 million in January 2016 Prices have currently recovered +10.4% from their bottom Current price at \$13.25 million Period High: \$33.5 million in September 2010 7 years average: \$23.21 million

Dry Bulk Supply Update

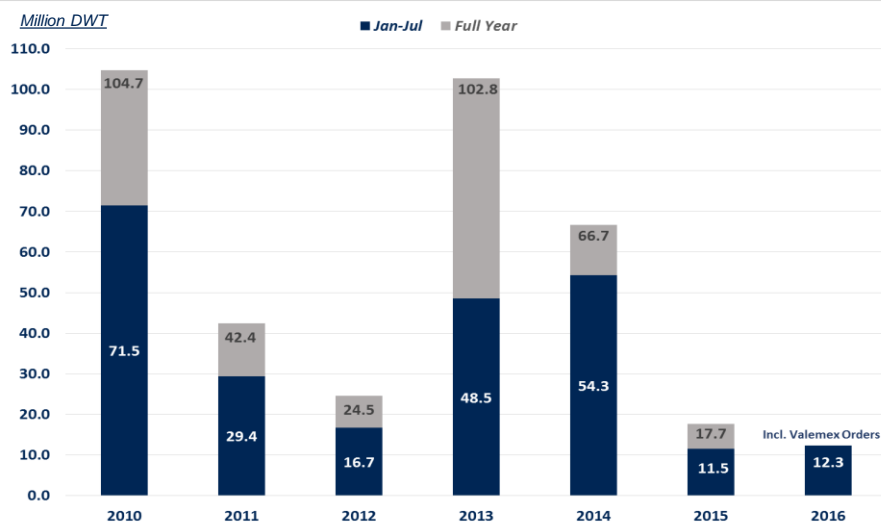


- **2016 Fleet growth running at +1.0% YTD and +2.0% Y-o-Y**
 - Demolition activity: approx. 24 million dwt
 - Slippage is estimated to affect more than 40% of scheduled deliveries
- **Orderbook currently estimated at approx. 13.0% from 19.0% last year**
 - YTD Contracting: 12.3 million Dwt from 11.5 million dwt last year. 2016 figures include 12.0 million dwt for 30 Valemax delivery 2018+
 - Cancellations & Conversions expected to continue during 2016/17
- **Fleet above 15 years of age currently at approx. 14.7% of the fleet**
- **Record low contracting expected to gradually trim 2017/18 deliveries**
 - 2016 Net fleet growth projected between 1.0% and 2.0%
 - 2017 Net fleet growth projected to drop below 1.0%

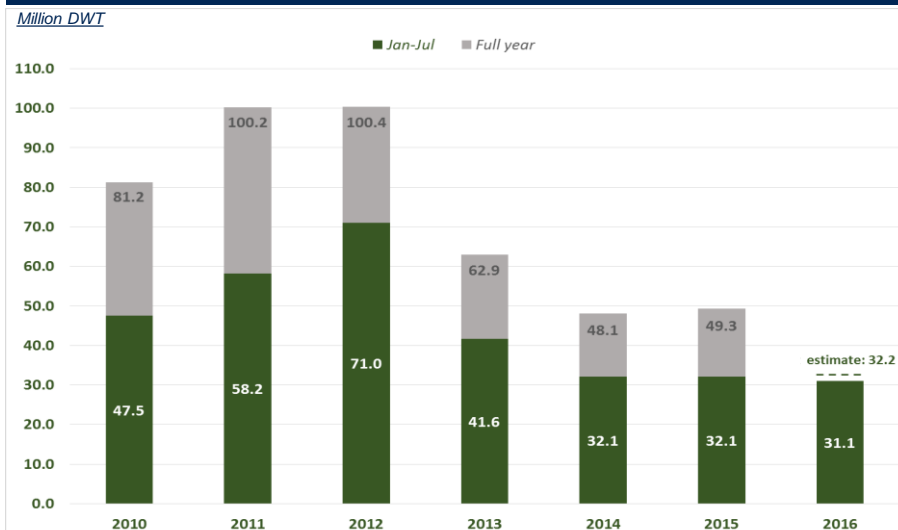
Dry Bulk Demolition



Dry Bulk New Orders

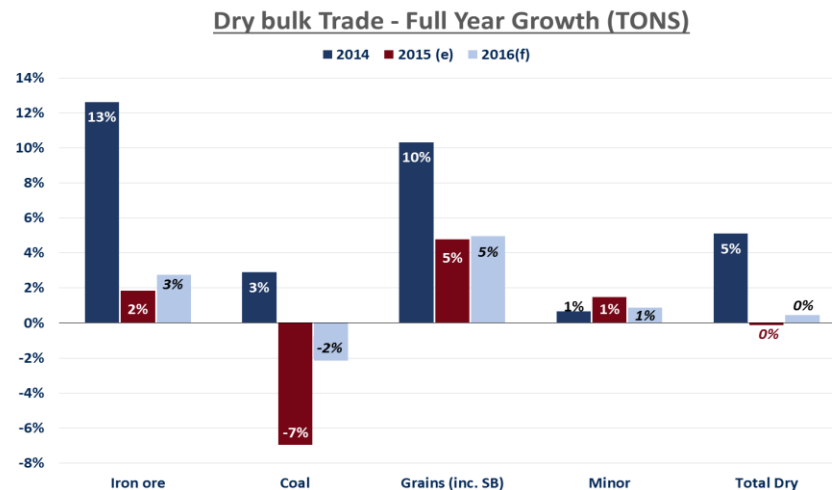


Dry Bulk Deliveries

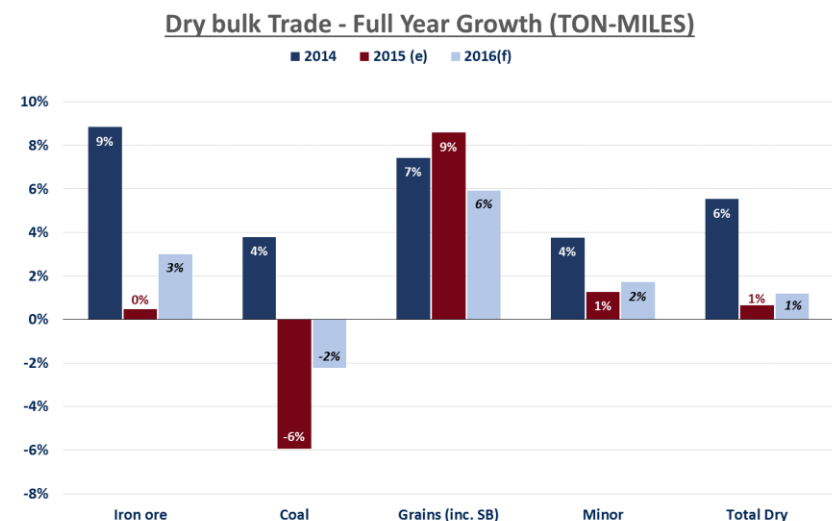


- After two years on a downward trend, commodity prices appear to have found a bottom during the first half of 2016:
 - Currently, iron ore prices have improved +53.2%, steel prices +41.4% and coal prices +35.0% from their lows during Q1
- Total dry bulk ton miles projected to increase 1.2% during 2016
 - Iron ore ton-miles: +3.0% vs +0.5% in 2015
 - Thermal & Coking Coal ton miles: -2.2% vs -5.9% in 2015
 - Grains incl. soybeans ton-miles: +5.9% vs +8.6% in 2015
 - Minor bulk ton-miles: +1.7% vs +1.3% in 2015
- Trade growth could gradually improve during 2H 2016 and 2017
 - Global consumption stimulus from low commodity prices and low interest rates yet to unfold-rebound in world steel production
 - Need to replenish depleted stocks to higher levels (Iron ore, Coal, Steel, Bauxite, Nickel ore) as commodity prices recover
 - Chinese fiscal and monetary stimuli to sustain real estate investment - Real estate prices have been at a sustainable recovery path
 - Inefficient Iron ore producers in China closing down and replaced by imports. Chinese domestic coal capacity cuts on massive domestic production to stimulate import recovery.
 - Coal ton-miles boost from Indonesian export substitution
 - Expectations of a La Nina unfolding later this winter highly likely to create significant restocking activity
 - Minor bulk ton miles: West African bauxite, ASEAN and India infrastructure development acceleration, Lift of Iran sanctions
 - Indian coal needs for electricity generation and steel making may exceed domestic coal production growth in the medium term

Dry Bulk Trade – Full Year Growth (Tons)



Dry Bulk Trade – Full Year Growth (Ton-Miles)





Appendix





Shareholder Base Breakdown

51.8%



Oaktree Capital Management L.P.

- One of the largest private equity firms with \$100 billion assets under management
- Extensive involvement in shipping over the last decade

6.6%

CASPIAN

Caspian Capital L.P.

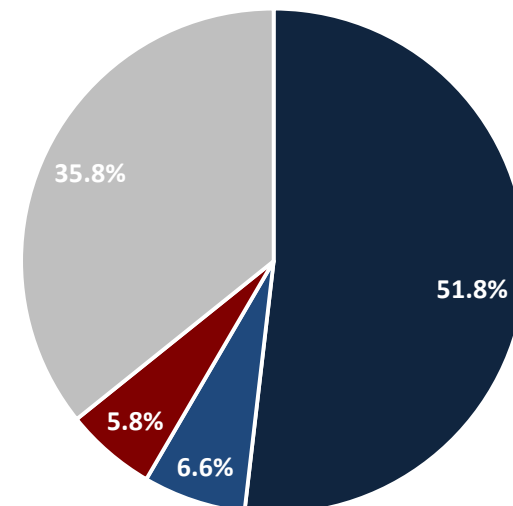
- \$4.7 billion assets under management

5.8%



Pappas Family & Affiliates

- More than 30 years vessel management and operations experience
- Strong track record of well-timed vessel acquisitions and disposals



■ Oaktree Capital Management

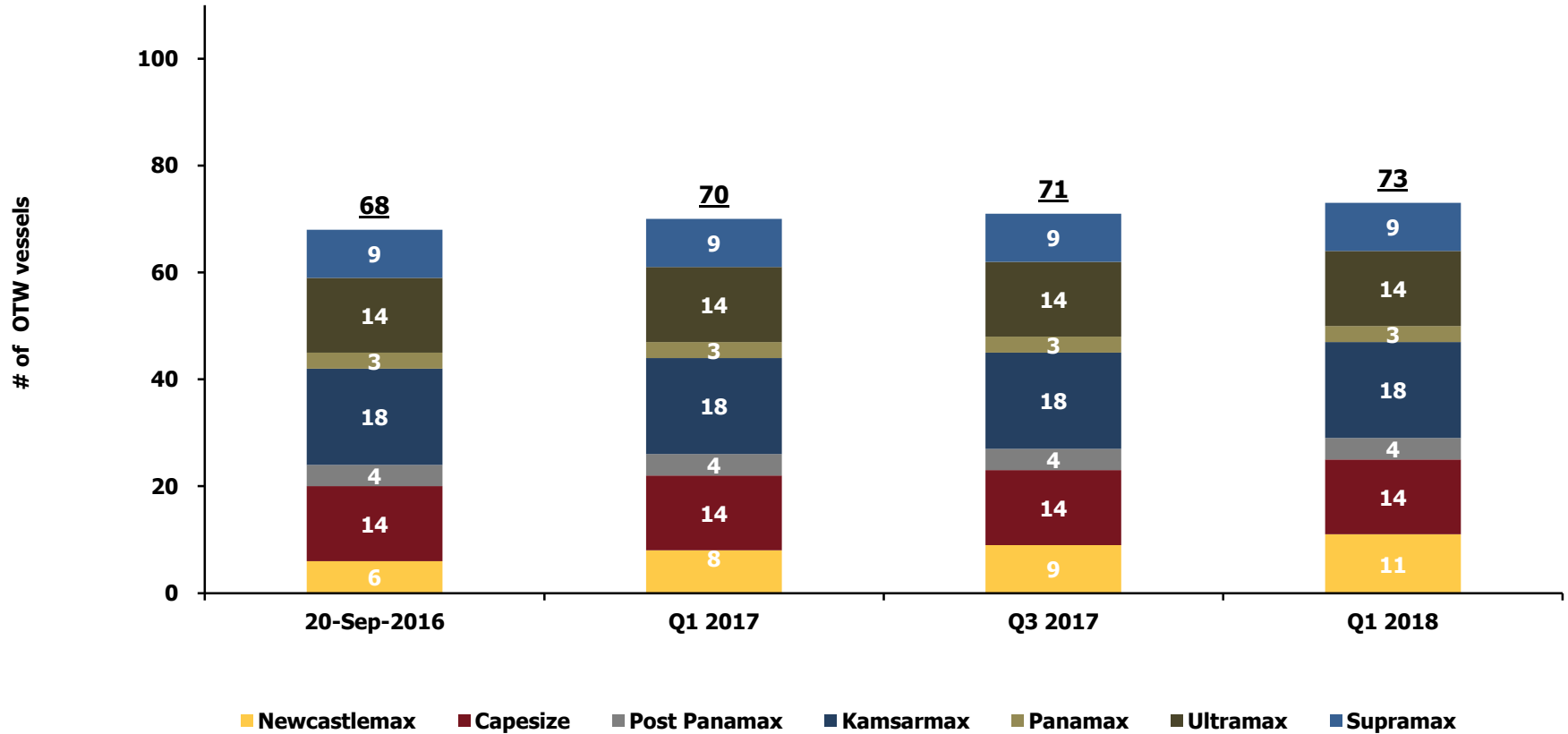
■ Caspian Capital

■ Pappas Family & Affiliates

■ Public

(1) Ownership percentages upon completion of September 2016 equity offering

On a fully delivered basis, our fleet will consist of 73 vessels with 8.2 million dwt with average age of 8.1 years ⁽¹⁾



(1) Represents January 2018 average age; excluding 90's built vessels, and vessel agreed to be sold

Income Statement 2nd Quarter 2016



(in \$000's)	Apr 1 - Jun 30, 2016	Non-cash Adjustments	Adjusted Apr 1 - Jun 30, 2016	Adjusted Apr 1 - Jun 30, 2015
REVENUES:	52,649	47	52,696	49,411
EXPENSES:				
Voyage expenses	(17,722)		(17,722)	(12,891)
Charter in expense	(922)	(19)	(941)	
Vessel operating expenses	(24,459)		(24,459)	(29,181)
Drydocking expenses	(734)		(734)	(4,079)
Management fees	(1,913)		(1,913)	(2,074)
Gain/Loss on derivative instruments	283		283	0
General and administrative expenses	(7,124)	1,653	(5,471)	(5,041)
Vessel Impairment Loss	(339)	339	0	0
Other operational loss	(109)		(109)	0
Loss on sale of vessel	(173)	173	0	0
Total expenses	(53,212)	2,146	(51,066)	(52,716)
Equity in income of investee	14	(14)	0	0
EBITDA	(521)	2,151	1,630	(4,649)
Depreciation	(20,312)		(20,312)	(20,235)
Operating Loss	(20,875)	2,193	(18,682)	(24,884)
Interest and finance costs	(10,222)	147	(10,075)	(7,292)
Interest income and other	(113)		(113)	290
Loss on debt extinguishment	(624)	624	0	0
Loss on derivative financial instrument	(1,088)	(238)	(1,326)	(1,344)
Total other income (expenses), net	(12,047)	533	(11,514)	(8,346)
Net Income / Loss	(32,908)	2,712	(30,196)	(22,319)
EPS	(\$0.75)		(\$0.69)	(\$0.59)

Balance Sheet as of June 30, 2016



(in \$ '000s)	June 30, 2016 (unaudited)	Dec 31, 2015
ASSETS		
Cash and cash equivalents	140,555	208,056
Restricted cash	5,122	3,769
Other current assets	47,862	40,233
TOTAL CURRENT ASSETS	193,539	252,058
Advances for vessels (under construction and acquisition of vessels and other assets)	55,892	127,910
Vessels and other fixed assets, net	1,802,507	1,757,552
Restricted cash	8,785	10,228
Other non-current assets	2,517	1,098
TOTAL ASSETS	2,063,240	2,148,846
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	-	127,141
Lease commitments current	9,137	4,490
Other current liabilities	29,284	35,318
TOTAL CURRENT LIABILITIES	38,421	166,949
Long-term debt (net of unamortized deferred finance fees of \$9,992 and \$14,360, respectively)	761,597	720,237
8% 2019 Senior Notes (net of unamortized deferred finance fees of \$1,461 and \$1,677, respectively)	48,539	48,323
Lease commitments non-current	153,596	75,030
Other non-current liabilities	5,403	2,949
TOTAL LIABILITIES	1,007,556	1,013,488
STOCKHOLDERS' EQUITY	1,055,684	1,135,358
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,063,240	2,148,846

THANK YOU

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