Corporate Participants

Spyros Capralos
President & CEO – Star Bulk Carriers

Simos Spyrou
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Conference Call Participants

James Woods
FBR Capital Markets

Michael Pak
Clarkson Capital

Tamas Eisenberger
Blue Shore

Presentation

Operator
Thank you for standing by and welcome to the Star Bulk conference call on the Fourth Quarter and Year-End 2011 Financial Results. We have with us Mr Spyros Capralos, President and Chief Executive Officer, and Mr Simos Spyrou, Chief Financial Officer of the Company. At this time all participants are in a listen-only mode. There will be a presentation followed by a question and answer session at which time if you wish to ask a question you will need to press *1 on your telephone. I must advise you this conference is being recorded today, Thursday 16 February 2012. I would now like to hand over to one of your speakers today, Mr Spyros Capralos. Please go ahead sir.

Spyros Capralos – *CEO & President – Star Bulk Carriers*
Thank you operator. I am Spyros Capralos, President and Chief Executive Officer of Star Bulk Carriers, and I would like to welcome you to the Star Bulk Carriers Fourth Quarter and Year-End

2011 Financial Results conference call. Along with me today to discuss our financial results is our CFO, Mr Simos Spyrou.

Before we begin, I kindly ask you to take a moment to read the Safe Harbour statement on the slide number 2 of our presentation.

Let us now turn to slide number 3, to first discuss our fourth quarter 2011 financial highlights. In the fourth quarter, gross revenues amounted to $26.9 million posting a 16% reduction versus the same period of 2010. General and administrative expenses were reduced by 61% to $2.4 million in Q4 2011, versus $6.3 million in Q4 2010, mainly due to lower stock-based compensation expenses of $3.3 million in the fourth quarter of 2011, compared to the same period in 2010. Even if we exclude the non-cash amortization of stock-based compensation expenses, G&A expenses were reduced by 14%, from $2.8 million to $2.4 million. Our net loss for the fourth quarter 2011 amounted to $69.3 million, which includes a $62 million impairment loss related to two of our Capesize vessels, namely Star Sigma and Star Ypsilon, the two oldest vessels in our fleet both built in 1991.

Excluding non-cash items, our net loss for the fourth quarter amounted to $3.1 million. Adjusted EBITDA for the fourth quarter 2011 was $12.5 million, while our average daily operating expenses were $6,028 per vessel. In the fourth quarter 2011, the time charter equivalent was $19,561 per day. The adjusted net loss of $3.1 million represents a $0.04 loss per share, basic and diluted, which is slightly better than analyst consensus of $0.05 loss according to Bloomberg.

Please turn now to slide 4, to discuss our year-end December 31, 2011 financial highlights. Gross revenues for the year amounted to $105.2 million, versus $121 million in 2010, a reduction of 13%. Our general and administrative expenses for 2011 amounted to $12.5 million, versus $15.4 million in 2010, a reduction by 19%. Even if we exclude the non-recurring severance payments and the non-cash amortisation of stock-based compensation, G&A expenses in 2011 amounted to $8.3 million, versus $8.9 million in 2010, posting a 7% reduction. 2011 net loss amounted to $68.9 million; again this figure includes a $62 million non-cash impairment loss in the fourth quarter of 2011 for the two Capesize vessels.

Excluding non-cash items, our adjusted net loss for the full year 2011 amounted to $1.1 million, which represents a loss of $0.02 per share. Adjusted EBITDA for full year 2011 was $53.4 million, while average daily operating expenses were $5,643 per vessel. The time charter equivalent for the full year of 2011 was 19,989 per day versus 26,859 in 2010.

Please turn now to slide 5, to briefly discuss some important company highlights. We recently announced that the vessel Star Sigma, which was time chartered to Pacific Bulk Shipping Ltd, of Hong Kong, until October 2013 at a gross daily rate of 38,000 was readily available to Star Bulk Carriers. Pacific Bulk has paid us a lump sum of $5.7 million in cash for the early delivery of this vessel. In addition to the lump sum payment, Pacific Bulk supplied Star Sigma with 1,027 metric tons of fuel, valued approximately at $700,000. Following its re-delivery to us, the Star Sigma was employed in the spot market under a four year charter at a gross daily time charter equivalent rate of approximately 29,400, and is expected to complete its voyage, end March 2012.

Following this re-delivery and agreement with Pacific Bulk Shipping, we have no legacy charters outstanding in our fleet employment list, while our long-term charters are with first class counterparties. Therefore, we feel no longer subject to material counterparty risk regarding the fixed portion of our revenues. Furthermore, the inevitable disconnect between the static book values dictated by U.S. GAAP rules and the volatile market conditions of our ships have led to the adjustment of the Star Sigma's and Star Ypsilon's book value, which resulted in a non-cash impairment loss of $62 million in the fourth quarter of 2011.

The company's test for impairment of its long-lived assets - whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable - the company performs an impairment analysis for all the vessels in its fleets by comparing undiscounted cash flows to the carrying values of vessels. As unfavourable market conditions prevailing at the end of the reporting period led to declining vessel values and charter rates, the exercise indicated that the book values of these two vessels were unrecoverable. As a result, we had to take this impairment loss in order to bring the vessel's book values in line with actual current market levels.

During the fourth quarter 2011, we also took a loss on bad debts of $2.4 million associated with a write-off of two charterers' balances. We prefer to take a more conservative approach and write-off these receivables so as to keep our balance sheet as clean and transparent as possible. Of course, we will continue to pursue payments of these receivables. Having in mind the current market conditions and the importance of rewarding our shareholders, our Board of Directors took a series of decisions, in order to safeguard the company's future growth prospects, while maintaining our stock's attractiveness. Bearing in mind the current lower charter rates, our first priority was to preserve and reinforce our cash reserves. We decided to lower our quarterly cash dividend to 1.5 cent per outstanding share for the fourth quarter 2011, while we recently expanded our share repurchase plan.

The combination of these two decisions will provide the company with a flexibility to reward shareholders in accordance with market conditions. Should low charter rates proceed throughout this year, this cash will be spent on the company's operating expenses and servicing its debt while, if rates turn out better than expected, we'll have the flexibility to buy back shares, and indirectly reward our shareholders. It is important to mention that the additional cash might also be utilised on opportunities that are expected to surface in these weak markets with distressed assets. Our intent is to continue to reward our shareholders with regular quarterly dividends and an attractive return, without compromising our long-term growth prospects. The dividend will be payable on or about March 6, 2012 to shareholders of record as of February 28, 2012.

We lowered our dividend for the fourth quarter to 1.5 cent per share, enabling us to conserve cash during this weak market. Our intent is to continue rewarding our shareholders with a regular dividend and an attractive return, without compromising our long term prospects. Since the extension of the repurchase plan, we have purchased 319,000 shares at an average price of $0.98 per share. We announced the repurchase plan on January 23 and, on January 31, the trading window was closed for the reporting of our financial statements. We are also pleased to be enjoying the continued support of our lenders, as evidenced by the $64.5 million loan we agreed on at the beginning of the fourth quarter of last year. These funds were used to refinance two of our older facilities at improved terms and conditions.

Please turn now to slide 6, to discuss our balance sheet profile, which we believe is one of the healthiest in the drybulk industry. First of all, I would like to say that we have zero Capex commitments as well as no exposure to interest rate swaps, so we are able to take advantage of the prevailing low interest rate environment as all of our loans are based on floating rate. As of today, total debt stands at $258.4 million, and our current cash position stands at $40.5 million. Therefore, our net debt stands at $217.9 million. It is important to mention that, according to analyst consensus estimates on Bloomberg, our 2012 EBITDA is expected to be around $47.4 million, and so our net debt stands at around 4.6 times consensus 2012 EBITDA.

We feel comfortable regarding the prompt service of our loans, as our remaining principal repayment obligations for 2012 stand at $27 million, and our financing cost is quite competitive compared to current environments. Indicatively, the average cost of loans in the fourth quarter 2011 were interest at LIBOR plus a margin of 2.77%. As you can see in this graph, our debt amortisation profile for 2013, '14 and '15 stands at $35 million, $36 million, and $28 million respectively. We believe that these characteristics make Star Bulk one of the most financially solid players in the drybulk industry today.

Please turn to slide 7, for an overview of our fleet employment and our counterparties. This information is also available on our website in a very transparent manner and is updated regularly. Currently, we have secured 58% of our operating days in 2012, and 38% in 2013, with most of the open days in the Supramax category. Specifically, our time charter coverage in the Capesize segment is 75% for 2012, and 62% for 2013. We plan to opportunistically secure our two Capesize and our Supramax vessels with upcoming contract expirations on fleet employment as the freight rate environment improves. Our total contracted revenue amounts to approximately $190 million, while it is worth noting that we no longer have legacy charges from the hires of 2008 that would be extremely difficult for our charterers to cope with. Moreover, I would like to highlight solid profile of our charterers with companies like Rio Tinto, Cargill and Louis Dreyfus among our counterparties.

Please turn to slide 8. During 2011, we took delivery of four Capesize vessels and increased our operating fleet by 75% in terms of cargo-carrying capacity. As you can see in the bar graph on the lower left-hand side, we have managed to grow our fleet from the beginning of 2011 from around 900,000 tons to just above 1.6 million deadweight tons by the end of 2011. In addition, our fleet management capacity has almost doubled in 2011 with 16 vessels in total. Our fleet growth has resulted in a significant increase in our contracted income and our revenue visibility, which we believe can protect our company's financial health in a persistent low rate environment. It is also worth noting that in the process of growing our fleet, we have also been renewing it. Since our inception we've sold three of our older vessels, while acquiring eight younger vessels.

Please turn to slide 9. Our strategy to bring the technical fleet management in-house in late 2009 has produced tangible results quarter-after-quarter. Our cost-cutting efforts in our operating and G&A expenses have played a key role in our financial and operating performance in these challenging market environment. On the top right graph, you can see that while the weighted average size of our vessels increased by 23% from 83,000 to 102,000 deadweight tons, our average daily operating expenses were practically the same.

On the bottom right graph, you can see that, while the average number of employees increased again by 23% from 32% to 39%, our G&A expenses excluding the one-off severance payments were reduced compared to last year. What I believe is impressive, though, is a fact that while we've been prudently containing our expenses, our ship management quality standards have been maintained at very high levels. The lower left-hand side graph shows Star Bulk's average deficiencies per port state control inspection versus the industry average. As you can see, not only have we consistently outperformed the industry, but we also continue to improve our quality standards every year. I'm extremely proud of our performance in this regard, as I believe that management efficiency is critical for all shipping companies, especially in challenging periods.

Moving forward, we remained focused on further optimising operating costs and implementing our quality objectives. The following slide 10 provides an overview of our management and operational structure. Star Bulk has fully integrated in-house commercial and technical management capabilities. This integrated structure offers a number of advantages like increased operational flexibility, cost control, high standard, quality control and maintenance, which leads to increased fleet utilization, while optimising our operating expenses.

We have achieved all of the above, while being totally transparent since we have practically eliminated any related party management transactions. As recognition of our ship management's efficiency, I will mention that we have taken a third party vessel under our management for a daily fee of $750; while this fee might not be material for our financial results, I think it's a step towards higher efficiency and optimization rewarding also our company for our in-house, commercial and technical management capabilities.

Now I'll ask Mr Simos Spyrou, our CFO, to discuss the financials and give you an update on the market developments. Thank you.

Simos Spyrou - *CFO– Star Bulk Carriers*
Thank you, Spyros. Let us now move to slide 12 for an overview of our balance sheet as of December 31, 2011. Current assets were $32.1 million; our fixed assets amounted to $638.5 million, and total assets amounted to $718.6 million. Current liabilities were $52.2 million, while non-current liabilities amounted to $231.6 million, and stockholders' equity was at $434.9 million, as a result of our recent follow-on offering.

I would like to take this opportunity to advise investors that are not familiar with some specific mechanics of the shipping industry to be extremely cautious and thorough when looking at our balance sheet.

Due to the fact that as many of our vessels were acquired in a market environment with substantially higher freight rates and vessel values than the prevailing ones, the book value of these assets are also substantially higher than the current market values. Indicatively, our fleet's book value as of December 31, 2011 stood at $638 million, while its charter fleet market value stood at $348 million.

If we can now turn to slide 13, to discuss our fourth quarter 2011 income statement, I'd like to point out that our results include non-cash items amounting to $66.1 million, which is depicted in the middle column, and the adjusted figures exclude this. In particular, non-cash items include an impairment loss of $62 million related to the two Capesize vessels; $1.6 million related to the amortisation of above market acquired time charters; expenses of $200,000 relating to the amortisation of stock-based compensation and unrealised income of $100,000 associated with the mark-to-market valuation of all the combined derivatives, and the loss on bad debts of $2.4 million associated with the write-off of two charterer's balances. For the fourth quarter of 2011, total voyage revenues amounted to $26.9 million. Net loss for the fourth quarter of 2011 amounted to $69.3 million or $0.86 per share loss. Excluding the non-cash items, net loss for the fourth quarter of 2011 amount to $3.1 million or $0.04 per share loss.

Please turn now to slide 14, to discuss our full year 2011 income statement. Non-cash items included in our year-end results amounted to $67.9 million, which again are depicted in the middle column, and the adjusted figures exclude this non-cash items. For 2011, non-cash adjusted revenues amounted to $107.6 million compared to $119.7 million for 2010 reduced by 10%. Revenues for fiscal year 2011 decreased from 2010 due to a weaker charter rate environment. Our net loss for the year ended December 31, 2011 amounted to $69 million, representing a $0.97 per share loss basic and diluted.

Non-cash items include the following items: the impairment loss of $62 million for the two Capesize vessels; an increase of revenue of $500,000 representing the amortisation of the remaining balance of the fair value of below market acquired time charter attached to the vessel Star Cosmo; the amortisation of fair value of above market acquired time charters of $2.4 million associated with the time charters attached to the vessels acquired within the third quarter 2011; expenses of $1.4 million relating to the amortisation of stock-based compensation recognised in connection with the restricted shares issued to directors and employees of the company; an unrealised loss of 100,000 USD associated with a mark-to-market valuation of the company's derivatives, and a loss on bad debt of $2.4 million associated with the write-off of the balances due from two charterers.

Excluding these non-cash items, net loss for the year ended December 31, 2011 would amount to $1.1 million or $0.02 per share loss. Our dry-docking expenses for the year ended 2011 were $3.1 million compared to $6.6 million in the fiscal year 2010. The reduction was mainly due to the fact that, during 2011, we had four Supramax vessels that underwent a dry-docking survey, compared to two Capesize vessels and two Supramax vessels that underwent dry-docking in the same period of 2010. In 2011, dry-docking expenses exclude the vessel Star Big, which is a Capesize vessel whose dry-docking commenced the same day that she was delivered to the company and the respective expenses were capitalised.

The increase in vessel operating expenses and dry-docking expense for the year 2011 versus 2010 was due to the increased number of vessel in our fleet, and the increased average vessel size. Voyage expenses increased to $20.8 million for the year ended December 31, 2011, mainly due to increased expenses related to more unfixed days under our Contract of Affreightment for the year-ended 2011, compared to the same period of 2010. The revenue earned from the respective COA for 2011 amounted to $20.2 million. G&A expenses totalled $12.5 million during 2011, compared to $15.4 million during 2010. This represents a decrease of 19%. Excluding non-recurring severance payments and non-cash stock-based compensation, G&A expenses amounted to $8.3 million compared to $8.9 million during 2010. This marks a decrease of 7%; however, it is important to mention that this decrease occurred while our average number of employees increased from 32 in 2010, to 39 on average in 2011.

Please turn now to slide 15. We believe we are in a healthy financial position to weather the current turbulence in the drybulk markets. Our 2012 contracted, or already earned revenue covers about 75% of our 2012 projected cash needs, while our coverage for this period stands at 58%. According to our calculations, our unfixed vessels need to earn about $12,000 per day to make up the remaining 25%. Our unfixed days for 2012 stand around $2,300, so every 1,000 USD below that $12,000 threshold results in a $2.3 million cash deficit. With around $44 million of cash at the beginning of the year, I feel quite comfortable of this environment. Rates recently have been improving as expected following the end of the Chinese New Year. Still, we believe the drybulk market in 2012 will mirror 2011, which means there will be spikes in the market that we can take advantage of. This is evident today as January witnessed one of the worst months on record for the drybulk market, while over the past couple of weeks, we have seen rates improve. In today's market, we are witnessing historical lows in asset values, and this gives us the opportunity to acquire vessels at prices that we believe will be accretive to earnings over the next few years as the supply-demand curve improves.

I'd like now to give you a brief update on the drybulk markets. Please turn to slide 17 for a supply update. Drybulk vessel deliveries in January 2012 continued at a record high pace and had a negative impact on the BDI, which had declined for 33 consecutive sessions. Such volatility in the market has become common. We expect deliveries in 2012 to continue at a high pace, but should slow down after 2012. As you can see on the top right-hand graph, deliveries in the period 2008 to 2011 had an average slippage rate of around 30%. We expect slippage rate in

2012 to remain at similar levels. In fact, some industry participants believe that this number could even increase as financing for new buildings has become extremely difficult.

On the bottom right-hand graph, we provide the order book for the remainder of 2012, 2013 and 2014. As you can see, the drybulk industry still has to go through a process of absorbing a very big number of new vessels that will come into the market this year. However, the current order book for 2013 onward stands at significantly lower levels. What is important and encouraging is the fact that Bulk Carrier demolition during 2011 increased to an all-time record of 22.3 million deadweight tons. Low charter rates made it unprofitable to run over 8 vessels and higher scrap values made demolition an attractive alternative. As you can see in the lower left-hand side graph, scrapping was quite strong in January with 1.9 million deadweight tons of drybulk vessel going to the scrap yards. A pickup in scrapping slows down the fleet's net growth rate, which effectively could provide some relief to the supply pressures.

Please turn now to slide 18 for an update on demand. On the top right bar graph, we compare the iron ore export volumes of first quarter over fourth quarter from 2005 to 2011. The graph shows clearly that the first quarter is a seasonally weak period compared to the last quarter of this year. The graph shows clearly that this is usually due to the heavy rains afflicting both Australian and Brazilian iron ore output, and the majority of thermal coal exporters. 2012, while certainly not as bad as 2011, doesn't seem to be an exception with ore export drops already recorded in both Australia and Brazil. This lower trade volumes coincided with January's heavy delivery schedule and put additional negative pressures on freight rates. We expect iron ore trade volumes to increase from both Australia and Brazil to China, which should help rates recover.

In the lower right graph, you can see that during 2011 we experienced strong growth in Seaborne trade supported by the strong demand for thermal coal and iron ore. The last graph is the reason why we believe that this trend will continue in the future, supported by mainly the industrialisation and urbanisation of China, and other emerging economies. On this graph we compare steel consumption per capita versus GDP in China over the past decade, versus Japan from 1956 to 1986; Germany from 1950 to 1970, and South Korea from 1976 to 1996, a time when infrastructure development was surging in those countries. We can clearly see that this industrialisation and urbanisation phase had a similar pattern in the graph, and you can see China's projected growth curves with a dotted line in the graph. What makes us even more optimistic is the fact that China's size and population is more than 10 times that of each individual country in the graph. We believe that this will both intensify and prolong China's growth course, and continue to provide additional demand for drybulk shipping for the foreseeable future.

I'd like now to pass the floor back to Mr Capralos for his closing remarks.

Spyros Capralos – *CEO & President – Star Bulk Carriers*

Thank you, Simos, and before you start your questions, in conclusion - as you can see on slide 20 - we believe that Star Bulk is well positioned from a financial and operation point of view to not only sustain the company, but also take advantage of the opportunities in the drybulk markets. On top of our high quality modern fleet, Star Bulk also has one of the most diverse group of five financially solid charterers in the sector.

As we discussed earlier in our presentation, our campaign to bring our fleet's management in-house has provided tangible results as it has led to a meaningful increase in our efficiency and transparency, while lowering daily vessel operating cost over the past year. We have a moderately leveraged balance sheet and healthy liquidity profile, and an experienced and dedicated management team.

Without taking any more of your time, I'll now pass the floor over to the operator and, in case you have any questions, both Simos and myself will be happy to answer them

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Questions and Answers

Operator

Thank you, Mr Capralos. We'll now begin the question and answer session. To ask a question, please press *1 on your telephone keypad. Your first question, gentlemen, from FBR Capital Markets, comes from James Woods. Please ask your question, sir.

James Woods – *FBR Capital Markets*

Good morning, gentlemen. My question has to do with - you spoke about the potential for seasonal spikes or dislocations in the drybulk market - just looking forward into 2012, do you have any sort of further colour on where you could see those coming from?

Spyros Capralos – *CEO & President – Star Bulk Carriers*

Good morning, James. We think that, first of all, January has been one of the worst months in the history of shipping overall in the drybulk sector. Therefore, we think that the market can only improve and therefore that's one of the reasons that at these rates we're not committing our Supramax vessels for longer-term charters. That's why we're going to have in the spot market some of them, and only if we see the market improving, then we'll be ready to commit for longer-term charters.

James Woods – *FBR Capital Markets*
Okay, that's helpful, and I recognise that these markets are difficult to predict for you guys, as well as for us a little bit more on the outside, but do you see any themes unfolding - as we talked about last year, the reconstruction of Japan and some other things that were sort of thematic drivers, or they could have become thematic drivers of demand for Bulkers - over the course of the year, do you see anything like that developing that could offer a tailwind to rates, to get them out of these bottoms?

Spyros Capralos – *CEO & President – Star Bulk Carriers*
Well, we think that overall demand is going to be healthy again this year, especially on the iron ore and the coal markets. Again, we are getting closer to the grain season, which will help for the market to pick up but, apart from that, on the negative side we have the new supply of vessels, which of course is putting tremendous pressure on the market price and charter rates.

James Woods – *FBR Capital Markets*
There have been some anecdotes recently about a weak agricultural season, or at least weak agricultural exports, even weaker than normal for this time of year coming out of say the Gulf Coast and also a weak harvest coming out of Latin America - is that something that you guys are thinking about with respect to fixing your Supramaxes, or do you think that's not really going to make much of an impact?

Spyros Capralos – *CEO & President – Star Bulk Carriers*
Well, we do not have our own forecast for the agricultural season and how it will develop and how big the crop is going to be, but I'm sure the crop will need to be moved around and if some part is not so good, some other parts of the world will also develop their own production and, therefore, they will need also to carry it further.

James Woods – *FBR Capital Markets*

Well, I will turn it back on that, gentlemen. Thank you for your time. I appreciate it and look forward to speaking with you again.

Spyros Capralos – *CEO & President – Star Bulk Carriers*

Thank you, James.

Operator

Thank you, sir. Now, from Clarkson Capital, you have a question from Michael Pak. Please ask your question.

Michael Pak - *Clarkson Capital*

Yes, good afternoon, guys. I appreciate the run-down you guys gave - it's very nice. Can I just ask a couple of questions on the book value, carrying values - the write-down on two Capes - I was hoping you can provide what the new carrying values on those Capes are now, going forward.

Spyros Capralos – *CEO & President – Star Bulk Carriers*

Good morning, Michael. Simos will answer this.

Simos Spyrou - *CFO– Star Bulk Carriers*

The carrying value that we have for Star Sigma, which is a 180,000 deadweight tons, Cape has 40 million versus 11.5 million carrying value for Star Ypsilon, which is a smaller Cape.

Michael Pak - *Clarkson Capital*

Okay. And, considering that I think you mentioned that as you did your impairment test the decision was made that the book value was unrecoverable, at least in the near-term - what is your thinking on these two older vessels? Would you consider selling them? You guys have done a good job of selling the old and buying the new, so what's your thinking as you think about your fleet and your strategy, going forward? Thanks.

Spyros Capralos – *CEO & President – Star Bulk Carriers*
Thank you, Michael. Regarding those two older ladies, we have all the options open. With such a market and current rates it doesn't really make much sense to operate, so we'll be looking either with market improving to charter them out, or even considering selling them and replacing them with newer vessels. I have also a comment on the issue of the valuation of the fleet. I think there is quite a big discrepancy that is happening in the financials of many of the shipping companies. We intend to talk to the SEC, our auditors and lawyers, in order to bring up-to-date the market values, at least in our case for our Supramax fleets, and take an impairment loss when this will be permitted. That will bring more transparent financials and should be established as an industry practice to facilitate investors in their decision-making.

Michael Pak - *Clarkson Capital*
Thank you for sharing that. That's very useful. My questions is - just a couple more before I let you go - the fleet value you mentioned, Simos - that's as of year-end 2011, right? It's not the current one, or is it?

Simos Spyrou - *CFO– Star Bulk Carriers*
Yes.

Michael Pak - *Clarkson Capital*
Then just one last thing from a strategic standpoint - you highlighted the solid balance sheet position and, considering that you've completed your new build program, I'm just trying to understand why you would cut the dividend substantially the way you did - if you can just help us understand that would be great. Thank you.

Simos Spyrou - *CFO– Star Bulk Carriers*
Okay. First of all, in today's markets with current charter rates *[line disconnected]...*

Operator

Please continue to stand by, ladies and gentlemen, while I reconnect the main speaker for you. Ladies and gentlemen, your speaker has rejoined you.

Spyros Capralos – *CEO & President – Star Bulk Carriers*

Hello?

Operator

They can't answer you, but you can be heard nice and clearly, sir. Please continue.

Simos Spyrou - *CFO– Star Bulk Carriers*

I don't know at what point I was cut, when I was talking about the dividend policy and why it was a decision of the Board to reduce the dividend to 1.5 cent per quarter.

Operator

Mr Pak, would you be kind enough to repress *1, and I can open your line again? Excellent, thank you. Michael Pak's line is now opened.

Michael Pak - *Clarkson Capital*

Hi, guys - we got disconnect from the beginning - it was regarding the dividend policy.

Spyros Capralos – *CEO & President – Star Bulk Carriers*

Michael, let me say about the dividend policy - first of all it was a decision to pay a dividend of 1.5 cent for the fourth quarter of last year and it's the Board's intention to continue paying 1.5 cent for all the quarters for this year, and to have a stable dividend for all 2012. That's point number one. Second, it was decided to reduce the dividend to that level because we felt that in today's charter environment the cash flow generated would not be enough to sustain that dividend and would need to up cash, and cash is very valuable. We felt that at the 6% yield in today's market that is a meaningful dividend for our shareholders, because we've always tried to give to our shareholders a meaningful dividend, and we felt that the previous dividend that had a yield of approximately 20% was not appreciated by the market in several quarters. Finally, we feel that cash is king; it's good to have in those challenging markets enough cash and you know that we have, in order to take advantage of opportunities that exist today and will exist even more in the future months.

Michael Pak - *Clarkson Capital*
I appreciate that. Thanks for your time, guys.

Operator
Gentlemen, there appear to be no further questions. I am sorry, there is - just a moment please - yes, I have it. From Blue Shore, you have a question from Tamas Eisenberger. Please ask your question.

Tamas Eisenberger – *Blue Shore*
Good morning, gentlemen.

Spyros Capralos – *CEO & President – Star Bulk Carriers*
Good morning, Tamas.

Tamas Eisenberger – *Blue Shore*
Very nice results and we just wanted to compliment you on the fantastic job that you guys have been doing in these very terribly difficult markets – we're very happy to know that our assets are managed by you guys. Secondly, I wanted to say that we believe that cutting the dividend was absolutely the right thing to do because as significant shareholders we would prefer our cash to be reinvested in cheap stocks - cheap assets that you have currently. Thirdly, we very much support the continued share buy-back because we do think that instead of levering of the balance sheet, the best investment of your cash is to invest in your own ships, so again just wanted to say congratulations and keep up the good work.

Spyros Capralos – *CEO & President – Star Bulk Carriers*
Thank you very much. That's very encouraging to hear it from you, Tamas, and of course we'll continue doing - we express the strategy and the intention of the Board - what we want to do and

how we move forward and we think that, in these challenging times, we should try to preserve as much cash as possible because there are definitely going to be lots of opportunities. Therefore, renewing the fleet; buying newer vessels; not committing long-term some of our assets especially on the Supramax sector; having also chartered the Capesize vessels for all 2012 and part of 2013, where we expect that the market will start improving, I think makes a conservative strategy and makes this company stronger to face the challenges of the future.

Tamas Eisenberger – *Blue Shore*
Okay, thank you.

Operator
Gentlemen, there appear to be no further questions. Please continue.

Spyros Capralos – *CEO & President – Star Bulk Carriers*
Again, thanks everybody for taking the time to join us today for our earnings conference call. We're focused and Star is focused on future profitability and growth, continually rewarding the shareholders with meaningful dividend, and our first quarter results for 2012 is scheduled for end of May. Until then, we are determined to generate good news for our shareholders. Thank you very much.

Operator
With many thanks to both our speakers today, that does conclude our conference. Thank you for participating. You may now disconnect. Thank you, Mr Capralos and Mr Spyrou.