Star Bulk **28th May 2009**

Presenters

- Akis Tsirigakis
- George Syllantavos

Operator: Thank you for standing by ladies and gentlemen and welcome to the Star Bulk Conference Call on the First Quarter 2009 Financial Results. We have with us Mr. Akis Tsirigakis, Chairman and Chief Executive Officer and Mr. George Syllantavos, Chief Financial Officer of the company. At this time all participants are in a listen-only mode. There'll be a presentation followed by a question and answer session at which time if you wish to ask a question please press *1 on your telephone keypad and wait for your name to be announced. I must advise you that this conference is being recorded today, Thursday May 28, 2009.

Please be advised that today's presentation has been posted on our web site which is www.starbulk.com where it is available to download. As a reminder, this conference is also being webcast and is user controlled. To access the webcast, please refer to your earnings press release, which was disseminated last evening from the web address, which will direct you to the registration page. If you do not have a copy of the press release or presentation, you may contact Nicolas Bornozis of Capital Link at 212-661-7566 and he'll be happy to fax or mail a copy to you.
Now, I kindly ask you to turn to slide 2 to view the company's Safe Harbor statement. This conference contains certain forward looking statements within the Safe Harbor provisions of the Securities Litigation Reform of 1995 and investors are cautioned that such forward looking statements involve certain risks and uncertainties, which may affect the company's business prospect and the result of operations. Such risks are more fully discussed in the company's filing with the Securities and Exchange Commission. I'll pause for a second to allow you to read the Safe Harbor statement.

We now pass the floor to one of your speakers today, Mr. Akis Tsirigakis. Please go ahead and thank you sir.

Akis Tsirigakis: Thank you and good morning ladies and gentlemen and welcome to the Star Bulk conference call. I'm Akis Tsirigakis, the Chief Executive Officer of Star Bulk Carriers and with me today is George Syllantavos our Chief Financial Officer.

I am pleased this earnings release provides us with the opportunity to show the sound operating and financial status of Star Bulk Carriers. This is pertinent especially at times of crisis when there is increased tendency to take a brief general look, in the process discounting entire sectors for absence of inclination or clarity to focus on the "Star" performers within a sector.

I wish to use this introduction to make certain brief overall points. We are pleased to report strong first quarter 2009 results. We are financially sound, we have signed loan covenant waivers with all our lenders, we have more than adequate liquidity, we have performing charterers and we have strong net cash generation with substantial contract coverage and earnings visibility. At this time, we do not have commitments to purchase new building vessels or similar capital expenditures that would require us to obtain additional financing.

I should point out here that the Shelf Registration for up to $250 million recently declared effective by the SEC was NOT made out of necessity. The company became eligible for Shelf Registration in December 2008 after being one year operational and it was put in place as a tool to add flexibility and dry powder should suitable use of proceeds be identified.

Please turn to slide 3 of our presentation to discuss our First Quarter 2009 financial results. This is our 6th consecutive profitable quarter and we look forward to expanding this record, something we are confident of.

For the Three months ended March 31, 2009, gross revenue was $45.1 million, net income was $22.5 million representing $0.37 cents earnings per share basic and diluted. Excluding non cash items such as vessel impairment, amortization of fair value of below and above market acquired time charters and amortization of stock based compensation, net income for the fourth quarter 2008, was $22.8 million representing $0.41 cents earnings per share basic and diluted.

EBITDA for the fourth quarter of 2008 was $ 70.3 million. Adjusted EBITDA for the fourth quarter 2008 was $42.9 million. Excluding non cash items the time charter equivalent rate for the fourth quarter of 2008 was $42,451.

For the year ended December 31st 2008, we achieved gross revenue of $238.9 million and net income of $133.7 million representing earnings per share of $2.55 and $2.46 basic and diluted respectively.

Excluding non cash items, net income was $60.8 million, representing $1.16 earnings per share basic and 1.12 diluted.

EBITDA for the year ended December 31, 2008 was $193.8 million, adjusted EBITDA was $120.9 million.

Excluding non cash items the time charter equivalent rate for the year ended December 31, 2008 was $43,097.

Our CFO, George Syllantavos will discuss our financials in more detail later on in our presentation.

Please turn to slide 4 to review our fleet operating performance. An average of 12.1 vessels were owned and operated during the Third Quarter of 2008 earning an average time charter equivalent (or TCE rate as we call it), of $62,156 per day and our fleet utilisation for the quarter was 92%. An average of 10.3 vessels were owned and operated during the first Nine Months of 2008 earning an average TCE rate of $63, 489 per day. Our fleet utilisation for the first Nine Months of 2008 was 91%.

Please proceed to slide 5 to have the overview of our company. We became operational on November 30th, 2007 with an initial fleet of 8 drybulk carriers. Since then, we have additionally acquired 3 Supramax and 2 Capesize vessels, and sold 1 Panamax vessel. Currently, We have an operating fleet of twelve dry bulk carriers with an average age of approximately 9.4 years and a combined cargo carrying capacity of 1,106,250 deadweight tons.

Please turn to slide 6. We so far have achieved a 50% fleet growth since we commenced operations. Not only have we taken delivery of the initial eight vessels we acquired an additional five vessels. To implement fleet renewal we also sold our oldest vessel the Star Iota, a Panamax built in 1983, for $10.35 million, which we consider to be an attractive price for a twenty-five year old vessel with a time charter at substantially below the market levels then. On, October 7, 2008, with the delivery of Star Iota to its buyers, we have completed all deliveries of vessels for either purchase or sale, to date. Through these acquisitions we reduced the average age of the fleet to approximately 9.4 years and exceeded the 1 million deadweight tonnage mark, meaning that we have achieved 62% growth in terms of deadweight. I would like to add that we still have substantial buying capacity and the capability to make further acquisitions and we are very active in seeking further fleet growth and pursuing fleet renewal.

Please turn to slide 7. This slide provides what we believe to be the solid fundaments we offer for the value investor. As mentioned, we have we have one of the highest levels of contracted revenue for 2008, 2009 and 2010 which is, and I repeat a 100%, 74% and 64% respectively, which provides for a secured revenue stream and the ability to pay an attractive dividend, with dividend yield above peer group average, to our shareholders.

Please turn to slide 8. This slide provides you with a shareholding structure. Our current shareholding structure is 81.3% owned by the public, about 18.7% by Star Bulk officers and directors. Since November 30th, 2007 about 64% of the warrants have already been converted to common shares and another 7% approximately have been bought back through our share and warrant re-purchase programme announced in January 24, 2008 thereby reducing our warrant outstanding from 20 million to 5.9 million.

If you would like now to turn to slide 9, this slide provides our fleet employment chart. I won't get into the details as it is self-explanatory.

May we please turn to slide 10? A high degree of forward coverage depicted graphically here allows for visible and stable cash flows that significantly protected from market volatility that may arise. I believe it is important to mention this because any volatility in today's trade rate as depicted in the DDI or Dry Dock Index does not have any effect on our cash flow since we are 100% contracted for 2008. Additionally, to date, we are 74%, 64% and 20% contracted for 2009, 2010 and 2011 respectively. I would also like to add that under our time charter arrangements all the fuel cost be past to the customers, that is to the charterers. Finally our time charter coverage is able to sustain a dividend policy and impairs our gross prospects.

Please if you would like to turn to slide 11 now. This slide provides you with our Fleet Time-Charter Equivalent breakdown for the year 2008 and 2009 depicted graphically. Please note, on this graph, unfixed revenue days are estimated using current FFA rates.

Please proceed to slide 12 which shows our strategy which is mainly to continue our growth and take advantage of the growth potential of the developing countries.

I will now pass the floor over to our CFO, George Syllantavos to discuss our financials. George.

George Syllantavos: Thank you Akis, good morning to everyone. Let us move to slide 14, Balance Sheet. As of September 30 this year, our fixed assets amounted to $837.3 million and total assets amounted to $892.4 million. Non-current liabilities amounted $314.1 million, our stockholders equity was up at $520.2 million and total liabilities and stockholders equity totalled $892.4 million.

Moving to slide 15, I must reiterate that we commenced operation during the Fourth Quarter of 2007 therefore we're unable to present a meaningful comparison of our results between third quarter '07 and third quarter of '08.

For the Nine months ended September 30th 2008, voyage revenues, without adjustments, amounted to $116.1 million; Net Income, without adjustments, was $83.5 million which represented just over a $1.63 earnings per share calculated on 51,201,845 weighted average number of shares basic; and $1.54 earnings per share calculated on 54,200,802 weighted average number of shares diluted.

Net income includes a vessel impairment loss of $3.63 million, or $0.07 per basic and diluted share, in connection with the sale of the vessel Star Iota; Amortisation of fair value below and above market acquired time charters of $51.81 million, or $1.01 and $0.96 per basic and diluted share, respectively, attributable to the amortization of the fair value of time charters attached to vessels acquired, which are amortized over the remaining period of the time charter as increases to net revenue and depreciation expense, and expenses of $2.66 million, or $0.05 per basic and diluted share, respectively, relating to the amortization of stock based compensation recognized in connection with a total of 315,000 restricted common shares issued to directors

Please turn to slide 16 to discuss our third quarter income statement.
For the third quarter ended September 30th 2008, voyage revenues amounted to 65.18 million, net income was $35.24 million representing 63 cents earnings per share calculated on 55,873,973 weighted average number of shares basic and 62 cents earnings per share calculated on 56,971,504 weighted average number of shares diluted.

Net income would include a Vessel gain of $1.02 million, or $0.02 per basic and diluted share, in connection with the sale of the vessel *Star Iota*. Amortization of fair value of below/above market acquired time charters of $16.89 million, or $0.30 per basic and diluted share, respectively, attributable to the amortization of the fair value of time charters attached to vessels acquired, which are amortized over the remaining period of the time charter as increases to net revenue and depreciation expense.

Expenses of \$0.44 million, or \$0.01 per basic and diluted share relating to the amortization of stock based compensation recognized in connection with a total of 315,000 restricted common shares issued to directors.

Excluding all of the above items for the quarter ended September 30th ’08, adjusted net income was \$17.77 million, representing 32 cents earnings per share calculated on 55,873,973 weighted average number of shares basic; and 31 cents earnings per share calculated on 56,971,504 weighted average number of shares diluted. Therefore the effect of the above items on earnings per share would be 32 cents and 31 cents per basic and diluted share respectively.

I would now like to pass the floor back to Akis for the conclusion of the presentation.

Akis Tsirigakis: Thank you George. I would like to make some comments on in general the market conditions; and some points on supply and demand for drybulk shipping.

If we look historically, turning to page 18, in October 2008, we have had the highest monthly scrapping with about 0.5 Million Deadweight ton bulkers being scrapped. This amount equals the cumulative scrapping of the last 24 months.

If we now turn to slide 20, we provide you with the confirmed and/or alleged newbuilding cancellations. To date, 335 vessels, or about 36 Mdwt have been cancelled. This totals about 53% cancellations of 2009 order books with more cancellation likely to happen in near future.

Now turning to slide 21, we would like to point out the reason why cargo movements are at a standstill.

According to the World Trade Organisation statistics, 90% of the world trades are facilitated by Letters of Credit. However, recently, Banks are not issuing letters of Credit and have literally stopped guaranteeing buyer’s performance. This has moved the cost of Letters of Credit up by about 200 to 300%. Once the issuance of Letter of Credit normalizes, we will start seeing the cargo movement.

Moving to Slide 22, we would like to point out the fact that China recently announced \$586 billion, which is about 15% of its GDP, stimulus package, of which 20% is planned for Fourth Quarter 2008. More than 50% is earmarked for infrastructure development in china, and China is aiming about 8-9% growth in 2009. This should help the market conidition to improve in the near future.

Again I would like to reiterate that we are not vulnerable to short term market volatility and indeed our profit margins allow continuing paying our dividend in a secure manner and have a sustainable growth, and would like to conclude this presentation. Thank you and if you would like to have any questions, we'd be happy to entertain them.

Operator: Thank you very much indeed Mr Tsirigakis. If you wish to ask a question please press *1 on your telephone and wait for your name to be announced. To cancel your request, please press the # key.